

Answering for Ourselves: Accountability for Citizen Organisations

By David Bonbright with Srilatha Batliwala¹

Introduction

Accountability has become such a hot topic, especially with relation to the citizen sector, that it provides the organising theme for the 2007 CIVICUS World Assembly. What has caused this clamour? A significant part is politically motivated – there is a mix of resentment and genuine concern at the increasing voice and influence that citizen organisations at all levels have gained in public policy over the past few decades. Decision-makers in governments, multilateral institutions and corporate boardrooms increasingly have to take account of the voices of organised citizens.

However impressive the gains of this citizen voice, we must confront the humbling truth that some of this concern is quite legitimate. Many citizen organisations claim a seat at the policy table without being able to adequately demonstrate our legitimacy or our accountability to those in whose name we speak. The most significant questions about our accountability arise from within our own sector – from the growing recognition that we are not sufficiently answerable to the people whose lives and communities we affect or for the outcomes we seek together.

This paper is meant to trace a bright line through the mountain of words piling up about accountability to help us identify some essential ingredients for our deliberations in Glasgow. It does not attempt to provide a comprehensive overview of current accountability literature or initiatives, which are addressed in two annexes to this paper available on the CIVICUS website.²

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² *Annex 1: Citizen Sector Accountability – Initiatives and Papers* and *Annex 2-NGO Accountability: A Review of the Literature* <http://www.civicassembly.org/default.asp?page=155>

Rather, we attempt to follow the dictum of American legal philosopher Oliver Wendell Holmes, who said “I would not give a fig for the simplicity on this side of complexity. But I would give my life for the simplicity on the other side.” We try to avoid the *simplistic* view, and reach for the clarity that emerges on the far side of the complex, confusing, unsettling and disconnected debates about accountability. And since this is an assembly of citizen organisations and movements, we focus on what accountability means for the diverse actors that make up the citizen sector. What is more, we emphasize the challenges confronting those citizen organisations that claim to work for public benefit – that serve *others*, be they individuals, communities, or society-at-large.

The dominant view in our sector today sees accountability narrowly in terms of *compliance* with formal requirements to report on how money is spent and what has been achieved. This is the *simplistic* part of the debate, and hence inadequate to our purpose. Organisations who serve others must demonstrate their accountability not only to funders and regulatory authorities but to the constituencies they claim to serve.

We understand accountability as a deeply political process: a means to bring in a broader range of voices to influence decision-making of all kinds. While there may always be hierarchies of power, accountability extends democracy and creates checks and balances that ensure that the less powerful can challenge and re-shape the decisions and choices – regarding policy, resource allocations, programs and services, or advocacy positions – that affect their lives. We see accountability as an important step in advancing the larger human project of creating more democratic, equitable, and just societies.

We know immediately when we confront an absence of accountability. When our roads are pitted and left in a dangerous condition, when our children's schools lack teachers, toilets or textbooks, we look to see hold someone to account. But we rarely pay attention to roads or schools that are in good order – when those responsible for these services are behaving accountably. In other words, we are outraged when we see power and resources used unaccountably; and we tend to take good accountability – namely, a responsible and accountable use of power – for granted.

This is a crucial point, because in order to define and promote good accountability, we need to take a *positive* view, not a negative one. We need to study and learn proactively from failure *and* success. And we need to begin at home, over what we can do ourselves. Enhancing our own accountability enables us to be the change we seek. By doing so, we also believe that citizen sector accountability can be a lever for increasing the accountability of all public systems – economic, social, political, cultural.

Facing Unintended Outcomes

Being accountable means that we cannot impose our pre-defined views or outcomes. We cannot prefix “ifs” and “buts” to accountability because we’re unsure where it will lead.

The radical New Curriculum Framework launched in India in 2005 provides a case in point.* The framework sought to create the possibility for teachers and schools to design a curriculum based on “required experiences” that they believe children should have, but within the values, principles, and rights framework of the Indian constitution. A surprising storm of protest broke out, especially from progressive educational activists, fearing that this would lead not only to huge variations in learning content, but open a space for fundamentalist and anti-democratic forces to take control of primary education and enable negative ideological brainwashing of children.

Democracy means that people have the right to come together for lawful purposes and to express their opinions – even when we disagree with those opinions. They can form organisations for public benefit – as they define it – without state interference. Nevertheless, we do have the right to balance accountability to specific stakeholders with accountability to shared universal values and principles and insist that the right to a say in the allocation of resources, for instance, does not violate other people’s right to inclusion and equal treatment.

* http://www.ncert.nic.in/sites/publication/schoolcurriculum/NCFR%202005/ncfr_final/Perspective.pdf
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This positive approach asks how we can best create ways to plan, implement, monitor, assess and learn how to solve our most important problems in ways that give genuine voice and decision-making power to all those affected. The question is: *How can citizen organisations, whose reason for existence is the creation of public good, model the sort of accountability mechanisms and systems that we have long advocated with governments and the business sector?*

Accountability is the way those affected by power can hold power to account. It is a pre-condition for sustainable development. It is a process, and the result of a process, not an end in itself. It defines the *quality of relationships* between those *effecting* and those *affected by* power. A school improvement project that genuinely holds itself to account to parents and children can produce the changed attitudes, skills and values among the parents and kids (such as a greater sense of belonging, commitment, and motivation) that would lead to improved educational outcomes.

For the citizen sector, obligations of accountability arise when we form associations to pursue public projects, and thus acquire power as public actors. Citizen organizations may not have the power of government or corporations, but by forming organisations and mobilizing resources to implement our objectives we have accrued power and become accountable citizen organisations and movements must create accountability principles and practices that are appropriate to their unique role in societies.

