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**Civil Society Legitimacy and Accountability:
Issues and Challenges**

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Abstract

This paper reports an effort to explore the issues of civil society legitimacy and accountability and the range of initiatives that have been created to respond to them. The paper begins with a discussion of the factors that have made legitimacy and accountability critical issues, including some factors inherent in the nature of civil society and others that have emerged in recent years. Then it develops a framework for understanding legitimacy and accountability as concepts, some elements that support or undermine their existence, and some possibilities for intervening to strengthen them. The next section focuses on steps involved in building organizational accountability systems that respond to the multiple and potentially conflicting claims of organizational stakeholders. The section illustrates these steps with examples from around the world and argues that such systems can contribute to strategic learning and organizational capacity-building as well as to enhancing legitimacy. The following section provides a similar analysis for multi-organization domains—sectors, campaigns, and intersectoral problem domains. It provides examples of innovative approaches to enhancing domain legitimacy and accountability from around the world and argues that such systems can foster productive discourses about the definition of domain problems and problem-solving processes. The closing sections discuss societal legitimacy and accountability and continuing dilemmas. The paper concludes with an argument for the pivotal importance of improving civil society legitimacy and accountability given their growing roles in local, national and global governance and problem solving.

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1. Introduction

In the last twenty years, the roles of civil society organizations--community-based organizations, churches, development NGOs, relief agencies, advocacy coalitions--have grown explosively. While there are many differences across regions and countries, researchers still suggest that the trends amount to a "global associational revolution" that has major implications for governance and social problem-solving.[2] A recent UN report suggests that "civil society is as much a part of today's global governance as governments," and many see central roles for civil society organizations (CSOs) in coping with the critical challenges that confront our increasingly interdependent world.[3]

To fulfill this promise, however, CSOs must themselves grapple with clarifying their legitimacy as social and political actors and their accountabilities to key stakeholders that ensure that they contribute to the public good. Dealing with these issues will help CSOs define more clearly their missions and values and position them to learn more effectively from their experience. Better answers to questions about legitimacy and accountability can help mobilize staffs, allies, and public support. While CSOs have often been remarkably effective at holding governments and corporations accountable to policies and promises, their continued effectiveness will turn on their capacity to live up to their own standards.[4] Therefore there are both internal and external reasons for attention to these issues.

This paper teases apart some of the complexities of civil society legitimacy and accountability and describes examples of the growing array of systems and practices for responding to legitimacy and accountability challenges. It offers a framework for understanding the concepts of legitimacy and accountability, and then suggests approaches to enhancing the legitimacy and accountability of civil society organizations and multi-organization domains. While it provides examples of efforts to grapple with these issues, the paper is not intended to provide detailed "how-to" advice for dealing with specific legitimacy and accountability challenges. Such advice is available, however, at many of the websites and organizations described in the paper.

The next section looks at issues of civil society legitimacy and accountability and suggests why they have become so important. The third section provides a framework for understanding these issues and ways to address them. It describes our definitions of legitimacy and accountability, their interaction in the context of civil society missions and strategies, and several sources of standards of legitimacy and accountability. The fourth section describes ways to build organizational accountability systems that can enhance the legitimacy and accountability of civil society actors. Such systems can be

used to catalyze organizational learning and capacity building as well as to increase accountability and legitimacy. The fifth section focuses on building the legitimacy and accountability of multi-organization domains. Such domains include campaign alliances, sectors of similar organizations, and problem domains that involve diverse actors. The sixth section briefly discusses the evolution of societal standards of legitimacy and accountability. The seventh section describes some ongoing dilemmas that we expect will challenge and energize future debates. The last section provides a brief conclusion.

Overall, this report aims to contribute to local, national and global discourses and debates about civil society legitimacy and accountability. We also hope it will help catalyze action at many levels to resolve questions posed by these debates.

2. Why Legitimacy and Accountability?

Why are legitimacy and accountability issues problematic for civil society organizations? In part the issues are inherent in the nature of civil society and in part they are a result of special circumstances that have emerged in the last twenty-five years.

The nature of civil society as a sector contributes to questions about legitimacy and accountability in several ways. For example, CSOs often mobilize people and resources through commitments to social values and missions that enhance the public good. Their reputation as legitimate and accountable stewards of those missions is vital to their ability to recruit staff and allies to their causes. Gandhi and the Indian Independence Movement, Martin Luther King Jr. and the Civil Rights Movement, and Solidarity and the Polish Liberation Movement all depended on their legitimacy as embodiments of widely held social values to mobilize support and credibility. If CSOs leave questions about their legitimacy and accountability unanswered, they risk undermining organizational identities and capacities that depend on values and voluntary commitments.

A second common attribute of CSOs is that they have diverse stakeholders that make competing accountability claims. Unlike a corporation that is ultimately accountable to owners and shareholders or a democratic government that is accountable to voters, CSOs are not primarily accountable to any clearly defined stakeholders. Civil society organizations, in contrast, are accountable to many stakeholders: to donors for their resources, to clients for delivery of goods and services, to allies for performance of joint activities, to staff and members for meeting their expectations, and to government agencies for complying with regulations. They are also accountable to their missions. Dealing with diverse accountability claims may be extremely difficult, and where stakeholders have different or contradictory interests, being fully accountable to all of them is impossible. So accountability is a challenging problem for CSOs because of the nature of the sector and its relations to stakeholders.[5]

A third attribute of many CSOs is their predilection for taking up issues on behalf of poor and marginalized groups. While this bias can be the basis for raising funds and support from charitable donations, it may also require challenging powerful constituencies whose interests may be harmed by proposed changes. Those constituencies may see such

challenges as irresponsible or unwise at best: Gandhi, King and Solidarity all took on powerful actors who regarded their initiatives as illegitimate if not outright subversive.

Issues of civil society legitimacy and accountability have emerged as particularly important in the last five years due to several factors. First, many questions about civil society reflect <u>concerns about the legitimacy and accountability of many institutions</u>. Concerns about corruption in government agencies and unacceptable practices by business organizations are often as urgent as concerns about civil society.[6] Illegal activities at Enron in the US or Bofors in India raise questions about both business and government accountability. The impacts of such events can spread throughout societies, affecting public perceptions of many institutions. In part the growing concern about legitimacy and accountability reflects a general "crisis of governance."

Second, some legitimacy and accountability questions grow out of <u>problematic behavior on the part of some civil society organizations</u>. Publicity about the accusations of board self-dealing at The Nature Conservancy or the mistaken analysis made by Greenpeace of the proposed Brent Spar oilrig disposal in the North Sea raise questions about whether CSOs live up to their professed values and whether mechanisms exist to enforce minimum standards of practice. CSOs, like many other organizations, are not uniformly altruistic nor are their actions always consistent with their values.[7] Some challenges to their legitimacy grow out of their own mistakes or malfeasance.

Third, some current challenges to CSO legitimacy and accountability come from agencies that have been <u>targets of civil society advocacy activities</u>. When CSOs exert political and social pressure on behalf of marginalized constituencies, for example, they may inspire counterattacks by powerful interests. Government agencies charged with corruption, corporations pressed to change bad business practices, and intergovernmental institutions challenged to alter projects or policies have often questioned the legitimacy and the accountability of their challengers.[8] Of course, it is important that CSOs explain their legitimacy and their accountability to key stakeholders, but sometimes those criticisms are inspired by motives other than an altruistic desire for transparency.

All these demands on CSOs have been further complicated by their <u>expanding roles in the sphere of social development and change</u>. Civil society actors in the past have often been seen as "gap fillers," providing services not available from the market or the state. However, in recent years they have increasingly taken on capacity building and policy advocacy roles that make them participants in multi-sectoral governance processes.[9] While much civil society work has historically been focused on local problems, CSOs now increasingly work at national and transnational levels as well.[10] Their emerging roles in large-scale initiatives require new attention to the issues of legitimacy and accountability.

3. Civil Society Legitimacy and Accountability: A Framework

We focus here on the concepts of legitimacy and accountability and their implications for enhancing the legitimacy and accountability of civil society actors. Then we will explore

the interactions between legitimacy and accountability. Legitimacy and accountability are concepts that can be applied at many levels: individuals, groups, organizations, interorganizational domains, societies, and so on. Our focus here is on legitimacy and accountability for organizations and domains—the arenas most immediately available for influence by civil society actors themselves.

3.1 Legitimacy

The concept of legitimacy refers to perceptions by key stakeholders that the existence, activities and impacts of CSOs are justifiable and appropriate in terms of central social values and institutions. For example, Edwards has defined legitimacy as "the right to be and do something in society—a sense that an organization is lawful, admissible, and justified in its chosen course of action."[11] Legitimacy is grounded in the perceptions of stakeholders in the larger environment in which the organization is embedded. The concept has been most developed in thinking about political systems, but it has also been a matter of recent concern for development institutions and civil society actors.[12]

At least four kinds of legitimacy are important for CSOs.[13] These forms of legitimacy are largely the product of external forces and dynamics that are not under the direct control of CSOs. They include:

- Legal Legitimacy: Legitimacy can grow from compliance with legal and regulatory requirements, such as meeting state registration requirements or following national laws and codes that define appropriate CSO activity. CSOs that have been certified by the Philippine Council for NGO Certification, for example, have gained legal status that enables their donors to deduct contributions from their taxes. This form of legitimacy draws on the authorizing power of the state and its legislation.
- Normative Legitimacy: Claims to CSO legitimacy can also be grounded in widely held social values, norms and standards. CSOs with normative legitimacy are assessed as meeting norms for performance ("it does good work"), as implementing desired structures and processes ("it represents its constituents"), for fitting the task ("CSOs are good for grassroots organizing"), or for the characteristics of its leaders and staff ("its leaders are committed and effective"). Normative legitimacy is particularly important for CSOs since they are often value-based organizations that emphasize contributions to the public good at the heart of their missions.
- Pragmatic Legitimacy: The legitimacy of CSOs may also emerge from the instrumental value they provide to various stakeholders, either directly in terms of specific outputs or more generally in terms of creating conditions that meet stakeholder interests. Service or advocacy organizations may provide immediate benefits to stakeholders and so be perceived as legitimate; they may also contribute to creating more general contexts (better public health; more responsive government agencies) that are favorable to stakeholders and so gain their support.
- Cognitive Legitimacy. CSOs are also perceived as legitimate when their activities and goals are widely seen as appropriate, proper, and "making sense" to the larger society. Cognitive legitimacy may emerge from acceptance of organizational

activities as fitting into a comprehensible and acceptable story about their roles in society. It may also emerge from widespread perceptions that the organization is a social institution that is "taken for granted" by the society as being part of "the way things are." This is true, for example, for churches and some educational institutions in many societies.

Institutional legitimacy is derived from the perceptions of external observers and stakeholders. These perceptions are often the product of complex interactions and forces that are beyond the control of CSOs. But we can identify at least four approaches that offer CSOs opportunities to enhance their legitimacy.[14] The first three focus on aligning the CSO with existing legitimacy contexts and the CSO; the last emphasizes creating new stories and definitions of legitimacy when existing contexts are changing or responding to innovation.

- Conform to existing models of legitimate organizations. CSOs can adopt structures, procedures and systems that make the agency resemble other organizations that are widely perceived as legitimate. Adopting governance arrangements used by other agencies in the field, for example, can confer legitimacy. This approach draws on existing legal, normative and cognitive bases of legitimacy to enhance external perceptions of the organization.
- Inform external stakeholders in legitimated terms. CSOs can describe their activities in terms that draw on existing legitimacy standards and expectations. This approach may utilize pragmatic legitimacy by emphasizing the agency's contributions to particular stakeholders, or it may frame the CSO's story to emphasize widely held legal, normative or cognitive expectations.
- Manipulate myths, symbols and ceremonies to build cognitive legitimacy. CSOs can use existing cognitive expectations to shape stakeholder perceptions of their legitimacy. Adopting monitoring and evaluation schemes approved by donors, for example, may enhance CSO legitimacy with those donors even if the CSO does not use them for active learning or capacity building.
- Construct new definitions and standards of legitimacy. Aligning CSO activities with existing standards can support the very status quo the CSO seeks to change. It may be necessary to challenge existing laws, norms, cognitions, and interests to construct legitimacy consistent with a desired social transformation. CSOs can reframe existing definitions to demonstrate their negative consequences and use their experience to articulate new understanding of legitimate goals. The women's movement, for example, redefined the nature of "human rights" to include private violence against women as well as state abuses, a reframing that implies a positive state duty to intervene to protect women even in the private spaces of their households.