Creating a new logic of accountability

There are three logical forms of accountability that have either been imposed on citizen organisations or voluntarily adopted by them. Two of these forms fall under what is known as *agency theory*. One form is *representation*, based on the logic that I elect you to represent me, and you are therefore accountable to me for the actions you undertake in your elected position. Another is the *contract* form, where the logic is that I - Principal, hire you - Agent, to perform certain activities and you are accountable to me for those activities. These two forms of accountability are common in the realms of government and commerce, and because our understanding of organisations has been so fundamentally shaped by these sectors, these two forms of accountability have permeated civil society discourse and practice.

Most citizen organisations serving the public good are not membership-based organisations such as a labour union or mountaineering society. Public-serving organisations are neither automatically accountable to, nor *represent*, their members. Instead, they serve constituents or social groups who are not usually formal members of the organisation.

It is therefore inappropriate to apply only the logic of representation and principal-agent to citizen organisations. Rather than ask, *Whom do you represent* or, *On what basis do you claim the right to represent*, we should ask, *What is the basis of your legitimacy*'.

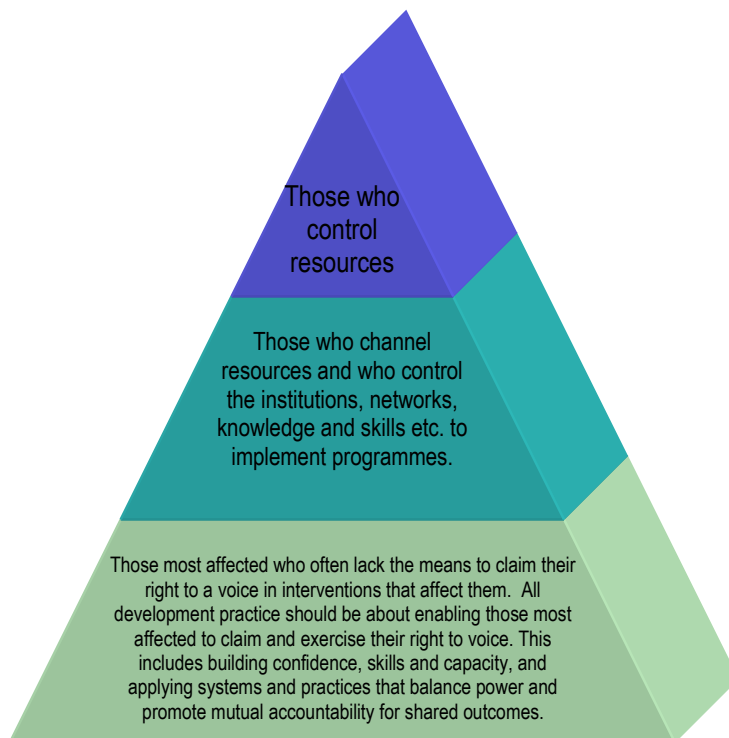
What defines the accountability of citizen organisations is their reason for being: to bring about an explicit public benefit by serving others than themselves.³ Public benefits run not to the organisation, but to society-at-large, or to some identified group in society (e.g., economic empowerment of the poor, enabling disabled people to live more productive lives, healing the sick, educating children). The legitimacy of citizen organisations is found in their engagement with and responsiveness to their primary constituents, their ethical integrity, and their effectiveness in pursuing their mission.

To whom they must account, and for what, follows from this. This way of thinking about NGO accountability is modelled incisively by the Humanitarian Accountability Project International, which asks five simple empirical questions: who is accountable; to whom; for what; how; and for what outcomes.

This brings us to the third logical form of accountability, the one that best applies to organisations that pursue a social purpose. Sometimes referred to as a stakeholder approach, it argues for an *inclusive and collaborative approach to organisational governance*. It notes that all those who are affected by or who affect your organisation

³ What is true of citizen organisations in this regard would also be true of for-profit organisations whose reason for being is to fulfil a social purpose. We are seeing a dramatic increase in these “social enterprises” and, given a primary social purpose, it is reasonable to expect the accountability for social enterprises to mirror that of citizen organisations.

should have a voice in its governance. Governance here is understood broadly, reaching beyond the formal structures of governance – by law or organisational governing documents – to softer forms of governance that involve internal and external stakeholders – arising, for instance, through structured dialogues, report backs, surveys, feedback systems, complaints procedures and so on. This model shifts the emphasis away from things like formal representation on boards and towards real active participation of citizens through living processes of engagement and learning. Directional arrows are often drawn to describe this way of thinking about accountability. Upward arrows point to donors, whose great power derives from the fact that they provide finance. Downward arrows aim for beneficiaries. Lateral arrows reach out to peers. And inward arrows target staff and mission. But even this model is ultimately unsatisfactory since it does not factor in the relative *significance* or *degree* of accountability to different stakeholder groups. Although less linear than the representation and principal-agent models, there is still an implicit assumption that accountability to all stakeholders is equal. Clearly, we need a different theory.



A theory for citizen sector accountability

Drawing from the logical elements discussed above, it is possible to begin to outline a theory for citizen sector accountability. Our goal is to see legitimate citizen organisations effectively and accountably contributing to their intended public benefits. The main accountability activities of citizen organisations must involve inclusive and open stakeholder dialogue on all material issues affecting constituents. This includes a shared understanding of purpose, planning, learning and reporting.

Very few citizen organisations, let alone donors, really include the voices of the people they affect in their planning, learning or reporting. Yet modern theory and practice suggests that sustainable development outcomes are best achieved by people acting to transform their own lives.

We also recognize the realities and perils of stakeholder dialogue – we know that most citizen organisations work for public benefit in social contexts characterized by diverse groups with conflicting interests and priorities. Our theory does not contend that citizen organisations *reconcile* these conflicting interests. In many cases, organisational strategies will involve advocacy and even confrontation. But even when acting as advocates, citizen organisations will be most effective when they engage, listen, respond and communicate. Thus by creating systematic stakeholder dialogue and transparent reporting, they can enable learning about what promotes and what impedes change for greater social equity. These ideas are further developed later in this paper when we discuss the principles on which diverse organisations can build their accountability practices.

System problems require system solutions

The current order of things does not create strong incentives for required changes in organisational behaviour. Only the poor and disadvantaged have a strong incentive for system change, and they are typically the least organised and least powerful actors in the system. Their implicit claim for self-determination – which lies at the very heart of citizen sector accountability – is drowned out by the more powerful voices around them.

The 2004 Asian tsunami is a case in point. The response to this unprecedented natural disaster was a huge outpouring of support from across the world. The humanitarian response was extraordinary: \$14 billion were pledged of which \$8.5 billion came

from governments and international financial institutions and \$5.5 billion from donations of the general public.⁴ The United States sent a delegation led by two former presidents to assess the need and guide the American response. One and a half years later, one of those presidents, Bill Clinton, wrote the foreword to a detailed evaluation report that highlighted flawed accountability in the humanitarian response – particularly with regards to responsiveness to the victims.⁵

So why do we make the same mistakes over and over again? Getting accountability right might provide the key to the solution. Where can we look? There is no silver bullet or one-size-fits-all solution that you can just apply to all situations. Nevertheless, we find a basis for optimism in a number of new actors and approaches that are emerging among social investors and citizen organizations themselves. One of the strong conclusions of this paper is that business, citizen sector and government all have vital roles to play.

The donor problem: supply side failure

Institutional donors are the most influential force in current dysfunctional accountability practice. When donors set accountability requirements, citizen organisations follow. Unfortunately, the vast majority of donors have tended to ask for limited types of data from a narrow project monitoring and “accountability to us” perspective. And that is what the majority of citizen organisations provide.

But there are two positive trends that give us hope. First, the recent growth – long overdue – in the critical literature on official aid and foundations signals an internal professional awareness of the need for aid reform. In the past few years a number of books have come out that present an informed and incisive ‘insider critique’ of official aid in particular.⁶

⁴ Source: Michael Flint and Hugh, M. & Goyder, H., *Funding the Tsunami Response: A synthesis of findings*, London: Tsunami Evaluation Coalition, July 2006.

⁵ John Telford and John, J. & Cosgrave., J., *Joint evaluation of the international response to the Indian Ocean tsunami: Synthesis Report*. London: Tsunami Evaluation Coalition, July 2006.

⁶ For a review of current critics, see: Easterly, W., *The White Man’s Burden: Why the West’s Efforts to Aid the Rest Have Done So Much Ill and So Little Good*. New York: The Penguin Press, 2006; Dichter, T., *Despite Good Intentions: Why Development Assistance to the Third World has Failed*. Amherst & Boston: University of Massachusetts Press, 2003; Ellerman, D.,

Second, and more important, the business sector is converging with the social sector to create powerful hybrid, entrepreneurial alternatives to the aid paradigm. Pressure from this entrepreneurial, competitive wave is accelerating reforms within official aid and private institutional philanthropy. What we see today may be the tip of an iceberg that – over the next five years – will transform ‘donors’ and ‘philanthropists’ into ‘social investors’. Social investors use a range of financial mechanisms, including grants, loans and equity, to generate demonstrable ‘social returns’.⁷

While the smallest of the four main sources of funding for citizen organisations, institutional donors punch above their weight (the big three other sources being individual giving, government contracts, and earned revenue). New philanthropy is coming mainly from successful business entrepreneurs and business investors. These individuals are ‘hands on’ by nature, and insist on the demonstration of social impact. They are often appalled at what they see as a history of ‘wasting resources’ by citizen organisations and governments. There is a risk, however, that they will swing to an opposite extreme through an over-insistence on the quantitative type of measures that underpinned their business success.⁸

To some extent new funding is following what can most easily be measured such as micro-loan repayment rates, number of jobs created, inoculations given, or mosquito bed nets paid for. These indicators have some explanatory power, but when relied on exclusively they undermine the processes that sustain outcomes over time, such as accountability to primary constituents.

Alongside the new philanthropy wave, the mainstream corporate sector is also going through a fundamental transformation in which “corporate social responsibility” (CSR) is moving to centre-stage. What has been a cosmetic activity – more a PR

Helping People Help Themselves: From the World Bank to an Alternative Philosophy of Development Assistance. Ann Arbor: The University of Michigan Press, 2006; Eyben, R. *Relationships for Aid.* London: Earthscan, 2006.

⁷ The March 2007 issue of *Alliance Magazine* (Vol. 12, No. 1) featured this growth of ‘philanthrocapitalism’.

⁸ Business model evangelists also tend to caricature citizen organisations as all process and no product. For example, see *New York Times* Op-Ed column by Thomas Friedman on 20 April 2007, “‘Patient’ Capital for an Africa That Can’t Wait.”

exercise than anything else -- is moving to the heart of strategy. Two recent *Harvard Business Review* articles both evidence and herald this trend. In the December 2006 issue, business competitiveness guru Michael Porter and Mark Kramer argue that the *social* value of a business is core to its competitive advantage to create financial value going forward. They conclude with an implicit challenge to citizen organisations and governments,

“Addressing social issues by creating shared value will lead to self-sustaining solutions that do not depend on private or government subsidies. When a well-run business applies its vast resources, expertise, and management talent to problems that it understands and in which it has a stake, it can have a greater impact on social good than any other institution or philanthropic organisation.”⁹

Our old nemesis – the corporate sector – is emerging as the new torchbearer of lasting social solutions!