These strategies move from pure alignment with existing expectations to actively changing the expectations that underpin legitimacy judgments. While aligning the CSO with existing standards of legitimacy is easier than constructing new standards, for some CSOs creating new standards lies at the heart of their development task. We will return to the issues of constructing new standards later in this report.

3.2 Accountability

The concept of <u>accountability</u> has been defined in many ways, not all of them compatible or mutually reinforcing.[15] We will focus on accountability as a <u>responsibility to answer for particular performance expectations to specific stakeholders</u>.[16] So, unlike the general contextual expectations that shape the legitimacy of CSOs, accountability may focus on quite specific claims—from financial accounting practices, to quality of services delivered, to advocacy campaign tactics utilized. CSO values, missions and strategies define goals and activities for which they might be held accountable by these stakeholders.

For CSOs it is often difficult to identify stakeholders who have primacy in their accountability claims. In other sectors primary stakeholders are often well-established: private sector firms owe primary accountability to owners and stockholders, and public agencies in democracies are accountable to voters and their elected representatives. CSOs, in contrast, are often accountable to many stakeholders, and therefore not primarily accountable to any.[17] CSOs may owe accountability <u>upward</u> to donors who provide resources and to regulators responsible for their legal certification, <u>downward</u> to beneficiaries and clients who use their services or to members who expect representation, <u>outward</u> to allies and peers who cooperate in programs and projects, and <u>inward</u> to staff and volunteers who invest their talents and time in organizational activities.

But it is not obvious which of these claimants has priority when their demands are not compatible. Without accountability to donors, funding sources may dry up; without accountability to regulators, charters may be revoked; without accountability to beneficiaries, services may not be used; without accountability to staff and volunteers, operational capacity may be eroded; without accountability to members and political constituents, credibility may be undermined. It is common for conflicts among accountability claims to be resolved in favor of stakeholders with the power to punish the CSO for lack of attention: Donors and regulators, for example, often get more accountability attention than beneficiaries or staff. But that resolution of conflicting claims does not always advance CSO missions, particularly when they seek to foster self-reliance, improved services, capacity-building, or political voice for marginalized populations. How tradeoffs are made among stakeholders with conflicting claims is a critical issue to which we will return later.

It is also critical to understand the nature of accountability relationships. Several quite different models of accountability relations have emerged from work in different sectors.[18]

- In government circles, for example, a commonly used model is <u>representative accountability</u>, which emphasizes the obligations of representatives to their constituents. This model has roots in political theory and is often applied to public sector actors expected to be democratically accountable to voters or their elected representatives. It is particularly relevant to CSOs that represent members or constituents to give political voice to otherwise unheard interests. The civil society campaign against the Narmada dams in India, for example, claimed to

represent thousands of small farmers who would be displaced, and drew much of its legitimacy with stakeholders like the World Bank from its ability to speak credibly for those grassroots constituents. In representative accountability, violations of constituent mandates can lead to replacement of elected leadership.

- In the business world the most widely used model is principal-agent accountability, which focuses on motivating agents to achieve the goals of their principals. From this perspective, the major challenge is to design incentives that will keep the agent faithful to the principal's interests. Principal-agent accountability emphasizes the fiduciary responsibilities of agents and economic and legal incentives to encourage agents to act for principals. Violations of contract accountabilities can be enforced through the legal system with financial or legal sanctions. Donors often fund CSOs as agents to carry out tasks that the donors cannot accomplish by themselves, and donors often set standards of financial and program accountability to be met by their agents.

- A third model that is particularly relevant to CSOs focuses on creating mutual accountability compacts that bind members through shared values, aspirations and social identities. The parties to mutual accountability define shared goals and "buy in" to responsibility for achieving them. Sanctions for violating expectations are social and relational, so relationships and trust become critical elements in the construction and implementation of shared analyses and plans. Mutually accountable relationships require developing shared understanding, respect, trust, and mutual influence. They may require more time and energy to create and they are more difficult to maintain across large numbers of actors than agency contracts or representative mandates. But many CSOs that build alliances across levels and regions to gain leverage find mutual accountability appropriate for dealing with the uncertainties they face.

CSOs use different models of accountability with different stakeholders. Relations with donors often depend on principal-agent negotiations and contracts; relations with members may be organized around representative accountability of elected leaders; and relations with allies may depend on mutual accountability grounded in histories of mutual trust and cooperation. Relations constructed as one model may evolve over time into another, as when a long-term relationship between a donor and a CSO evolves from a principal-agent contract for specific outcomes to a more mutually accountable compact to accomplish shared social objectives. When parties understand their relationship in terms of different underlying models, serious problems can arise. Many Northern and Southern CSOs, for example, use the language of mutual accountability in constructing "partnerships," and when Northern CSOs—sometimes under pressure from their own donors—invoke principal-agent concepts to administer the partnership, their Southern colleagues feel misled or betrayed.[19]

Since accountability relations involve specific relationships and expectations, they are more subject to direct influence by CSOs than legitimacy perceptions. After an elaborate analysis of accountabilities for intergovernmental organizations, multinational corporations, and transnational civil society associations, the Global Accountabilities

Project identified four <u>core accountability mechanisms</u> that are critical to managing accountability claims.[20]   These mechanisms are starting points for accountability management strategies with both internal and external stakeholders.

- <u>Transparency mechanisms</u> enable the free flow of information between organizations and stakeholders in decision making, performance and reporting. Reporting and disclosure systems and processes that enable information sharing among parties are central to an effective accountability relationship. Examples include audited accounts and annual reports made available to stakeholders.
- <u>Participation mechanisms</u> enable internal and external stakeholders to be involved in organizational decision making. Key stakeholder involvement in deciding about goals and activities may be critical to eventual accountability for their performance. Participation mechanisms include regular consultations with stakeholders or inclusion of stakeholder representatives on Boards of Directors.
- <u>Evaluation mechanisms</u> make it possible for stakeholders as well as the CSO to assess activities, outputs, outcomes and impacts. Monitoring and assessing results enables judgments about the success of organizational efforts in meeting its performance premises.   Examples include organizational monitoring and evaluation systems, independent program evaluations, and social audits.
- <u>Complaints and redress mechanisms</u> provide vehicles for raising questions about CSO performance and for sanctioning failures to deliver on performance goals.
- These mechanisms are particularly important when large inequalities in power between the CSO and key stakeholders might undermine the capacities of stakeholders to demand accountability. Review panels, juries and ombudsmen are examples of ways to create opportunities for complaints and redress by many stakeholders.

Efforts to manage accountabilities to CSO stakeholders can focus on one or several of these mechanisms. The forms the mechanisms take vary across accountability models, since the underlying relationship characteristics are quite different. Table 1 summarizes the models of accountability relationships and their differing requirements for core accountability mechanisms.

For representative accountability, for example, voters need mechanisms that enable transparency and evaluation of representative performance, such as publication of votes or a free press that investigates and publicizes representative activities. Voter participation in setting priorities and shaping decisions require regular interaction with representatives. Complaints and redress issues can be raised by media or oversight agencies that influence voter actions in elections.

For principal-agent accountability, principals must negotiate contracts that specify performance expectations, reporting arrangements, and rewards and punishments for various outcomes. Contract provisions can be written to build transparency on critical issues and systems for evaluating performance, and the parties can rely on third parties, such as courts, to help enforce those contracts.

For mutual accountability, the parties must develop shared goals and perspectives and relationships of mutual respect and trust that can underpin their compact. Such compacts depend on two-way sharing of information and participation in key decisions and on evaluation systems focused on agreed responsibilities for achieving shared goals. Complaints and redress turn on peer relations and participants' commitment to maintaining their social identities and reputations.

Table 1. Accountability Relationships and Management Issues

	Representative Accountability	Principal/Agent Accountability	Mutual Accountability
Status of Parties	Constituents elect representative to act on their behalf	Principals hire agents to act on their behalf	Parties engage each other to achieve shared goals
Transparency	Representative reports to constituents on mandated goals and activities	Agent reports to principal on contracted goals and activities	Parties report to each other on compact-related goals and activities
Participation	Voters work with representative to articulate mandates and define priorities	Principal negotiates contract with agent to define goals and incentives	Parties influence each other to define shared values, goals and compacts
Evaluation	Voters, press, and oversight agencies assess representative performance	Principal and agent assess how each has lived up to contract	Parties and peers assess performances defined by compact agreement
Complaints/ Redress	Elections, media coverage, and oversight mechanisms enforce mandates with electoral sanctions	Courts adjudicate contract violations and enforce legal and economic sanctions	Peer networks enforce expectations with identity and reputation sanctions

3.3 Legitimacy, Accountability and Sources of Standards

Legitimacy and accountability influence each other. CSO legitimacy reflects generalized perceptions of the organization by actors in its environment. Those perceptions may be influenced by management strategies that align organizational goals and activities to fit environmental expectations or (with more difficulty) reconstruct environmental expectations to fit the organization. Accountabilities describe more focused expectations that are held by specific CSO stakeholders. Improving accountability to appropriate stakeholders can strengthen CSO legitimacy by clarifying the interests they serve and how abuses can be controlled. Questions about the legitimacy of CSOs are often raised in accountability terms: "Who elected them?" "Who holds them accountable?"

Defining the accountabilities of CSOs and how they are enforced is probably the single most powerful intervention for preserving and enhancing their legitimacy as social actors. But how are such standards and enforcement processes defined? And to what extent can CSOs influence the substance of accountability standards and the processes by which they will be enforced? We believe that there are three sources of accountability standards that are important for civil society: (1) established societal ideals reflected in laws or widely held norms and expectations; (2) negotiated domain standards created by communities of organizations to govern a common area of work; and (3) strategic organizational choices about standards and stakeholders that govern the activities of particular CSOs.

Established societal ideals are standards for accountability rooted in legal traditions, social norms or cognitive expectations. CSOs are expected to obey basic laws and norms of their societies, and governments may create specific regulations for their formation, resources, and activities. Social norms and "customs having the force of law" also create societal ideals. When very high salaries for chief executives of some charitable organizations in the US became public knowledge, many donors reduced their contributions because the organizations had violated widely-held norms about reasonable compensation in the nonprofit sector. Some national governments have sought more rigorous state regulation of civil society organizations in response to perceived abuses, though such regulation may also create significant costs in undermining the sector flexibility and ease of entry that generates social energy and innovation.

Sometimes civil society and government agencies cooperate to jointly develop societal standards. Box 1 describes the evolution of the Philippines Council for NGO Certification (PCNC) as an effort to negotiate and enforce standards for the NGO sector in cooperation with government agencies, so that the resulting standards are responsive to the concerns of both sectors.

Box 1. Societal Standards: The Philippine Council for NGO Certification

The Philippine Council for NGO Certification (PCNC) emerged as the product of a negotiation between the Department of Finance and networks of civil society organizations in the Philippines. In the mid-90's the Department proposed to abolish tax deductions for contributions to NGOs because lack of oversight was leading to rampant abuse and corruption as well as reduced government revenues. Some NGOs, on the other hand, believed that the change would affect the resources contributed by business and wealthy individuals quite negatively.

Six networks of Philippine NGOs agreed to develop a code of conduct and to carry out peer reviews to certify NGOs as being in compliance with the code. The Government agreed to maintain tax deductions for certified NGOs. The evaluation process was expected to be funded by fees from evaluated NGOs as well as member contributions and initial support from foundations.