Meanwhile, a February 2007 *Harvard Business Review* article takes a more homeopathic approach, arguing that we are going through a three-stage process of convergence between corporate sector and civil society in which stage three sees companies and citizen organisations entering into “cocreation business relationships”.¹⁰ Like Porter and Kramer, the authors here, Jed Bruggmann and CK Prahalad, believe our gravest threats – inequality, poverty, environmental degradation, health pandemics – will be solved through applications of the business model, albeit ones “cocreated” with citizen organisations. Their article includes an impressive list of examples of corporate – citizen sector partnerships that promise to strengthen both parties and significantly accelerate progress to social impact.¹¹

There is a huge upwelling of new resources, new ideas, new talent, new organisational (business) models, an emphasis on entrepreneurship, and most

⁹ Michael E Porter & Mark R Kramer, “Strategy & Society: The Link Between Competitive Advantage and Corporate Social Responsibility” (*Harvard Business Review*, December 2006).

¹⁰ Jed Bruggmann and C.K. Prahalad, “Co-creating Business: New Social Compact” (*Harvard Business Review*, February 2007).

¹¹ As the UK think tank AccountAbility has begun to address through its Partnership Governance and Accountability programme, there are significant issues of accountability within these partnerships that arise from power imbalances among the ‘partners’.

importantly from the perspective of citizen sector accountability, new attention to measuring social impact. There is the feeling of a seismic shift here, one with real ambition. Ashoka and Youth Venture founder Bill Drayton, who coined the term social entrepreneur and first proposed carbon emissions trading 25 years ago, says we are close to the tipping point in which “everyone is a changemaker”. The Gates have set themselves the goal of ending needless child deaths. Bloomberg is out to end smoking worldwide. Google expects to have more impact from google.org than it does from google.com.

We recognise that many within progressive citizen movements are understandably sceptical and suspicious of this trend, unwilling to believe that private corporations can be genuinely interested in social change without an ulterior motive of expanding markets or increasing profits. Nevertheless, new social investment initiatives – many of them coming from the corporate sector -- are breaking away from traditional monitoring and accountability models and experimenting with new methodologies that command our attention.¹²

The problem with citizen organisations: too powerful relative to constituents and too weak relative to donors

Citizen organisations are in the best position to take the lead to put in place effective systems for measurement, learning and accountability. Donors will respond, if citizen organisations lead. What will it take for citizen organisations to step up to the opportunity to foster new and powerful accountability practices?

The first hurdle is to come to terms with our deep ambivalence about mechanisms and systems openly based on competition. Many citizen organisations project a naïve anti-competition attitude that inhibits the development of the sector. At the same time, and

¹² A private communication from development consultant Henrik Skovby of Dalberg Global Development Advisors expresses the entrepreneurial mindset, “Too much development work has been done without really listening to the beneficiaries. Instead of treating economically broken individuals in emerging markets as valuable consumers and citizens, the sector has been treating them as victims. Only with empowering feedback tools and approaches, will we be able to make this fundamental transformation in the sector.” (email from Henrik Skovby to David Bonbright, October 2006).

often contradicting their stated values, citizen organisations are generally reluctant collaborators.

Ironically, a clear-eyed facing up to the competitive elements could be the single most important step toward more effective collaboration.¹³ Most citizen organisation competition is for scarce donor support. In the absence of impact or effectiveness data, we compete for funds on the basis of our intentions rather than our demonstrated results. This makes collaboration for shared outcomes more difficult, and shifts attention away from really thinking about the best way they can contribute to outcomes. Surely, the ability of an organisation to capture resources in the name of realizing some public benefit should be commensurate in some transparent way with its contribution toward that benefit.

The problem of data

We do not want to underestimate the genuinely difficult dimensions of competitive models. But we argue that competition based on learning from each other using the right kinds of data is healthy, and actively encourages collaboration – and more effective solutions.

Some 400 years ago Shakespeare wrote, “Comparisons are odious”. In our case, they are also exceedingly difficult to make on the basis of our actual results since meaningful social change interventions face genuinely complex problems of multiple causality (attribution), time delays between our actions and their fruition, and context (the same intervention will produce differential results in different settings).¹⁴ The conventional response is to compare indicators that stop short of describing social impact, such as numbers of girls staying in school, number of mosquito bed nets sold, or micro-loan repayment rates.

¹³ Ashoka, the global headquarters for social entrepreneurship, is explicit on this point. Its mission states, “Ashoka strives to shape a global, entrepreneurial, competitive citizen sector: one that allows social entrepreneurs to thrive and enables the world’s citizens to think and act as changemakers.” And its work is focused on collaboration, “With our global community of social entrepreneurs, Ashoka develops models for collaboration and designs infrastructure needed for this growth.” Very comfortable with the paradox, it calls its open source awards platform a “collaborative competition”. <http://www.ashoka.org>.

¹⁴ For a detailed discussion of “the measurement problem”, see the Keystone Inception Report, at <http://www.keystonereporting.org/about/background>.

In the absence of good results and performance data, funding decisions are often made on the basis of personality (equalities of leadership, commitment and conviction), persuasion (proposal writing skills) and politics (who you know). This in turn sets the prevailing appetite for data such that the few organisations that do produce good impact data are not rewarded for it. Society is the main loser, most particularly the poor whose own perspective on the work of development interventions barely gets a footnote in the reports of citizen organizations and donors.

There is a growing response to this problem and, indeed, we may be approaching the tipping point to reliable performance data. With leading foundations and social investors providing the funding,¹⁵ a growing number of innovators are creating new generation performance measurement methodologies, some of which are informed by experienced practitioners. We see two distinct challenges being addressed:

- reaching consensus on what makes for quality, what causes and sustains social change;
- creating and using comparative data to inform decision-making by investors, boards, and managers.

We turn to this two challenges in the two sections that follow.

...Outcome-based approaches to planning, monitoring and reporting

The 2006 BOND inquiry into what makes for quality in citizen organisations found a strong consensus among British international development organisations that their impact derives from the quality of relationships with the constituents of development interventions. Leading development practitioners and academics are laying down an increasingly well-marked road map to take us from yesterday's failed project management tools (culprit-in-chief being the infamous *logframe*) to more nuanced

¹⁵ Gordon Moore, founder of Intel and the Moore Foundation notes that we are in the early stages of “a huge push toward measurability.” (As quoted in Joel Fleishman, page 280) Hewlett Foundation President Paul Brest channels a spirit of the times when he writes, “Strategy is no guarantee of impact. But without it you are almost guaranteed to have no impact.” (As quoted in Joel Fleishman, page 166). Both these foundations, Hewlett and Moore, and a growing number of others, are providing smart financial and technical support for the kinds of planning and measurement practices argued for in this paper (Joel Fleishman, *The Foundation: A Great American Secret*, New York: Public Affairs, 2006.)

approaches that use theories of change and describe pathways to outcomes that are grounded in accountability-based dialogues with constituents.¹⁶

IDRC's outcome mapping methodology is perhaps the most widespread of a new generation of tools that will enable donors, citizen organisations and constituents to plan, learn and report *with* constituents, *in* an ecology of actors, *for* significant and lasting social change.¹⁷ Keystone is another. Among other things, the new generation of performance management approaches emphasize how to operate from an ecosystem perspective, and look to mapping and managing networks of actors. The focus is also on managing complex and long term changes *processes* rather than fragmentary and short-term projects.¹⁸

Similarly, Women's Funds (such the Global Fund for Women, African Women's Development Fund, Mama Cash, et al) have pioneered the move away from the "attribution" approach to causality to one that maps how activist interventions *contribute* to shared change outcomes.¹⁹

...early steps toward meaningful comparative data

While new approaches and tools are emerging for organisations to plan and learn with constituents for social impacts, we seem to be at an earlier stage in getting to the kind of comparative data that will help us manage these relationships. How can we move from specific micro-organisational data, to cross-organisational data that enables comparisons and enhanced opportunities to transfer success and eschew strategies and practices that have proved themselves weak? Two avenues present themselves. One looks systematically at the views of those in the best position to assess an

¹⁶ For anyone retaining enthusiasm for the 'logframe', we highly recommend Alnoor Ebrahim's seminal analysis, 'Information Struggles: The role of information in the reproduction of NGO-funder relationships', *Nonprofit and Voluntary Sector Quarterly*, Vol. 31, no. 1, March 2002; and also Rosalind Eyben's *Relationships for Aid*, *op.cit.*

¹⁷ The International Development Research Centre (IDRC) has facilitated a learning community for outcome mapping practitioners at <http://www.outcomemapping.ca/>.

¹⁸ See, for example, Keystone's ecosystem and stakeholder mapping tool, at <http://www.keystonereporting.org/tools>. In the arena of humanitarian aid, the Emergency Capacity Building process has released: ECB Project, *Impact Measurement and Accountability in Emergencies: The Good Enough Guide*, Oxfam GB, Oxford, 2007.

¹⁹ Sprenger, E. "Measuring Success: What's New? What's Next?" Plenary presentation at the AWID (Association for Women's Rights in Development) conference, *Money and Movements*, Queretaro, Mexico, November 9-12, 2006, available at www.awid.org.

organisation's performance – its beneficiaries and other constituents. The other seeks to compare organisations on the basis of the capabilities that drive social value creation.

A very good example of how comparative data can enhance accountability, learning and performance comes from a surprising place: America's 71,000 private grantmaking foundations. Arguably one of the last bastions of unaccountable opacity in an increasingly transparent donor world, these institutions make over \$40 billion in grants a year with no effective external accountability.²⁰ Six years ago, the Center for Effective Philanthropy was founded with the goal to produce meaningful comparative data that would drive foundation effectiveness. Its tool was an anonymous grantee survey report. To date, the Center has surveyed more than 40,000 grantees of 189 foundations. Grantee Perception Reports provide grantee feedback on 58 questions covering performance-related issues ranging from the responsiveness, to grantees and the subject matter competence of the foundation, to the quality of non-financial support provided, to the extent to which the foundation contributed to knowledge and policy in the grantees' fields.

The foundations commissioning these reports have testified overwhelmingly to their usefulness, particularly to their boards, who before had been fed on a diet of anecdote, staff opinion, and, as a rare delicacy, independent evaluation of an individual programme. The comparative data with other foundations has proved particularly useful. For example, a foundation might learn that it is at the front of its cohort with respect to the speed and clarity of its communications with grantees, but that it is rated less helpful overall because of the structure of its grants. It might also discover that it is perceived as being less relevant to the grantees' field, or having less impact on policy.²¹

²⁰ For a major new book gentling American foundations to face up to their accountability lapses, see Joel Fleishman, *The Foundation: A Great American Secret*, New York: Public Affairs, 2006. Fleishman, a founding trustee of the Center for Effective Philanthropy, argues persuasively that a lack of accountability and transparency is the primary impediment to foundation effectiveness.

²¹ For more information on the Center for Effective Philanthropy please see www.effectivephilanthropy.org.

The Center for Effective Philanthropy and Keystone have begun to explore how to extend this important innovation to the perceptions of the constituents of citizen organisations. The hypothesis here is that there is a set of cross-cutting questions that the constituents of citizen organisations can answer that will yield meaningful comparative data that will help citizen organisations improve every aspect of their work, from planning to execution to evaluation. The opportunity for citizen organisations is to create this comparative survey tool and data set.