By 2005 more than 400 NGOs had been certified through a peer review process that involves hundreds of volunteer evaluators from member NGOs. Roughly 10% of the applicants were initially denied certification, though many of them were certified in subsequent assessments. Those certified have been granted tax deductions for contributions received.

Source: R. A. Chamberlain, Regulating Civil Society: The Philippine Council for NGO Certification, Manila: PCNC. Also see PCNC website at www.pcnc.com.ph.

The PCNC experience demonstrates that codes of conduct and peer reviews can control the proliferation of fraudulent NGOs and build a shared base for recognizing good practice, though the certification process has also required substantial commitments of volunteer time and energy. Such initiatives can catalyze cross-sector and society-wide debate on the elements of a code of conduct and help construct understanding and commitment to minimum standards. State support in the form of tax relief invests the PCNC standards with the status of societal ideals.

A second source of standards is the creation of negotiated domain standards that take into account the specialized experience and expertise of communities of organizations. Such domain standards can be negotiated to set accountability expectations in multi-organizational contexts that range from communities of organizations in the same sector, to campaign coalitions across local, national, and regional differences, to intersectoral partnerships that bring together business, government, civil society and other actors to solve shared problems.[21]

Initiatives to build domain standards out of organizational experience and to certify compliance with those standards is becoming increasingly common for NGOs in many countries, from Pakistan and India to Australia and the United States.[22] Box 2 briefly describes the Code of Conduct for NGOs in Ethiopia, which grew out of discussions among many NGOs concerned about fostering greater accountability in the sector.

Box 2. Negotiating Sector Standards: The Code of Conduct for Ethiopia NGOs

The Code of Conduct for NGOs in Ethiopia was developed collectively by NGOs in 1998. It was formally endorsed by 165 national and international NGOs, which includes most NGOs operating in the country. It was created to ensure transparency and accountability, improve quality of services at high standards, improve communication with NGO stakeholders, and encourage sharing experiences and joint learning.

The Code of Conduct includes a series of norms related to community involvement, fairness and equity, ethics, transparency and accountability, governance, independence, communication and gender. Examples of code provisions include:

- Transparency and Accountability:
  o We shall maintain and make available to all concerned bodies periodic audit, financial and activities reports.
  o We shall conform to the constitution, laws, rules and regulations of the Government of Ethiopia and, where necessary, lobby for change.
- Good Governance:
  o We shall have a written constitution or a memorandum of association that clearly defines our mission, our objectives and our organizational structure.
  o All of our organizational transactions shall be free of conflicts of personal and professional interest.

The Code Observance section provides for the Code Observance Committee to hear complaints and decide about code violations, including membership suspension or cancellation if necessary.

Sources: www.crdaethiopia.org/Code%20of%20Conduct/CoC.htm;
www.gdrc.org/ngo/codesofconduct/africa-code.html;
hq.unhabitat.org/cdrom/TRANSPARENCY/html/box49.html

Creating sector standards can provide opportunities for constructive debate about CSO practices and problems as well as avenues to greater financial support from many sources. But building detailed standards is not easy. It is often relatively easy to come to agreement on general principles, but creating detailed standards and mechanisms for sanctioning violations of those standards may be very difficult. The NGO Code for Ethiopia, for example, created a Committee of NGO leaders and civil society leaders to hear complaints and take action on Code violations.

A third source of accountability standards is <u>organizational strategic choice</u>. Organizations may have considerable leeway in defining how much they will emphasize accountability to various stakeholders, particularly when their stakeholders vary in interests and power. Those choices have consequences, of course. CSOs cannot choose to ignore stakeholders without legal, moral or prudential risks. But CSOs often make less use of space for choice than they could. In the absence of strategic thinking about the issues of accountability, some stakeholders receive much more attention than others. It is common for donors and government regulators to have their accountability claims

honored, while the claims of less powerful constituencies like poor and marginalized beneficiaries receive less attention.[23]   While CSOs often complain about having to comply with donor- or government-imposed accountability standards, they often give little attention to the possibilities of balancing those demands with increased attention to other stakeholders' claims.

But such imbalances are not automatic. Organizations can make strategic choices about accountabilities to different stakeholders and even create systems that enhance the abilities of low-power stakeholders to influence performance. Box 3 describes the strategic choices of PRIA in India to manage conflicting accountabilities to stakeholders in civil society capacity-building initiatives.

Box 3. Organizational Strategic Choice: PRIA and CSO Capacity-Building

PRIA (The Society for Participatory Research in Asia) began to provide organization development consulting services to Indian civil society organizations and movements in the early 1990s. At the time, many international donors sought to strengthen the capacities of the CSOs they supported. Several approached PRIA to do organizational diagnoses of their CSO partners that were perceived as having difficulties.

PRIA hoped to develop organizational capacity building as a major program—but its leaders also saw tensions between the interests of donors and CSO clients. If PRIA reported on CSO weaknesses to donors, CSO funding might be at risk. If CSO clients believed that their funding was at risk, they would not speak frankly to PRIA consultants. PRIA believed that capacity building work based on "public relations" descriptions of CSO problems would not have many valuable long-term impacts.

To manage this dilemma, PRIA decided that they would not accept assignments unless donors agreed that the diagnostic reports would go to CSO clients rather than to their donors. Some donors rejected this policy; others agreed that their control over the reports might undermine the capacity-building agenda. PRIA's strategic choice to prioritize accountability to clients over donors resulted in no support from some donors—but it enhanced PRIA's legitimacy with CSO clients and with other donors.

Source: Personal communication with PRIA Staff.

Accountability standards can be articulated at the organizational, domain, and societal levels. Where there is widespread agreement on the kinds of goals and activities that are most appropriate, legislation or "customs having the force of law" can codify expectations into societal ideals. Where the issues are less well-understood or more controversial, societal agreement on which to ground legislated regulations or normative standards may not yet exist. When innovative responses to poorly understood problems are needed to build the base for societal ideals, domain negotiations to set standards based on experience across organizations or organizational strategic choices by those grappling with the problems may be more appropriate sources of standards.   The experience of such organizations may provide the base for domain negotiations, and the articulation of domain standards may be precursors to societal ideals. In the sections that

follow, we focus on building accountability systems for organizations and domains because they offer CSOs opportunities to actively influence their own accountability and legitimacy.

4. Constructing Organizational Accountability Systems

The missions and strategies of civil society organizations are at the heart of defining their legitimacy and accountability. Criteria for legitimacy and accountability vary across missions and strategies. Service delivery CSOs may be required to demonstrate the quality and reach of their services and make themselves accountable to donors and service regulators to get critical resources. Capacity building CSOs may work closely with clients to develop programs and so emphasize accountability to clients whose active cooperation is essential to co-producing enhanced capacities. Advocacy CSOs may need to build legitimacy with both the constituents they represent and the targets they seek to influence. Accountability to constituents is central to preserving their legitimacy as a voice for otherwise unheard populations; legitimacy with targets is necessary to effectively influencing them. In the multi-stakeholder world of CSOs different missions may demand different priorities among stakeholder accountabilities.

CSOs that do not grapple with the issues of legitimacy and accountability often pay more attention to stakeholders with loud voices and substantial power—such as donors and government agencies—and pay less attention to stakeholders with less clout—such as clients or agency staff. In this section we turn explicitly to the possibilities of building systems for managing accountabilities to many stakeholders. Such accountability systems include definitions of performance, identification of key stakeholders, tools for assessing performance, mechanisms for communicating those assessments, and vehicles for creating performance consequences for the CSO.

Figure 1 summarizes the links among CSO strategies, activities and results. The "strategic triangle" of value creation, legitimacy and support, and operational capacity on the left of the Figure reflects three critical questions that CSO leaders must answer in creating organizational strategy. It is important for CSO leaders to define (1) what and how it will create value (such as services delivered, capacities built, or policies influenced), (2) how it can gain support and legitimacy for its work, and (3) how it will develop the operational capability to carry out its strategy.[24] They must also figure out how these questions can be answered at the same time, ideally in ways that are congruent and mutual reinforcing.

The CSO carries out activities to create value (such as health services, capacity-building workshops, or policy analyses) which in turn contribute to outcomes such as changed behavior by targets (such as better nutrition by mothers, more self-help by villagers, changed policies by legislators) which foster longer-term social impacts (such as healthier babies, improved village conditions, and improved government services). These elements together comprise the CSO's value chain or change theory for accomplishing its strategy and mission, as indicated by the large arrows down the right of Figure 1.

Accountability systems assess information about activities, outputs, outcomes and impacts, report results to relevant stakeholders, and enable stakeholders to hold the CSO accountable. Thus the dashed arrows from the accountability system reflect the use of performance information to enhance legitimacy and support, strengthen organizational capacity, and enhance value creation.

Figure 1: Strategy, Accountability and Legitimacy
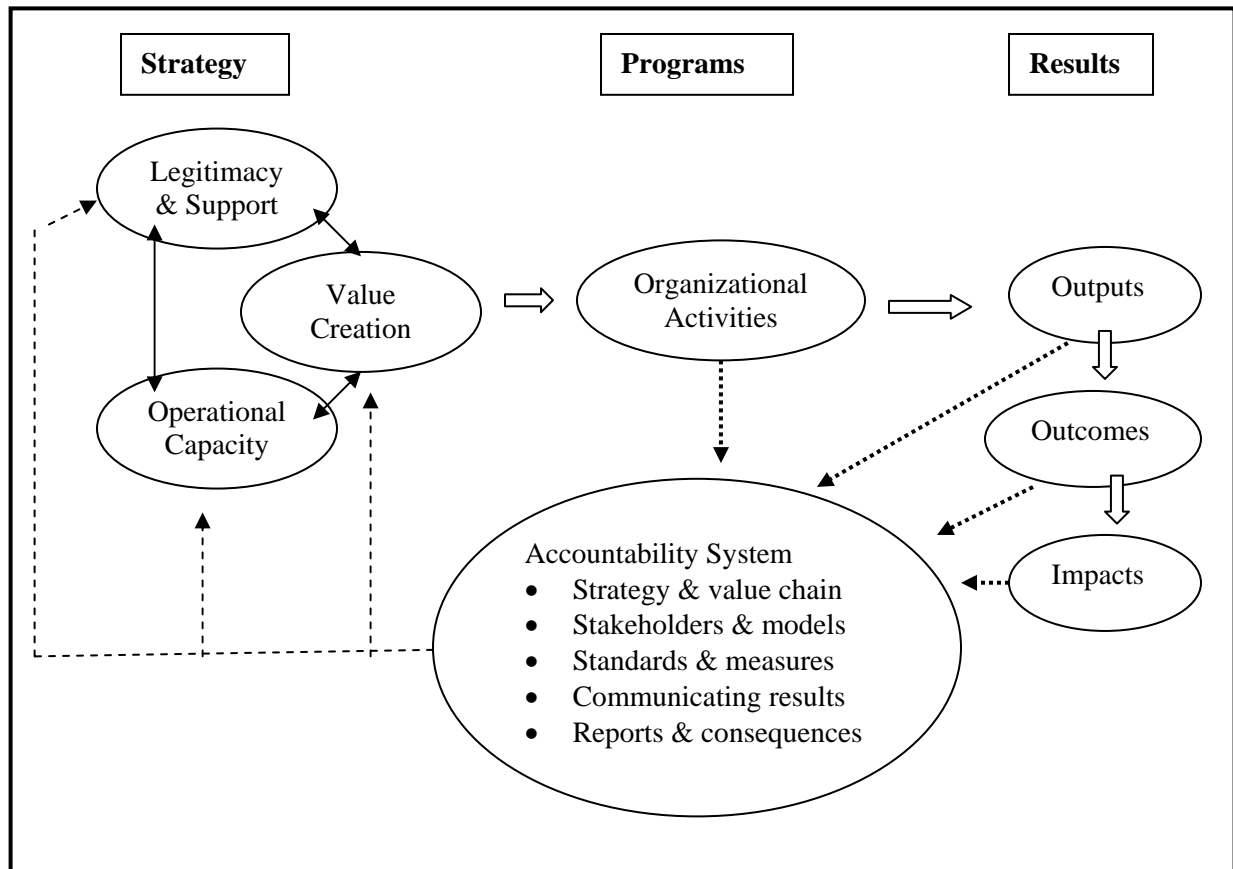
The strategic choice perspective focuses on strengthening CSO capacities to accomplish their missions. CSOs can construct accountability systems that reinforce performance and mission accomplishment. These systems may make use of a range of accountability mechanisms to enhance transparency, build stakeholder participation, assess performance results and respond to complaints and performance shortfalls. Building accountability systems involves five tasks: (1) articulating strategies and value chains, (2) identifying and prioritizing organizational stakeholders, (2) setting standards and performance measures, (3) assessing and communicating performance results, and (4) creating mechanisms that enable performance consequences so stakeholders can hold the CSO accountable. We consider each of these elements below and illustrate them with examples drawn from current initiatives around the world.