The second dimension of current early-stage efforts to derive valid comparable data looks to the common *organisational capabilities* that are highly predictive of effective performance and social impact. We would like to highlight three candidates for capabilities that might be usefully compared across citizen organisations:

1. Accountability:

How do we empower and balance constituents' voices so that they participate actively in the deliberations around strategy, planning and how we define and measure success?

2. Strategy:

How do we understand our role within an ecology of social change actors and plan for collaborative action that will enhance solutions to the problems we face?

3. Operational Integrity:

How efficiently and transparently do we manage our resources and honour the commitments that we make?²²

Towards common principles

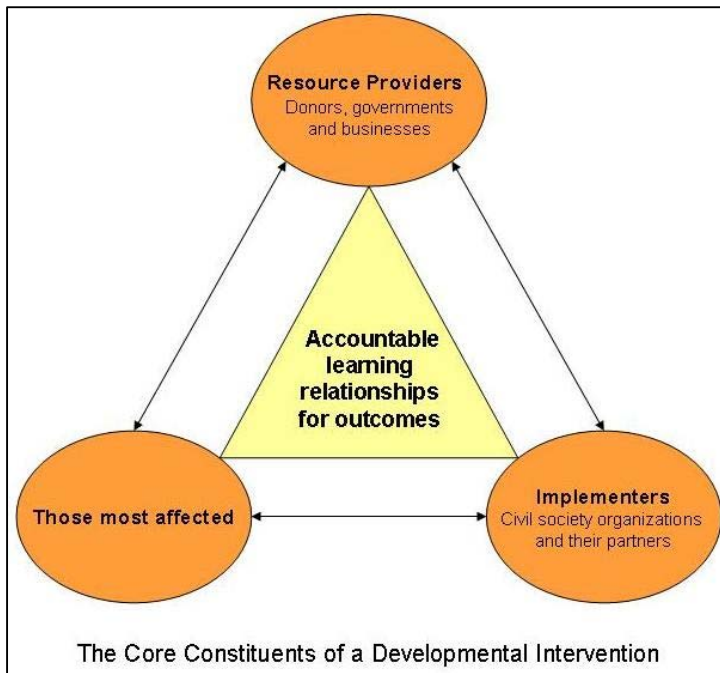
These new and innovative approaches to performance management and comparative data avoid the one-size-fits-all pitfall, and embrace the diversity and decentralized self-determination that characterize the global citizen movement and citizen organisations. But in studying these innovations we can also clearly delineate some common principles, or fundamentals, to realising lasting improvements in human well-being: (1) fostering the meaningful participation of the constituents of a social

²² For a detailed discussion of and diagnostic tool for these three capabilities, see the Keystone capabilities profiler at <http://www.keystonereporting.org/tools>.

change process or initiative (we call this ‘constituency voice’); (2) jointly mapping both the resistance to as well as pathways to change outcomes; (3) thinking and acting from an ecosystem perspective; (4) and communicating your learning.

... foster constituency voice

There are three core constituents to any developmental intervention or process: those who provide resources, those who design and implement the intervention, and those who are most affected – usually those intended to benefit most. We suggest that the latter group – those most vulnerable in any change intervention because they will



have to negotiate its impacts in their own lives, homes and communities – be considered the “primary constituents”. Other constituents – resource providers, planners and implementers – are “secondary constituents”. We may include, in the latter category, other social groups directly or

indirectly affected by the intervention. The intention here is not to create a hierarchy but to stress the vital importance, from an accountability perspective, of distinguishing between those most socially and economically vulnerable in the change process (e.g., poor women), and those who are interested in the change (e.g., governments, donors) and possibly as directly affected (e.g., poor men, men and women of other classes in the same area) but not as vulnerable to the success or failure of the intervention.

The questions then are: Who defines *success*? How is it measured?

Constituency Voice comes about when all constituents to some intervention, but most importantly the *primary constituents*, participate meaningfully in defining success, planning activities toward outcomes, and evaluating and learning from results. Simple and practical stakeholder dialogue builds the confidence and trust that underwrites success. This is an ongoing activity that is intrinsic to developmental work, and should never be onerous or something that is done merely to appease powerful stakeholders, such as donors. At the same time, we do not mean to suggest that the dialogues and agreements are easily constructed. Our experience is that it sometimes takes years to come to common agreements on outcomes. Persistence, though, is important, and continuing the effort usually produces results in most contexts. We must also acknowledge that some stakeholders (e.g., men in a women's empowerment process, or landowners in a land reform process) may never agree to be at the table, or may leave the dialogue altogether. But again, it is the attempt and the effort at inclusion, and the public reporting, that is key.

As strategies are developed and implemented, constituents learn together how to monitor performance against agreed *process and impact indicators*. These describe specific short and medium term changes that make ultimate success possible. What can sensibly be quantified is quantified, but many of the more complex, intangible changes can only be understood using innovative approaches to learning such as 'change journals', 'heat maps'²³, story-based techniques and regular, structured dialogue.

...map resistance and pathways to desired outcomes

Most current tools and methodologies are designed to manage *projects* and are not appropriate for organisations working on long term *processes* of social change. Most traditional logic models assume that predictable, defined results and outputs flow logically from pre-planned activities in restricted (usually short term) time frames. They rarely include a clear analysis of the forces that will act *for* and *against* the change towards greater equity, inclusion and sustainability.

²³ Where community stakeholder groups can colour-code change from greatest to poorest levels of change – the “heat” is where the greatest change for the primary constituents has occurred.

In most social change work, the problems are complex and the interplay of various forces acting on them is not predictable. Solutions involve changing attitudes, relationships, capabilities, conditions and behaviours, and above all, the power relations embedded in the problem. These need to be worked out over time, with constituents, and often in collaboration or negotiation with other organisations and actors, and sometimes even in opposition to certain actors.