4.1 Articulating Strategies and Value Chains

Clarifying CSO strategies for accomplishing their missions is a critical step in building accountability systems that support mission accomplishment. Different strategies utilize different chains of activities, outputs and outcomes to produce desired long-term impacts. Service delivery (such as providing micro-credit loans), capacity building (such as training entrepreneurs), and policy advocacy (such as promoting small business-friendly legislation) are strategies that imply quite different activities and desired results, though all three might be used to enhance the incomes of impoverished populations. The strategic triangle in Figure 1 suggests that the value to be created is linked to approaches to generating legitimacy and support and constructing operational capability. So, articulating the CSO's fundamental strategy is an important step in building an accountability system.

Strategies usually include a theory about how the CSO's activities will produce long-term impacts. Such theories have been discussed as "change theories" or "logic models" or "value chains." [25] In essence they describe how the CSO believes its work will make a difference. CSOs have considerable control over the nature of their immediate outputs, such as loans provided or workshops delivered. They have less control over how those outputs are utilized by their clients or targets, and still less influence over how the behavior of clients and targets interacts with other factors over the longer term to produce social impacts. PRIA's value chain for CSO organization development, for example, assumed that effective organization development depended on creating client relationships that enabled frank discussion of organizational problems. Their theory implies that client mistrust would undermine the outcomes necessary to achieve desired impacts. Articulating strategies and their value chains is central to understanding points at which accountability to various stakeholders is critical to mission accomplishment.

4.2 Identifying and Prioritizing Organizational Stakeholders

Who are the key stakeholders for CSOs? Answers to this question vary considerably across CSOs, depending on their missions and strategies, the contextual forces they face, and the capacities they bring to bear. The stakeholders that are critical to disaster relief or service provision may be quite different from those central to local capacity building or to policy advocacy. Since CSOs have many diverse stakeholders—donors, members, regulators, clients, allies, staffs, targets—trying to be fully accountable to all of them may be a recipe for paralysis or constant firefighting. Prioritizing accountabilities can be vital to mission accomplishment.

The strategic triangle offers a simple way to identify and map stakeholders who have important accountability claims by focusing on value creation, legitimacy and support, and operational capability. Figure 2 illustrates using the strategic triangle to identify stakeholders of an international NGO that builds the capacities of marginalized communities, Southern NGOs, and local government agencies.

Figure 2. Capacity-Building INGO Strategic Triangle and Stakeholders
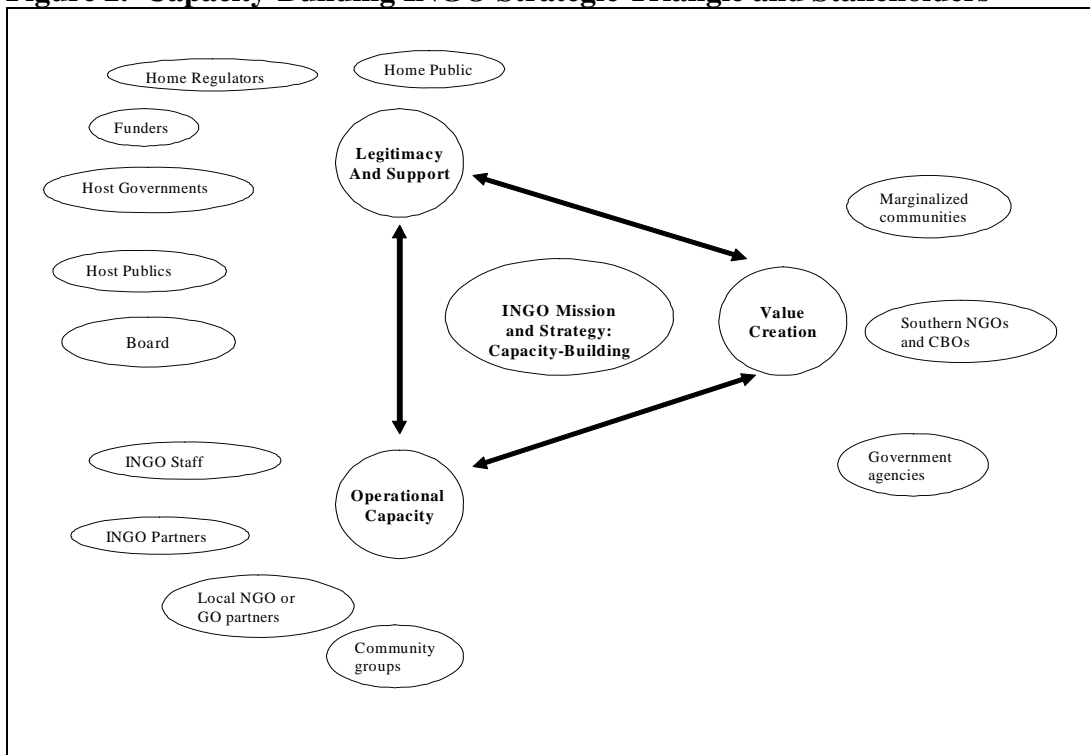
Source: Brown, L. D., M. H. Moore, & J. P. Honan (2004). Building Strategic Accountability Systems for International NGOs. *AccountAbility Forum* 1(2): 31-43.

When the relevant stakeholders have been identified, CSO leaders can assess the nature and importance of accountabilities on at least three dimensions. First, is the CSO accountable on legal grounds? Some stakeholders can use law and the courts to hold the CSO accountable, such as suing it to compel compliance with contractual obligations to provide donors with audited accounts. Second, is the CSO accountable on normative grounds? Some stakeholders can call for accountability on grounds of values and norms held by the CSO, such as publicizing CSO behavior that is inconsistent with its public value and norm commitments. And third, is the CSO accountable on prudential or practical grounds? Some stakeholders can exact high costs for accountability failures, as in donors refusing to re-fund programs.

Stakeholders may have claims on several grounds. Donors often have strong claims on legal and prudential grounds, while clients may have strong moral claims but little prudential clout or legal standing. One approach has been to assess stakeholders on all three questions and then combine those assessments for an overall priority rating.[26] Identifying stakeholders and establishing priorities among them is essential to constructing accountability systems that support mission and strategy achievement. Many CSOs recognize the temptation to pay more attention to stakeholders with strong prudential and legal claims and pay less attention to value-based claims, even when those values are at the core of CSO missions. Recognizing and discussing those tensions is central to constructing accountability systems that realistically support CSO missions.

4.3 Setting Standards and Measuring Performance

Accountability systems depend on agreements about performance and how it can be measured. Measuring performance is particularly challenging when CSOs seek to accomplish long-term social impacts, since it is difficult to measure precisely such impacts or the contributions of various actors to them. Articulating value chains provides a framework to evaluate indicators for assessing immediate outputs, client outcomes, and longer-term impacts—but the causes of those indicators are increasingly difficult to assess as they become more distant from CSO activities.

The challenges of assessing social and environmental impacts have received increasing attention in the last ten years. While many initiatives have examined ways to assess immediate outputs of programs, others have paid attention to their outcomes in terms of changed behavior on the part of program targets.[27] The work of organizations like the New Economics Foundation, AccountAbility, and Keystone, for example, have contributed to expanding awareness of measures and standards for assessing social and environmental impacts.[28] With cooperation from a number of universities, the practitioner-led Social Performance Management system (SPM) supports microfinance institutions to measure social as well as financial performance and to build new forms of accountability.[29]

It is not uncommon for donors to require evaluation plans for the programs they fund. But donor interests differ from interests of other stakeholders, and their evaluations may not serve other stakeholders well. Indeed, some CSOs collect information required by donors but create quite different systems to support their own learning.[30] The challenges of creating performance measurement systems that serve multiple stakeholders have inspired a number of innovations, such as the OSANGO assessment system briefly described in Box 4. Note that this approach emphasizes working with stakeholders— particularly clients and beneficiaries—to define problems, identify indicators and measures of impact, and assess and interpret results. The system is designed to foster joint learning about program outcomes and impacts, stressing enhanced independence and capacity of program clients as well as learning for the CSO.

Box 4. Organizational Self-Analysis for NGOs (OSANGO)

This self-managed assessment system was created by Indian NGO support organizations to enable NGOs to assess their performance with respect to their missions, values, and operating principles. It offers a framework for analyzing organizational structures and processes and can provide computerized feedback that compares the organization to others.

OSANGO emphasizes NGO accountabilities to stakeholders and particularly to beneficiaries by encouraging agencies to:
- Be aware of statutory obligations and other legal requirements;
- Develop goals and objectives in cooperation with stakeholders;
- Engage in dialogue with beneficiaries to solve local problems;
- Seek feedback on program impacts from beneficiaries and other stakeholders; and
- Measure performance in cooperation with other stakeholders.

Source: Jagadananda (2004). The Need for Self Assessment-Reflection: Organizational Self-Analysis for NGOs (OSANGO) in South Asia. *AccountAbility Forum* (2, Summer): 98-106.
For additional information on OSANGO: http://www.cysd.org/osango.htm

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Creating a performance measurement system that makes sense to the CSO is an important step, but it does not guarantee that the resulting measurements will be adequate for all. The OSANGO system emphasizes working with other stakeholders to develop goals and objectives, generate information about impacts, and interpret the results. Often the value of information for accountability purposes will turn on the extent to which the CSO has negotiated agreement on performance measurement with key stakeholders early in the process. Early negotiations can help the CSO and its stakeholders define desirable performance in the same general terms.

4.4 Assessing and Communicating Performance

The results of CSO performance can be assessed in many ways. The data from performance indicators developed in the prior step must be analyzed, interpreted and communicated to key stakeholders if they are to hold the organization accountable. Some organizations invest time and resources in self-evaluations, deploying staff to collect and analyze information about program performance and how much their activities have the impacts intended. Others commission external evaluations (or have evaluations imposed on them) to gain the advantage of technically sophisticated and organizationally independent feedback.

Communications include disclosure statements, annual reports, or publication of internal and external evaluations. Writing reports in English may be useful for donors, but it does not help clients who are not literate English-speakers understand what the CSO is doing. The critical issue here is making information available in forms that are comprehensible and useful to various stakeholders. Stakeholder diversity means, of course, that some will find communications more difficult to decipher than others.

An important initiative in assessing and reporting CSO impacts has been the rise of social auditing. Much of the initial work in this area has focused on private sector initiatives, but it is highly relevant to CSO work as well. Social auditing develops indicators and tools for assessing social and environmental impacts as well as economic results.[31]

A particularly interesting innovation in the area of assessing and communicating performance is the Keystone initiative, described in Box 5. This initiative builds on the assumption that better performance and reporting standards will expand the resources available for social programs.

Box 5. The Keystone Initiative: Shared Standards of Performance

Keystone Reporting has been organized to build a widely accepted reporting standard for social and environmental results that can be used to improve CSO performance, strengthen accountabilities, and consequently expand social investment. To do this it fosters multi-stakeholder dialogues on the need for accountability and transparency and action research to build a reporting standards framework in a number of pilot projects with partners around the world.

The reporting framework focuses on the competencies of CSOs that are predictive of future performance. Features of the proposed standard include:
- Ratcheted reporting, so that more mature CSOs meet higher standards;
- Open, inclusive and participatory processes to enable mutual learning;
- Capacity development emphasis rather than picking winners;
- Capability-based analysis focused on likely future performance;
- Graduated external verification, from self to peer to external assessments; and
- Flexibility in prioritizing rating aspects, so potential donors can assess CSOs according to their particular concerns.

Source: Bonbright, D. (2004). NGO Accountability and Performance: Introducing ACCESS. *AccountAbility Forum* (2, Summer): 4-13. See also www.accountability.org.uk.

If Keystone achieves its goals, it will influence both the substance of result reporting on social and environmental CSO programs and the context in which those results are communicated. It will help create shared standards for assessing the capabilities of CSOs, enhance the capabilities of CSOs and their abilities to learn from their work, and enable potential social investors to identify, assess and support effective programs. Its founders hope that these changes will enable funding for social results on a much larger scale than is now possible.

4.5 Creating Performance Consequences

Since the interests and capacities of CSO stakeholders vary, making information available to all of them in the same format does not ensure that they can hold the CSO accountable. While government officials and donor agency staff may be quite happy with audited accounts or external evaluation reports, grassroots constituents may not have

the languages (e.g., English) or the skills (e.g., accounting) to interpret the reports. Even if they understand the reports they may not have the power or the resources to compel attention to their concerns. "Creating performance consequences" assumes some degree of voice and influence from the relevant stakeholders and some power to ensure that CSOs have strong incentives to listen to relevant stakeholders.

This problem is often recognized by CSOs—but less often solved. Box 6 describes an initiative by an international NGO concerned with the difficulties of managing information from local assessments while promoting enhanced local accountability.

Box 6. Accountability, Learning and Planning System (ALPS)

This system was created by ActionAid to help focus program reporting and evaluation on important outcomes. It has been designed to bring together clients, partners and staff to learn from experience.

The ALPS process emphasizes appraisal, strategy formation, program review and annual reflections in cooperation with community groups and partners, with a special emphasis on downward accountability. It includes elements to ensure:

- Participation by primary stakeholders in various phases of work;
- Transparency, sharing and reporting across stakeholders;
- Recognizing different forms of literacy, communication, and reporting;
- Emphasis on learning with stakeholders about achievements and failures; and
- Downward accountability to poor people.

For additional information about ALPS: http://www.actionaid.org.uk/800/alps.html

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Since development is often understood as "empowering" grassroots constituents, creating the context for mutual assessment and joint learning with them is an attractive goal—but not one that is easily accomplished. Accountability to clients and beneficiaries is an empty term if they do not have the power to demand attention to their concerns. But that power does not happen by accident or by default. The ALPS experience suggests that mutual learning and accountability has to be explicitly woven into programs and implemented with considerable commitment if it is to be effective.

4.6 Organizational Learning, Operational Capacity and Legitimacy

The information generated by accountability systems has a number of uses. It offers opportunities to organizations operating in complex and changing contexts for organizational learning from information about program outputs, outcomes and impacts. This information can help the CSO learn what works at the operational level as well as how accurately its theories of change in fact predict and explain results. In Figure 1 the dashed arrow from the accountability system to the creating value aspect of the CSO strategy reflects the organization's ability to adapt by making use of organizational learning.[32]

Within the organization, information from the accountability system can be used for operational capacity-building, clarifying roles and responsibilities and defining performance expectations to focus organizational energies where they will have the greatest impact. The dashed arrow in Figure 1 from the accountability system to operational capability indicates the possibility of using new information to foster more effective performance.

Finally, the existence of clear standards and information about performance can be used to strengthen internal and external legitimacy of the CSO, as indicated by the dashed arrow from the accountability system to legitimacy and support. The more clearly the organization can produce data that indicates mission-related performance and impacts, the more credible the case for legitimacy. Critics may challenge the relevance or value of the mission–but at a minimum the CSO can demonstrate that its actions are consistent with its words–that it "walks its own talk" in behaving consistently with its values.

In short, constructing accountability systems at the organizational level offers CSO leaders opportunities to assess the importance of various stakeholders and design systems that align internal and external accountabilities to press for mission accomplishment. Defining organizational accountabilities makes it possible for key stakeholders to support accomplishment of critical objectives. There is no complete freedom to decide which accountabilities will be primary—accountability choices have consequences, particularly when powerful stakeholders get less than they want. But donors and regulators may recognize the importance of accountability to other stakeholders—particularly those whose capacity and empowerment is the rationale for the programs they support. There is enough latitude for many CSO leaders, given chances to negotiate with donors and other stakeholders, to build accountability systems that support and reinforce their strategic commitments.

5. Building Domain Accountability Systems

Civil society legitimacy and accountability systems can also be constructed at the domain level, so that communities of organizations agree about appropriate standards, practices, and relations with key stakeholders. While organizational accountability systems focus on the strategies and activities of individual organizations, domain accountability systems require interorganizational negotiations to define standards for community members. Often domain expectations about legitimacy and accountability are developed out of the experiences of their members, so agreement on standards and practices emerges from past practice. Domain standards may become embedded in wider social norms and legal standards, and so evolve into societal ideals of legitimacy and accountability embedded in laws, norms and expectations.

Interorganizational domains take many forms. For example, much of the attention on increasing the legitimacy and accountability of civil society organizations has focused on domains that involve organizations from the same sector. Members of sector domains carry out similar activities and have similar stakes in creating standards of legitimacy and accountability, such as the members of the development NGO sector in the Philippines.

A second important domain for civil society organizations is interorganizational campaigns to influence powerful actors like governments, corporations, and intergovernmental organizations. Campaigns may involve a wide range of concerned actors, such as the civil society organizations from local, national and international levels that have campaigned to stop dam building in India and Brazil. A third form of interorganizational domain is focused on a problem whose solution requires resources from many actors. Such problem domains may require standards based on legitimacy and accountability expectations negotiated across sectors and levels, such as the World Commission on Dams which was created to assess experience with large dams and define future standards and practices. Problem domains may require extended efforts to manage relations within the domain as well as with external stakeholders.

Constructing domain legitimacy and accountability systems requires (1) defining the domain and its stakeholders, (2) negotiating standards, codes and performance measures, (3) creating domain implementation organizations, and (4) enabling performance consequences for domain actors and stakeholders. Each of these elements is considered briefly below, and illustrated with experiences from around the world.

5.1 Defining the Domain and its Stakeholders

Defining a domain requires that its members perceive common interests that justify both a substantial investment of time and energy and the loss of organizational autonomy from creating new standards. Part of domain definition is building recognition among domain members that domain definition and collective action is in their interest. An initial question is who is inside and who is outside this domain, and how will it advance members' interests to participate. For the Philippine Council on NGO Certification (PCNC), for example, an important early question was whether NGOs with few or no deductible contributions had any interest in the tax reform that threatened those contributions. The domain would have been much smaller if they had decided not to join the alliance of CSOs dependent on such contributions from businesses or wealthy individuals.

The domain definition process also requires clarifying the nature, interests and priority of external stakeholders. Who are the stakeholders that affect or are affected by the domain's value creation activities? What stakeholders are important to the longer term legitimacy and support for the domain as a whole? External stakeholders for the PCNC domain, for example, included international donors, the business community, other government agencies and the general public concerned about the development roles of civil society in the Philippines.

While similarities and interdependencies of domain members may be easy to recognize intellectually, it is often difficult to mobilize members' resources for collective action. It is unlikely that civil society actors in the Philippines would have organized PCNC in the absence of the threat to civil society resources posed by fraudulent NGOs and the proposed tax reform. So, internal and eternal threats may be critical to catalyzing domain definition initiatives.

The creation of clearer standards for a <u>sector domain</u> is often a consequence of external criticism of the activities of prominent sector members. Box 7 describes the efforts to create shared standards for US child sponsorship NGOs. While leaders of some of those NGOs had been discussing shared standards and enhanced accountability for many years, serious commitment to developing those standards was generated by a media exposé that threatened their access to donors.

Box 7. Accreditation for the Child Sponsorship Sector

Child sponsorship NGOs raise funds from private donors by providing opportunities to "adopt a child" in a developing country. Donors pay a monthly fee to enable the child to gain access to various resources and services. The largest US child sponsorship NGOs had been discussing shared standards for some time, but work began in earnest after a national newspaper stories claimed they were not living up to their promises to donors.

The NGOs recognized their continuing vulnerability to standards invented by others if they did not set their own. Agreement about basic principles was simple, but agreeing on indicators and support for the needed resources involved months of negotiations. Eventually the five biggest NGOs agreed that independent certification by an independent agency was essential as a useful "seal of approval." Finding a certifying agency with the capacity to work internationally in development settings required further months of exploration and negotiation.

After much debate the NGOs agreed that Social Accountability International (SAI) would serve as the certification agency under the auspices of InterAction, the umbrella association of US development NGOs. By 2005 SAI had carried out studies and certified all the five founding agencies as meeting shared standards. The example set by the child sponsorship organizations has also catalyzed an ongoing revision of InterAction's accountability standards and processes for its other members as well.

Source: Phillips, Michael. Big Charities Pursue Certification to Quell Fears of Funding Abuses, *Wall Street Journal*, March, 9 2005.

Leaders of the child sponsorship NGOs found that negotiating shared principles and standards helped their organizations learn from one another as well as protect themselves from arbitrary performance standards from outside critics. They also built relationships that could be used for alliances on other topics in the future. The utilization of a respected independent agency with a long track record in assessing the social impacts of businesses and other agencies helped to establish the credibility of the certification process.

Building accountability systems for civil society <u>campaigns</u> can be complicated by the need to include diverse allies. Campaign success often depends on articulating shared strategies and accountabilities for implementing them across large differences in interest and perspective. Interorganizational domains seldom have well-developed shared authority structures and civil society organizations often place high value on organizational autonomy. But civil society campaigns to influence powerful actors—governments, corporations, international agencies—require coalitions that can respond

quickly to implement campaign strategies and tactics, and in some cases develop ways to protect their members when they seek to influence opponents unwilling to abide by the rule of law. Box 8 describes some challenges involved in defining accountabilities in the civil society campaign to challenge human rights violations in Peru.

Box 8. Accountability in Peru's Human Rights Campaign

The Coordinadora Nacional de Derechos Humanos in Peru evolved out of local and national efforts to combat human rights violations by government agencies, death squads, and Shining Path terrorists from 1985-2000. The Coordinadora eventually included more than 60 member organizations from both the capital city and the rural provinces.

Under pressure from government- and opposition-sponsored terrorists, campaigning for human rights became very dangerous in Peru. The Coordinadora's ability to survive and remain effective depended on building trust and unity within the coalition and emphasizing its credibility and moral authority. The coalition members agreed to reject violence, remain independent from the state and political parties, commit to democratic society and oppose the death penalty. Biannual meetings approved new members and future priorities. To maintain the credibility of the coalition, it had to effectively resist efforts by both government and opposition to infiltrate its members and capture its decision-making processes.

In Peru, rural branches (often in the most danger) had difficulty influencing national decisions. The Coordinadora created an Executive Committee with more rural members and required that the Committee make decisions by consensus to preserve coalition cohesiveness and accountability to rural members. The Coordinadora also built relations with international supporters and other sectors of Peruvian civil society to enhance their influence in challenging both the Shining Path and authoritarian governments.

Source: Youngers, C. A., & Peacock, S. C. (2002). Peru's Coordinadora Nacional de Derechos Humanos: A Case Study of Coalition Building. Washington, DC: Washington Office on Latin America.