Such problems are best tackled within the framework of a shared *theory of change* that guides planning, acting, reflecting and learning by all forces that support the change. Constituents first clarify a shared vision of success (or impact). Then they try to identify where the resistance to change is located, and what change processes are already happening and how they work. Finally, they map *pathways to outcomes* – all the changes that they believe must take place in their context to achieve lasting success, and what strategies might achieve these changes. These are observable changes, however small, in the distribution of social, economic and political resources, in behaviours, capabilities, attitudes, and relationships and conditions that are considered essential for long term success.

This framework makes it possible to plan activities and reflect on performance using easy-to-collect data on short-term and intermediate outcomes – changes that the organisation can influence on its own or with others, that contribute to ultimate success. A good theory of change makes complexity manageable without oversimplification.

...think and act from an ecosystem perspective

Development is usually a long term, complex process involving many actors and interdependent political and economic processes. A single organisation working on its own can seldom drive all the changes required by its theory of change. In current practice, many civil society organisations work in isolation in their specific locality or on their particular aspect of a problem. But when different agencies align their work towards a shared outcome or vision of success the power of an entire ecosystem is unleashed.

When organisations, including donors, begin to think of themselves as working in an ecology of actors towards shared outcomes, they can plan and act collaboratively without losing their individual focus or identity. Such an ecological approach preserves the individual creativity and responsiveness of diverse actors while enabling effective synergies leading to social learning and more effective solutions.

Acting from an ecosystem perspective is feasible, though not always easy. Practically speaking, one needs to identify others who are, like you, a potential part of the solution to the problem you are addressing, and engage with them by sharing your theory of change and the assumptions that you have made about their role in solving the problem. Citizen organisations are doing this more or less consciously, for example, every time they make a funding proposal to a social investor.

We recognize that building such bridges is often difficult in contexts where there is not much cohesion or history of cooperation even within the citizen sector, let alone between citizen organisations and other sectors. There are problems about who does the convening and who comes to the table, reflecting all the complexities of the power relationships within and across sectors. On the other hand, there are now multiplying examples of highly disparate groups and sectors coming together around shared concerns, and developed common agendas for action -- the World Commission on Dams is perhaps one of the most famous examples, as are the many complex coalitions that have formed around HIV/AIDs, debt cancellation, and climate change.

...communicate your learning

Current reporting practice is often little more than marketing or simple management accounting to donors (“this is what we did with your money”). It may meet legal requirements and even current professional standards, but it actively undermines honest, inclusive reflection and learning.

When reporting is an open, public reflection of the emerging understanding *among constituents* about the difference the organisation is making, it becomes an integral part of learning and improving. Formats will vary, but public reports should boldly address the questions: What did we want to achieve? What did we actually achieve? What caused or hindered our success? What’s working well? What do we need to

change and why? And this discussion must reflect *what our primary and secondary constituents said* on all material issues – however divergent these views might be.

Transparent public reporting that reflects the voices of constituents – and especially the voices of primary constituents -- enables accountability *and* societal learning. Public reporting must, most importantly, take a form that is most appropriate for the primary constituent audience. This could be through various formats that are accessible to this audience, including oral reporting at public meetings (such as utilized by the Right to Information Campaign in India), community-level discussions, and “popular” reports in appropriate language. Publishing results (again in languages and formats most widely accessible to secondary stakeholders) ensures that data enters the larger public domain where it can be debated, verified, or refuted. This kind of reporting assures the integrity of claimed achievements, enhances transparency and legitimacy, and wins new support. Organisations use this approach to reporting to generate new commitments, creativity and investment.

Transparent public reporting also means that organisations can learn from each other and benchmark themselves. Real challenges are surfaced, best practices shared, and sustainable solutions emerge. Far from being threatening, this kind of public reporting is respectful of the difficulties and challenges that organisations face. There is no place for unrealistic expectations or questionable claims of ‘easy victories’. Instead, there emerges a shared and realistic sense of what is needed from all parties, donors included, to make things work.

We realise that many organisations would gladly adopt this approach, or have even actually done so, but found this honesty misconstrued and misused. Many donors have interpreted such honest public reckoning as admission of faults and mistakes – as though change processes are supposed to be flawless and perfect! – and have even cut funding to organisations that discuss their problems openly. Governments and local power structures have also misused such open learning to harass leaders or organisations that have challenged them or mobilized communities to hold them to account in uncomfortable ways.

The 2006 BOND study of what makes for quality in international development described this as a kind of “prisoner’s dilemma”.

“[T]here is a fundamental tension between the need to allow the time and space for learning and improving the work as it faces multiple challenges and constraints, and the increasing need to be seen to be doing good work. This is often driven by fundraising and marketing needs and which can be impediments to organisations wishing to be more open about failures and mistakes, working more collaboratively, being more open and transparent, and being more able to communicate the difficulties and long term nature of change.

“The general public is totally unforgiving. If you rely on them for funds, and they hear something negative, they will not forget. Donors understand that some mistakes have to be made, and would consider it a whitewash if you don’t report any problems whatsoever. It can be hard to get staff to admit mistakes though.”

Secondly, a widespread perception among NGOs is the donor limitations and conditions placed on NGO funding (i.e., terms of investment, proposal templates, and reporting requirements). The biggest concern is around the context of the sector, which strives to survive, or is being driven to grow to take advantage of funds, in general detriment of genuine learning modes, of adequate reflection, and of connection to the beneficiaries in meaningful ways.

“The conversation with donors should include questions: What are the consequences of your mode of funding? What stresses does that place on us as an organisation? What effect does that have on our impact at the end of the day?”

“Donors are concerned about sticking to budget, delivering outputs, etc, and don’t place emphasis on the softer side i.e. beneficiary satisfaction. We have an internal drive for that but I haven’t sensed it coming from donors.”