Bringing domain members together to build common strategies, standards and accountability expectations becomes more difficult as the diversity and conflict within the domain increase and as the dangers from outside stakeholders increase. The higher the tensions among members, the more concern with legitimacy and accountability and the more resources and time required to build agreements on domain strategy and performance expectations. It was not easy to build shared standards among the child sponsorship organizations, which had histories of competing with each other. It was more difficult to construct shared strategies and tactics across differences among potential Coordinadora members, particularly when agents of external stakeholders like Shining Path revolutionaries sought to become members so they could focus attention on government human rights violations and away from their own abuses.

The external stakeholders for campaign alliances may include targets of the campaign, such as the Government of Peru and Shining Path, other potential allies or opponents, and the general public. The Coordinadora campaign, for example, benefited from widespread international concern about human rights violations in Peru.

This challenge of negotiating and implementing shared domain strategies and standards is often even greater in problem domains, where sector perspectives and histories of serious conflict may separate the participants.[33] In such situations participants may see each other as the primary problem, so even getting them to sit at the same table may be difficult. Box 9 describes the definition of a problem domain alliance across strongly held differences on the management of ecosystems in the Northwestern United States. In this case the construction of a shared accountability system required coming to terms with histories of violent confrontation and extended deadlocks in the court system.

Box 9. Cooperation in an Ecosystem Management Problem Domain

The creation of the Applegate Valley Partnership was a startling development to many observers. Creating standards and decision-making processes for sustainable management of the forests of the Applegate Valley and watershed in Oregon required agreement among highly polarized stakeholders. Conflicts over where and how much logging could be allowed without destroying the local ecology had escalated into violent confrontations among timber companies, environmentalists, and forest service agents. Resorting to litigation had produced a deadlock that served the interests of none of the parties.

Building on the negative consequences of the deadlock for all the parties, representatives of each group began to explore the possibilities of jointly managing the ecosystem in ways that would sustain it—a goal valued by all the parties. Defining standards for sustainable forest management that would enable viable economic activity while preserving the forest for future generations involved extensive negotiations and significant changes in the preferred practices of many participants. Those negotiations eventually created innovative institutions and processes for forest management and future decision making as well as relationships of mutual respect and trust among the participants. The resulting management system and decisions enabled joint resolution of many of their earlier conflicts in ways that were accountable to each other as well as to the wider community and to future generations.

Source: See Weber, E. P. (2003). Bringing Society Back In: Grassroots Ecosystem Management, Accountability and Sustainable Communities. Cambridge, MA: MIT Press

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Internal stakeholders in the Applegate Valley Partnership included groups that had been fighting with each other for years—but had come to a stalemate that served the interests of none of them. So, defining the domain in terms that might enable more flexible governance was a reluctant recognition that none of the parties could win all they wanted. External stakeholders to this domain included future generations that would benefit from preserving the ecosystem as well as many residents of the Valley.

A central element in building domain accountability systems is explicitly defining the domain and its members as well as identifying external stakeholders with accountability claims. In all three of these examples, the value of domain collective action was not obvious to all domain members at the outset; many agreed to participate only after considerable persuasion. But many also recognized, as domain definition progressed, that they wanted to be inside rather than outside the emerging domain definition.

5.2 Negotiating Standards, Codes and Performance Measures

Agreement on the existence of a shared domain and common interests within that domain is a critical first step. However, developing shared standards, codes of conduct and performance measures requires moving beyond overall principles and values to define specifics, and often "the devil is in the details." While there is considerable agreement on standards and measures around issues like governance and financial controls for civil society organizations,[34] there is much less agreement on what are appropriate performance measures across the bewildering variety of activities—from relief to services to capacity building to advocacy—that CSOs carry out. In addition, some of these outcomes and impacts are difficult to measure, invisible in the short-term, and influenced by many factors beyond the domain. Therefore, the technical demands of measuring some kinds of civil society performance are formidable.

Articulating a set of effective domain standards and performance measures involves negotiating agreements with two sets of actors: (1) the members of the domain who will be constrained and shaped by those standards, and (2) stakeholders whose interests affect or are affected by domain activity. Box 10 describes a project to create standards for humanitarian organizations operating in disaster relief situations in a process that involved hundreds of domain members.

Box 10. Standards for Humanitarian Action: The Sphere Project

Humanitarian NGOs and the Red Cross and Red Crescent Movement developed the Sphere Project in 1997 to provide minimum standards and performance indicators to guide humanitarian action, "from initial assessment through to coordination and advocacy." Its website describes it as "three things: a handbook, a broad process of collaboration and an expression of commitment to quality and accountability." Its handbook also includes standards in four technical areas that are critical to humanitarian work.

The development of the Sphere standards built on a wide range of experiences with humanitarian and disaster relief work. More than 300 organizations from 60 countries contributed to the project, including representatives of Northern and Southern NGOs, UN agencies, and academic institutions. This wide participation helped to create broad agreement on best practices both inside and outside the sector. The resulting materials have been described by relief workers as central to their practice.

Source: http://www.sphereproject.org; Shea, C. and S. Sitar (2004). NGO Accreditation and Certification: The Way Forward. Washington, DC, USAID: PVC-ASHA.

The more standards and codes affect vital interests of domain members, the more challenging the negotiations become. Both assessments of the need and ability to pay costs for developing a code of conduct for child sponsorship organizations varied considerably across domain members. The eventual agreement to go forward was the product of much debate and discussion. The definition of the Coordinadora's role and standards for membership was hotly contested by sympathizers of Shining Path, who felt the coalition should focus on government abuses. Negotiating standards and indicators of

success shape the stakes and the roles of domain members, so those negotiations can be highly charged.

Agreement among domain members must often be supplemented by negotiations with external stakeholders, particularly if the legitimacy of the domain is in question. In the Sphere Project, UN and other donor acceptance of the standards was needed to mobilize resources as well as to coordinate action on the ground. The agreements on roles and responsibilities within the Coordinadora were pivotal to its credibility with target agencies, such as the Government of Peru and international agencies, whose decisions spelled success or failure for its objectives. Creating standards and measures to enhance legitimacy requires credibility with external as well as internal stakeholders.

5.3 Creating Domain Implementation Organizations

Domain accountability systems often require the creation of new organizational arrangements, particularly when implementation demands significant resources. Often regional and national umbrella organizations play critical roles in creating such organizations. Common patterns include sector associations, issue alliances and coalitions, independent accreditation agencies, and information-sharing organizations. These organizations adopt a variety of approaches to assess and communicate member adherence to domain standards and codes, including self assessment, peer assessment by representatives of similar organizations, certification by independent agencies, or publication of information or external assessments.

Sector associations that develop codes can use a variety of tools for monitoring and assessing compliance.[35] Many ask their members to do self assessments and then report on their compliance. For example, InterAction in the US and the Lesotho Council of NGOs require their members to assess their compliance with the association's code of conduct every year. This approach is inexpensive in terms of time and resources of the association, but it relies heavily on the commitment of members to carry out a serious assessment. The Australian Council for International Development adds a complaints mechanism to a self-reporting system, so that members of the public have a vehicle for raising questions about member violations and serious sanctions for those found to be in violation of the standards.[36] This addition increases the likelihood that member performance can be challenged.

When domain members are more diverse, issue alliances and coalitions may be created to provide an organizational base for accountability. Alliances involve long-term collaboration, while coalitions often bring together diverse parties concerned about shorter-term objectives. The Coordinadora, for example, began as a short-term coalition and evolved into a longer-term alliance as the challenges to human rights evolved with succeeding regimes in Peru. In some cases, members may be created by the alliance rather than vice versa. Box 11 describes Transparency International as an alliance of reform organizations in many different countries that is committed to increasing accountability to anti-corruption standards generally—but it has created and implemented an internal accountability system as well.

> **Box 11. Transparency International and Alliance Accountability**
>
> Transparency International (TI) was created to foster anti-corruption reform around the world, particularly as corruption undermines development activity. It has created about 90 independent and locally-governed chapters that meet its criteria for certification. TI's mission emphasizes enhancing the accountability of financial dealings around the world, and so it is highly vulnerable to accusations of corruption or fraud among its members.
>
> The criteria for chapter certification include agreement on central values and compliance with guiding principles that include non-partisanship, non-exposure of individual cases of corruption, independence from funders, and developing and complying with a chapter code of conduct. These elements seek to encourage local independence in reform strategy while protecting the credibility of the international movement.
>
> Source: Galtung, F. (2001). A Global Network to Curb Corruption: The Experience of Transparency International. The Third Force. A. Florini. Tokyo and Washington, Japan Center for International Exchange and Carnegie Endowment for International Peace, 17-47; and Shea, C. and S. Sitar (2004). NGO Accreditation and Certification: The Way Forward. Washington, DC, USAID: PVC-ASHA. For additional information: http://www.transparency.org/

A third organizational arrangement for domain accountability is to use independent accreditation agencies to assess compliance with standards. Some accreditation agencies mobilize domain members for peer review, as does the Philippine Council for NGO Certification. Others create review boards that include representatives of many stakeholders, like the Pakistan Centre for Philanthropy. In both the Philippines and Pakistan cases, certification by the accreditation agency results in tax benefits to the NGO, and thereby creates a significant incentive for paying the costs of certification. US child sponsorship agencies invested in a similar system by using an independent certification agency to create a credible "seal of approval" that would help mobilize private donations.

A fourth option for generating and communicating information about domain standards is information-sharing agencies. Such agencies make it easy to gather and compare data about CSO performance on various dimensions. For example, Guidestar publishes data online about nonprofit sector members in the US and is beginning to provide similar services in other countries. The Better Business Bureau Wise Giving Alliance routinely collects and distributes information on hundreds of national and international NGOs, focusing on information of interest to private donors. The "NGO-Watch" website makes available information on media coverage of the activities of NGOs active in the field of international policy advocacy.

In short, the organizational arrangements for assessing and communicating results vary widely across domains. This area has witnessed considerable growth and development over the last decade, as more and more civil society organizations and their stakeholders have grappled with approaches to dealing with legitimacy and accountability questions.

5.4 Enabling Domain Performance Consequences

Consequences for poor performance are automatic in some of these organizational arrangements. NGOs that lose their certification in the Philippines can no longer offer tax advantages to their donors, and so may lose precious resources. Child sponsorship organizations that fail to meet their standards risk losing donor support in a competitive fundraising market. When complaints against NGOs are validated by the Australian Council for International Development, their access to government funding or private donations is severely restricted. Performance consequences can be enforced by stakeholders who have financial or political resources needed by domain participants.

It is more difficult to create performance consequences in relationships with less organized or powerful stakeholders, such as impoverished or disenfranchised domain clients and constituents. In some countries, low-power stakeholders may gain public voice through access to the media. Newspapers in the US, for example, challenged the ways in which child sponsorship organizations were serving the children they claimed to support. Such public "naming and shaming" can be a powerful force to increase accountability for civil society domains as well as for public agencies and private firms. However, it is not always in the interest of the media to speak up for poor and powerless populations, and independent and active media are not available everywhere.

Accountability to marginalized stakeholders may require altering or circumventing inequalities that suppress upward communication or sanctions. Building power bridging arrangements is inherently challenging, though domains committed to downward accountability have created important opportunities for bridging such gaps. Box 12 describes an initiative that increased the accountability of international humanitarian relief organizations to the crisis-affected populations they serve. Such populations are often displaced, destitute, and short on political power, and so are poorly positioned to call rich and powerful Northern agencies to account. Even where performance standards have been clearly defined, it may be very difficult for such groups to publicly identify or sanction violations of standards.

> **Box 12. Humanitarian Accountability Project International (HAP International)**
>
> HAP International was created by an alliance of humanitarian relief organizations to strengthen the accountability of partners to grassroots groups affected by disasters. They sought to clarify principles and mechanisms by which (1) their members could report their actions and be held responsible for them and (2) stakeholders could safely and legitimately report and gain redress for concerns, complaints, and abuses.
>
> HAP International created a membership-based, self-regulatory body that sets accountability standards; uses external, peer and self monitoring; supports member capacity building for their own accountability work plans; enables complaints about abuses; fosters systems for organizational and external complaints review; and reports annually on its activities and findings. It offers new avenues by which poor and disenfranchised stakeholders in disaster and relief situations can create performance consequences for humanitarian agencies.
>
> Source: Callamard, A. (2004). "HAP International: A New Decisive Step toward Accountability." *AccountAbility Forum* (2, Summer): 44-57.
> For additional information: http://www.hapinternational.org

In some circumstances stakeholders can raise questions and create performance consequences through use of deliberative forums that give voice to stakeholders who might otherwise be silenced. In South Africa, for example, the NGO community engaged in a series of discussions after the end of apartheid that drew national attention and comment on issues of civil society transparency and accountability.[37] As domains involving civil society actors become increasingly recognized as central to societal problem-solving, the importance of having many voices hold those domains accountable will increase. Tools for enabling discussion and debate among many stakeholders will be in greater demand. For example, Box 13 describes the processes for multi-stakeholder dialogue about the future of civil society created by CIVICUS' Civil Society Index. Such forums may become important vehicles for enabling widespread participation in assessing sector performance and creating consequences to hold it accountable.

Building domain legitimacy and accountability systems is more complicated than building organizational accountability systems, in part because of the many independent organizations involved and the need to create new organizational arrangements to implement collective action. But it is also clear that the importance of the issues of legitimacy and accountability is catalyzing a wide range of initiatives to grapple with these issues across many regions and countries.


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│                                                                           │
│  **Box 13:  The CIVICUS Civil Society Index**                             │
│                                                                           │
│  CIVICUS: The World Alliance for Citizen Participation is an              │
│  international alliance of more than 500 civil society organizations in   │
│  more than 100 countries. Since its establishment in 1993, CIVICUS has    │
│  become a global advocate for civil society and the citizen participation │
│  it fosters.                                                              │
│                                                                           │
│  The CIVICUS Civil Society Index (CSI) is an action-research project that │
│  assesses the state of civil society in countries around the world to     │
│  create a better knowledge base and to encourage civil society            │
│  strengthening initiatives.  The CSI is now being used by teams in more   │
│  than 60 countries.                                                       │
│                                                                           │
│  CIVICUS has been developing the CSI methodology since 2000 to assess     │
│  civil society on four dimensions: (1) structure, (2) external            │
│  environment, (3) values and (4) impact on policies and practices.        │
│  Findings in each country are then summarized in the form of a diamond.   │
│  When mapped over time the diamond illustrates the development of civil    │
│  society.                                                                 │
└─────────────────────────────────────────────────────────────────────────┘
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Box 13: The CIVICUS Civil Society Index

CIVICUS: The World Alliance for Citizen Participation is an international alliance of more than 500 civil society organizations in more than 100 countries. Since its establishment in 1993, CIVICUS has become a global advocate for civil society and the citizen participation it fosters.

The CIVICUS Civil Society Index (CSI) is an action-research project that assesses the state of civil society in countries around the world to create a better knowledge base and to encourage civil society strengthening initiatives. The CSI is now being used by teams in more than 60 countries.

CIVICUS has been developing the CSI methodology since 2000 to assess civil society on four dimensions: (1) structure, (2) external environment, (3) values and (4) impact on policies and practices. Findings in each country are then summarized in the form of a diamond. When mapped over time the diamond illustrates the development of civil society.

Comparisons across countries suggest that the challenge of civil society legitimacy and accountability is central to more than half the countries participating so far in the Index.

Country reports and summaries across countries are available at the CIVICUS website.
Source: www.civicus.org

5.5 Domain Innovation and Evolution

The effort to define domains and to develop standards of legitimacy and accountability can be costly in resources and time for those involved, but it may also catalyze domain learning about critical issues and the emergence of wider understanding and acceptance of core domain values and preferred practices. As domain members examine which activities and outputs are associated with widely-valued outcomes and impacts, they may engage the wider community to generate norms and expectations that shape future activities and accountabilities.

Domain organizations—sector associations, campaign coalitions, or intersectoral problem partnerships—are both products of domain negotiations and critical actors in implementing domain strategies to deal with external stakeholders. They can be critical

vehicles for revising standards as domain members and external stakeholders respond to emerging experience with standards and expectations in practice.

Debates over domain strategies and standards build on the strategies and learning of organizations that are domain members and influence future organizational activities as well. Those debates can enable wider participation in understanding the issues facing the domain and in defining appropriate and legitimate responses. They may produce problematic outcomes, such as government legislative interventions that restrict abuses at the cost of undermining domain capacities for innovation and social learning. But they can also set the stage for wider discussion and understanding of the issues that in turn enable domain accountability systems to control abuses while fostering innovation.

6. Building Societal Legitimacy and Accountability

We have focused on building legitimacy and accountability for individual civil society organizations and for multi-organization domains—arenas in which civil society actors can shape practices and expectations quite directly. Building legitimacy and accountability at the societal level requires the involvement of many other actors. Constructing societal ideals for civil society accountability involves society-wide laws, norms, expectations and practices. Sometimes the emergence of new legitimacy standards is gradual, as in the long struggles in some countries over political and civil rights to freedom of speech and assembly that are fundamental to civil society's existence.[38] Sometimes it may be dramatically swift, as in the tax reform in the Philippines that led to the creation of the Philippine Council for NGO Certification. Societal ideals are reflected in changing legislation and regulations, evolving societal norms and values, and changing public perceptions and expectations about "the way things are done."

The creation and maintenance of societal standards is a social and political construction process that grows out of interaction and debate among many actors—organization members in strategic choice; domain members in domain negotiations; and societal actors in defining societal ideals. The subjective perceptions and expectations of different actors are tested and refined in these debates and gradually consolidated into agreements about organization, domain and societal accountabilities and legitimacy expectations. Established societal and domain standards create constraints on organizational strategic choices, but organizational choices and influence on domains may also be the precursors to changes at the societal level as well.

Civil society organizations sometimes are positioned to play central roles in the evolution of societal ideals. Since civil society organizations depend on voluntary social energies, they are most likely to emerge in response to compelling values and problems. So their emergence is often a signal that existing institutions are perceived by at least some citizens as inadequate. Thus the emergence of Transparency International reflected the dissatisfaction of many influential citizens with the influence of corruption on international development initiatives. Under some circumstances, civil society actors can have catalytic impacts on existing social ideals. But they more commonly have to deal

with societal standards that exist—conforming to some, informing stakeholders about their position on others, manipulating existing symbols and expectations where necessary. Active construction of standards by strategic choice at the organization level and by interorganizational negotiation at the domain level are usually more feasible than establishing new societal ideals, and so we have emphasized organizational and domain construction of accountability systems here.

7. Continuing Dilemmas

There are many initiatives under way to strengthen the legitimacy and accountability of civil society organizations and domains. We expect that those initiatives will be broadened and strengthened over the next five years, as more and more civil society leaders recognize the critical importance of building the legitimacy of the sector and clarifying the values, goals and stakeholders to which they will be accountable. We also expect that some challenges will not succumb easily—if ever—to simple solutions. Some dilemmas will continue to be sources of tension and inspiration for further innovation.

There will be a continuing need, for example, to balance the power differences among organizational and domain stakeholders. As long as civil society organizations are working across the boundaries that separate unequal parties—the rich and the poor, the politically connected and the disenfranchised, the Global North and South—they will continue to face diverse demands for accountability—some explicit and others unspoken. To the extent that civil society agencies seek legitimacy with and accountability to less powerful stakeholders, they will need to create mechanisms and processes to balance the demands of unequally powerful stakeholders. The tug and pull of different constituencies is inherent in the multiple allegiances of civil society organizations, but responding to upward, downward and lateral accountabilities can leave little time and energy for pursuing core priorities if leaders are not thoughtful about balancing those demands.

To the extent that civil society organizations and domains foster action on complex social problems, an ongoing dilemma will be in measuring social performance when causes are ambiguous and multiply-determined. We have suggested that performance measurement is a critical element in building organizational and domain accountability systems, since accountability requires delivering on performance promises. Organizational, domain and societal learning to deal with complex social problems is at the heart of many civil society initiatives, and learning depends on information about outputs, outcomes and impacts of their activities. For many complex problems unambiguous proof of impact will not be available, but civil society actors are gradually learning to make more convincing cases for their results and thereby buttress their claims for legitimacy and accountability to interested stakeholders.

The call for clarifying strategies, performance measurement, and accountability to key stakeholders as bases for legitimacy has found responsive ears within civil society as well as in other sectors. But clear standards and tightly-enforced accountability can

undermine other characteristics we value in civil society: independence, diversity, flexibility, innovativeness, and willingness to take on unpopular causes. The challenge will be to <u>balance high standards with space for innovation, diversity and responsiveness</u>. Had civil society actors remained accountable to the "best practice" of requiring collateral for small loans, no microcredit movement would have provided working capital to millions of micro-entrepreneurs. In many cases "one size will not fit all," and preserving room for innovation and invention will be central to solving local problems. In other cases failure to identify and follow key standards will undermine the effectiveness and impact of civil society initiatives.

A related challenge is to <u>use organizational learning to catalyze domain and societal development</u>. Civil society organizations can sometimes define their accountabilities on the basis of strategic choices, and so mobilize stakeholders to support their initiatives. As areas of work evolve, however, the emergence of many organizations grappling with similar problems can create a range of practices--some better than others. The development of a community of organizations with extensive experience can set the stage for negotiating domain standards or articulating new societal ideals. Thus the rise of standards for development NGOs in Pakistan, the Philippines and Australia that are explicitly backed by government authority involves a shift from domain standards enforced by NGOs to societal standards based in government regulations. As areas of practice mature, civil society organizations may trade the autonomy of setting standards by strategic choice for the cohesion and coherence of standards set by domain negotiation or societal ideals.

8. Conclusion

We began with the idea that legitimacy and accountability has become a central issue for civil society. It has emerged in response to several factors—some inherent in the nature of civil society and others emerging from developments in the emerging global society. The stakes of strengthening civil society claims to legitimacy and accountability are high: Civil society actors have growing capacities to play central roles in governance and social problem solving. But their legitimacy is central to those capacities. That legitimacy depends on ongoing dialogues with many stakeholders, including the general public, that articulate the values underlying their work and how they will be accountable.

This report has suggested a framework for understanding civil society legitimacy and accountability, and used that framework to suggest ways that civil society organizations can construct accountability systems that strengthen their legitimacy and enhance their creation of public value at both the organization and domain levels. We have drawn on a wide range of innovative initiatives that have enhanced civil society legitimacy and accountability in many countries and regions.

We believe that it is imperative for civil society organizations and domains to answer questions about their legitimacy and accountability if they are to fulfill their potential for contribution to good governance and problem solving. Recent experience suggests that civil society can hold powerful actors—national governments, private firms, intergovernmental organizations, and transnational corporations—to higher standards of

performance and accountability. Indeed, that success is in part responsible for escalating challenges to civil society's own legitimacy and accountability. Civil society legitimacy and accountability initiatives can help connect their social goals with the resources and power of other sectors to accomplish otherwise impossible local, national and global results. Enhanced civil society legitimacy and accountability can be the basis for new models of governance and problem solving that are desperately needed by a rapidly-changing and increasingly interdependent world.

Endnotes

[1] This paper has benefited from helpful comments from many thoughtful readers. We are particularly indebted for feedback from the members of national civil society associations in the CIVICUS Affinity Group, from members of the regional alliances concerned with legitimacy and accountability in Africa, Latin America and Asia, to participants in a Workshop on Civil Society Legitimacy and Accountability in Montreal in May, 2005, and to members of the International Advocacy NGO Workshop. We also greatly appreciate the comments from individuals like Alnoor Ebrahim, Peter Dobkin Hall, Jim Honan, Lisa Jordan, David Kalete, and Kumi Naidoo. Sarah Alvord and Laura Ax provided valuable insights and indispensable help in completing the various drafts. The remaining errors and oversights are of course our responsibility.