“You talk to people in the field and there are often so many conflicting priorities. For example, when the donor wants their report in on time, the learning stuff goes out the window.”²⁴

These difficulties are not a reason to abandon a learning-based approach – rather, they provide the impetus for a new set of conversations between change organisations and their donors, to build an innovative consensus around new norms of public reporting that reflect both setbacks and successes, and a social contract that this information

²⁴ Keystone & AccountAbility. August 2006. *A BOND Approach to Quality in Non-Governmental Organisations: Putting Beneficiaries First, British Overseas NGOs for Development*, August 2006, London (<http://www.bond.org.uk/futures/standards/report.htm>).

will not be used punitively. It is the fear of exposure and vulnerability that has held back these forms of progress in developing stronger accountability.

What is the task?

If one asks anyone associated with any of the citizen sector accountability initiatives around the world – and particularly those that seek to reframe citizen sector accountability as first and foremost accountability to those meant to benefit – they will emphasize two points. The first is that it takes an enormous investment of time and political will. Bringing about fundamental organisational transformation must overcome the existing incentive structure and attitudes – both inside and outside the organisation. The second is that because the benefits are released through systematic strengthening of relationships among diverse actors, these investments need to be aimed importantly at facilitating dialogue and understanding among stakeholders. Sometimes, this kind of work is viewed by third parties (such as donors) as “more process” at the expense of “product” – worse, as a waste of money on a lot of “talk shops”. In order to sustain the necessary effort for this work it is also necessary to communicate to third parties that this *is* the work, that this is what it means to work *developmentally*, and that there are no shortcuts to building systems that create and sustain high quality relationships as part of any sustainable social change intervention.

The challenge of our time

It has been a defining mark of pride for citizen organisations that they have enjoyed higher levels of public trust than any other sector of society. This has been consistently shown since global surveys on the subject came into being in 1999. No longer. In 2007, for the first time, a higher proportion of people trusted business than citizen organisations.²⁵ The change is most dramatic in developing countries, where trust in citizen organisations, at 50 percent, came in third behind Business (60 percent) and Media (53 percent). When asked the reasons for scepticism about citizen organisations, people mentioned three: weak accountability, do not listen to constituents, and do not demonstrate impact.

Citizen organisations stand at a crossroads. We can embrace an entrepreneurial and activist approach toward their accountability. Or we can rest on our laurels and watch as business and *uncivil* movements (such as those of a fundamentalist religious

²⁵ Edelman. *Trust Barometer 2007*, <http://www.edelman.com/trust/2007/>.

character) take the lead as social change organisations. While partnering with *uncivil* movements is not a choice for most of us, one unfortunate consequence of passivity or hostility to business interventions for social change is that business's impact will be far less than if we were willing to take – or share -- the lead in the final decades of the next phase of social entrepreneurship interventions.

Stakeholder-based approaches to accountability lie at the heart of this trend. They allow us to ask and answer the question, “To what extent are all actors contributing to the result?”. Citizen sector accountability is thus best understood as inclusive dialogues that allow diverse parties to do the hard but important work of forging consensus about what success would look like and then agreeing on the pathways we will walk together to realize that success. The opportunity we have as citizen organisations is to respond to undertake inclusive stakeholder dialogues by creating ways of planning and measuring impact that put our primary constituents – those most affected – first and foremost. This means supporting and participating in change processes that respect the autonomy, capacity and goals of those we serve in our planning and measuring as well as in our doing.

It bears noting that we do not express a preference for any particular strategy or approach for citizen organisations. In fact, to the contrary, we believe that solutions to complex social problems require not only the active participation from diverse actors, but also a rich complement of strategies and tactics, ranging from research, to services, to advocacy, to direct action, and more.

The Singer proposition

The Princeton University bioethicist Peter Singer published an article late last year that concluded with a provocative meditation on the current disparity of wealth in the world.²⁶ Focusing on the wealthiest ten percent of people in the world, he makes an estimate of how much the world's affluent could give away each year without in any significant way diminishing their lifestyles. The result is instructive. It turns out that this total is 16 times the annual amount that the UN has estimated is required to realize the Millennium Development Goals. He concludes,

²⁶ Singer, Peter, “What Should a Billionaire Give – and What Should You?”, *New York Times*, 17 December 2006.

“Measured against our capacity, the Millennium Development Goals are indecently, shockingly modest. If we fail to achieve them – as on present indications we might – we have no excuses. The target we should be setting for ourselves is not halving the proportion of people living in extreme poverty, and without enough to eat, but ensuring that no one, or virtually no one, needs to live in such degrading conditions. That is a worthy goal, and it is well within our reach.”

We have perfected the practice of raising funds using images of need, desperation, and pity. This has already bred cynicism. What will it take to move the affluent to act in ways that will generate multiples of the flow of financial and human support consistent with Singer’s conscience-searing calculation? We have seen, in responses to natural calamities, the potential for a magnificent generosity of people everywhere. Is it not possible that better citizen sector accountability could help to remove the doubts and reservations that are holding people back from investing at the levels required to end extreme deprivation and related ills? Is it not a measure of our time that it is no longer sufficient to make claims of public benefit that are not validated by those affected and cannot therefore be seen clearly by outside observers?

Certainly we need to be smart about how and what we measure in order to demonstrate our impact. But in order to be truly accountable for social change – and indeed to accurately evidence our impact – *what we count* is not as important as *who does the counting*. When we systematically connect the voices of the *doers* on the ground to the potential *helpers* among affluent givers, then we create the conditions for a substantial increase in the flow of new resources for work that can heal our world. And in so doing, following the enduring dictum of Mahatma Gandhi, we will indeed be the change we want to make.