[2] See Salamon, Lester M. (1994). The Global Associational Revolution: The Rise of the Third Sector on the World Scene. *Foreign Affairs*, 73:109-116; and Clark, J. (2003). *Worlds Apart: Civil Society and the Battle for Ethical Globalization.* Bloomfield, CT, Kumarian Press.

[3] Panel of Eminent Persons on United Nations-Civil Society Relations (2004). *We the Peoples: Civil Society, the United Nations, and Global Governance. United Nations Civil Society Relations Report*. United National General Assembly; June 11, 2004; 58th Session, Agenda Item 59. See also Giddens, Anthony (2000). *The Third Way and Its Critics*. London: Polity Press; Nye, Joseph S. and John D. Donohue (2000). *Governance in a Globalizing World.* Washington, DC: Brookings Institution; and Rischard, J. F. (2002). *High Noon: Twenty Global Problems, Twenty Years to Solve Them*. New York: Basic Books.

[4] See Naidoo, K. (2004). The End of Blind Faith? Civil Society and the Challenge of Accountability, Legitimacy and Transparency. *AccountAbility Forum*, 2, Summer: 14-25. In Latin America, for example, civil society organizations are under increasing scrutiny in terms of their legitimacy, transparency and accountability. Under the leadership of the Communication and Development Institute (ICD) a group of organizations from eight countries is now conducting national studies of CSO accountability in their countries to provide the base for regional capacity-building in the future.

[5] See, Frumkin, Peter. (2002). *On Being Nonprofit: A Conceptual and Policy Primer*. Cambridge, MA: Harvard University Press; Edwards, M. (2000). *NGO Rights and Responsibilities: A New Deal for Global Governance*. London: The Foreign Policy Centre; Brown, L. D., & M. H. Moore. (2001). Accountability, Strategy and International Nongovernmental Organizations. *Nonprofit and Voluntary Sector Quarterly,* 30(3), 569-587; and Ebrahim, A. (2003). Accountability in Practice: Mechanisms for NGOs. *World Development,* 31(3), 813-829.

[6] Surveys across twenty countries suggest that there has been a decline in the trust accorded to all three sectors – government, business and civil society – but that civil society remains more trusted that the other sectors. See Globescan (2006) Trust in Institutions at http://www.globescan.com/rf_ir_trust.htm (accessed 1/5/07)

[7] See for examples, Fremont-Smith, M.R. and A. Kosaras. (2003). *Wrongdoing by Officers and Directors of Charities: A Survey of Press Reports 1995-2002*, Cambridge, MA: Hauser Center Working Paper No 20; and Gibelman, M. & S. R. Gelman. (2004). A Loss of Credibility: Patterns of Wrongdoing among Nongovernmental Organizations. *Voluntas*. 15(4), 355-381.

[8] See Fox, J. and L. D. Brown (1998). *The Struggle for Accountability: NGOs, Social Movements, and the World Bank*. Cambridge, MA, MIT Press; and Jordan, L. and P. v. Tuijl (2000). Political Responsibility in Transnational NGO Advocacy. *World Development* 28(12): 2051-2065.

[9] See Keohane, R. and J. Nye (2000). Introduction. *Governance in a Globalizing World.* J. S. Nye and J. D. Donohue. Washington, DC: Brookings Institution**:** 1-41; and Brown, L. D., S. Khagram, et al. (2000). Globalization, NGOs, and Multi-Sectoral Relations. *Governance in a Globalizing World.* J. Nye and J. Donohue. Washington, DC: Brookings Institution**:** 271-296.

[10] For discussion of the transnational roles of CSOs, see Batliwala, S. and L. D. Brown, Eds. (2006). *Transnational Civil Society: An Introduction*. Bloomfield, CT: Kumarian Press; Clark, J., Ed. (2003). *Globalizing Civic Engagement: Civil Society and Transnational Action*. London, Earthscan; Florini, A. (2000). *The Third Force: The Rise of Transnational Civil Society*. Tokyo, Japan Center for International Exchange; and Khagram, S. and K. Sikkink, Eds. (2001). *Restructuring World Politics*. Minneapolis: University of Minnesota Press.

[11] Edwards, 2000, op. cit. 20. See also Suchman, M. (1995). Managing Legitimacy: Strategic and Institutional Approaches. *Academy of Management Review*, 20(3): 574; and Meyer, John W. and William R. Scott. (1983). *Organization Environments: Ritual and Rationality*. Beverly Hills, CA: Sage, 201.

[12] Atack, Iain. (1999). Four Criteria of Development NGO Legitimacy. *World Development* 27:855-864; Brinkerhoff, Derick. (2005). Organisational Legitimacy, Capacity and Capacity Development. Discussion Paper No. 58A, European Centre for Development Policy Management, Maastricht, Netherlands.

[13] This discussion draws on several analyses of legitimacy in general and the legitimacy of CSOs in particular. For general treatments see Meyer and Scott, 1983, op cit.; Suchman, 1995, op. cit, and Scott, W. R. (1995). *Institutions and Organizations*. Thousand Oaks, CA: Sage, p. 45. For applications to civil society organizations, see Brinkerhoff 2005, op. cit, and Brown, L. D. and Others (2001). Civil Society Legitimacy: A Discussion Guide. In L.D. Brown (Ed), *Practice-Research Engagement and Civil Society in a Globalizing World*. Washington, DC, CIVICUS: World Alliance for Citizen Participation**:** 31-48.

[14] See Suchman, 1995, op. cit, and Brinkerhoff, Derick. 2005, op. cit. on treatments of the first three strategies. The fourth grows out of the special roles of civil society organizations and networks as constructors of new norms and the managers of meaning in complex social change contexts. See Keck, Margaret and Kathryn Sikkink. (1998). *Activists without Borders*. Ithaca, NY: Cornell University Press; and Khagram, Sanjeev, James Riker, and Kathryn Sikkink (2001). *Restructuring World Politics*. Minneapolis: University of Minnesota Press.

[15] See, for example, Koppell, Jonathan G.S. (2005). Pathologies of Accountability: ICANN and the Challenge of "Multiple Accountabilities Disorder." *Public Adminstration Review*, 65:94-108 and Kovach, H., C. Neligan & S. Burall (2003). *Power without Accountability*? London, One World Trust, Global Accountability Project.

[16] See Ebrahim, (2003) op. cit.; Fry, R. (1995). Accountability in Organizational Life: Problem or Opportunity for Nonprofits? *Nonprofit Management and Leadership*, 6(2): 181-195; and Edwards, M., & Hulme, D. (Eds.). (1992). *Making a Difference*. London: Earthscan.

[17] See Brown, L. D., & Moore, M. H. (2001), op. cit.; Frumkin, P. (2002). *On Being Nonprofit: A Conceptual and Policy Primer*. Cambridge, MA: Harvard University Press; and Brown, L. D., M. H. Moore, & J. P. Honan. (2004). Building Strategic Accountability Systems for International NGOs. *AccountAbility Forum* 1(2): 31-43.

[18] See Brown, L.D., Multiparty Social Action and Mutual Accountability, in A. Ebrahim and E. Weisband, *Global Accountability and Moral Community*. Cambridge: Cambridge University Press, forthcoming; and Vangen, S., & C. Huxham. (2003). Nurturing Collaborative Relations: Building Trust in Interorganizational Collaboration. *Journal of Applied Behavioral Science*, 39(1): 5-31.

[19] See Ashman, D. (2001). Strengthening North-South Partnerships for Sustainable Development. *Nonprofit and Voluntary Sector Quarterly*, 30(1): 74-98.

[20] Blagescu, Monica (2004*). What Makes Global Organisations Accountable? Reassessing the Global Accountability Framework*. Paper No. 101, One World Trust, London. See also Kovach, H., C. Neligan & S. Burall (2003). *Power without Accountability*? London, One World Trust, Global Accountability Project.

[21] For discussion of domain accountability systems see Brown, L. D. (2005). Building Civil Society Legitimacy and Accountability. *Philanthropy and Social Change in the Americas.* C. Sanborn, R. Villar and F. Portocarrero. Cambridge: Harvard University Press. For descriptions of what may be involved see Royo, A. (1998). Against the People's Will: The Mount Apo Story. In J. A. Fox and L. D. Brown (Eds.). *The Struggle for Accountability: NGOs, Social Movements and the World Bank*. Cambridge, MA: MIT Press; and Weber, E. (2003). *Bringing Society Back In: Grassroots Ecosystem Management, Accountability and Sustainable Communities*. Cambridge, MA: MIT Press.

[22] See Robert Lloyd. (2005). *The Role of NGO Self-Regulation in Increasing Stakeholder Accountability*, London: One World Trust.

[23] See Ebrahim, A. (2005). Accountability Myopia: Losing Sight of Organizational Learning. *Nonprofit and Voluntary Sector Quarterly*, 34(1): 56-87; and Edwards & Hulme, (1992) op. cit.

[24] Moore, M. (2000). Managing for Value: Organizational Strategy in For-profit, Nonprofit, and Governmental Organizations. *Nonprofit and Voluntary Sector Quarterly*, 29(1, Supplement,): 183-204; and Brown & Moore, 2001, op. cit.

[25] For tools to articulate social change theories, see materials on the Keystone website at http://www.keystonereporting.org/. For a manual for constructing logic models that articulate the sequences of outputs, outcomes and impacts involved in social change activities, see the W.K. Kellogg Foundation website at http://www.wkkf.org/Pubs/Tools/Evaluation/Pub3669.pdf

[26] Brown, Moore and Honan (2004), op. cit.

[27] For work on assessment of development outcomes, see for example Earl, S., F. Carden, & T. Smutylo. (2001). *Outcome Mapping: Building Learning and Reflection into Development Programs*. Ottawa: International Development and Research Centre; and Estrella, M., & others (2000). *Learning from Change: Issues and Experiences in Participatory Monitoring and Evaluation.* London: Intermediate Technology Publications.

[28] Please see the following websites:
New Economics Foundation: http://www.neweconomics.org/gen/
Accountability: http://www.accountability.org.uk/
Keystone: http://www.keystonereporting.org/

[29] See www.imp-act.org

[30] See Ebrahim, A. (2005). op. cit.

[31] For examples of approaches to assessing social and environmental impacts, see the Global Reporting Initiative (GRI) website at http://www.globalreporting.org/Home. See also Sue Davidson & Peter Raynard. (2001). *Ahead of the Field: Pilot Agencies and the People in Aid Code, 1997-2000,* London: People in Aid.

[32] For a discussion of the links, positive and negative, among accountability, evaluation and organizational learning, see Ebrahim, A. (2005). Op. cit.

[33] Benner, Thorsten, Wolfgang H. Reinecke, and Jan Martin Witte (2004). Multisectoral Networks in Global Governance: Towards a Pluralistic System of Accountability. *Government and Opposition Ltd*, 2004:191-210.

[34] See Shea, C. and S. Sitar (2004). *NGO Accreditation and Certification: The Way Forward*. Washington, DC, USAID: PVC-ASHA, p. 39.

[35] See Robert Lloyd, 2005, op. cit

[36] See Chapman, R. (2004). Strengthening Australian NGOs: The Australian Council for International Development. *AccountAbility Forum*, 2 (Summer): 89-97.

[37] These events have been described in Kirsten Lundberg. (1997). *The Role of NGOs in Civil Society: South Africa and the Draft Bill Tempest*, Kennedy School of Government Case # KSG C103-97-1374.

[38]Risse, T. (2001). The Power of Norms vs. the Norms of Power: Transnational Civil Society and Human Rights. In A. Florini, *The Third Force*. Washington, DC: Carnegie Endowment: 177-210.