The Role of NGO Self-Regulation in Increasing Stakeholder Accountability

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Over the past decade there has been a significant growth in the use of voluntary codes of conduct and certification schemes as a way of strengthening NGO accountability. Current estimates suggest that self-regulatory initiatives such as these are in operation in over 40 countries worldwide (Naidoo 2004.) This paper examines their rise and investigates the debate that surrounds them. The paper is particularly concerned with developing an understanding of under what conditions self-regulation initiatives can increase NGO's accountability to their beneficiaries.

The paper is structured in four sections: the first outlines the worldwide growth of the NGO sector and the recent rise of the NGO accountability agenda. The second discusses the different understandings of accountability that exist within the NGO sector and argues for the application of the stakeholder approach. It then identifies the multiple stakeholders to which NGOs are accountable and outlines how the strength and clarity of these different accountability relationships vary. The third section is concerned with NGO self-regulation initiatives. It outlines the forces that underlie their emergence and develops a typology to better understand their different structures and strategies. The fourth section investigates the extent to which self-regulation initiatives are strengthening NGOs accountability to their beneficiaries.

This rise of NGOs and the rise of the NGO accountability agenda:

Since the early 1990s there has been a rapid growth in the NGO sector worldwide. This rise has been described by some authors as a "veritable associational revolution…that may constitute a significant social and political development of the latter twentieth century as the rise of the nation state was of the nineteenth century" (Salamon & Anheier, 1996 p32.) The statistics speak for themselves. There are currently approximately 40,000 internationally operating NGOs (Anheier et al, 2001), up from 176 in 1909, 90% of these have been formed in the past 30 years (Edwards, 2000.) In developing countries the rise of the NGO sector has been similarly significant, a 1996 survey for example, found 1 million NGOs in operation in India and 2,100 in Brazil (ibid.) Underlying this growth are significant shifts in how governance and development are understood and practiced. Policy makers have moved away from their unquestioning belief in the market's ability to deliver development and have come to embrace a worldview in which the role of civil society is central. It emphasises social capital as an essential accompaniment to economy growth, inclusive and pluralist decision-making as a tool for generating broad social consensus for polices/reforms and partnerships between civil society, the private sectors and the state as the most effective way of solving increasingly complex socio-economic problems (Edwards & Gaventa 2001.)

Until recently NGOs have been able to claim their good intentions and sounds values provided a sufficient basis for accountability however, increasingly such claims are being questioned. This is in part a response to NGOs growing visibility as key actors in the governance of social and economic affairs. It is also in part a response to challenges they have mounted against the accountability and legitimacy of government actions and the corporate sector. As Anthony Adair (1999) argues "NGOs that seek to make a virtue out of highlighting the failures of governments, business and other institutions should be subjected to the same degree of scrutiny that everyone else faces. They too need to be accountable for their actions" (p11). NGOs are also strengthening their accountability so as to increase their legitimacy among policy makers and thus the effectiveness of their work.

Calls for greater NGO accountability are also emerging from within civil society itself. With greater access to both funds and decision-makers Northern NGOs have come to dominate policy debates at the international level to the neglect of Southern voices. This is reflected in the recent exchange of views between Walden Bello from the Southern network Focus on the Global South and Oxfam, over the latter's 'Make Trade Fair' campaign[i]. Bello's contention was that the trade justice agenda was being driven by what groups and campaigners in the North, principally Oxfam, perceived to be the problem not what those in the South wanted or needed and that greater accountability was required of Northern NGOs claiming to speak on the behalf of those in the South. Calls from within civil society are also centred on the potential of accountability to increase organisational performance and learning (Brown et al, 2003). The cumulative impact of these forces both internal and external to the sector has been to push accountability up the NGO agenda.

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What does it mean for an NGO to be accountable?

This section is concerned with identifying what accountability means within the context of the NGO sector and outlining the multiple accountabilities to which NGOs are subject.

Traditional approaches to NGO accountability:

There are many competing definitions of accountability. Traditionally, it has been understood according to the principal-agent model where a principle delegates authority to an agent to act in their interests and ensures accountability via economic and legal incentives and sanctions. However, this understanding is limiting, as it only affords those with formal authority over an organisation the right to hold it to account. Within the context of the non-profit sector, such an understanding leads NGOs to focus on their accountability relationships with donors, governments and their board of governors, to the neglect of other stakeholders such as their beneficiaries. Moreover, it propagates the minimalist view that NGO accountability is principally about how money is spent and what the fund-raising/administration ratio is (Slim 2002).

The stakeholder approach to NGO accountability:

NGO accountability is better understood through the stakeholder approach. This transfers the right to accountability from exclusively those that have authority over an organisation to anyone that has been affected by the organisation's policies. This makes accountability a far more inclusive and open concept. The stakeholder view also recognises that accountability is more than an end-stage activity. To ensure that an NGO is responsible for its actions all stakeholders need to be involved at every stage of the decision-making process. Passing judgement after a decision is made limits the extent to which an NGO can be held to account. Accountability needs to be an ongoing process.

Understanding accountability on these terms also extends the limits of the concept beyond its role as a disciplinary mechanism and towards its use as a transformative power (Young, 2000). An NGO that is accountable to multiple stakeholders not only ensures that decisions are effective in meeting the needs of those interests, but also forces decision to be made in a more equitable and fairer manner. As Young (2000) posits "speaking across difference in a context of public accountability often reduces mutual ignorance about one another's situation, or misunderstanding of one another's values, intentions, and perceptions, and gives everyone the enlarged thought necessary to come to more reasonable and fairer solutions to problems" (p118).

In addition this more open and participative approach also unlocks accountability's potential as an agent for organisational change. Accountability that is pursued on an ongoing basis opens up space for those affected by an NGO's policies to input into the decision-making process. This in turn creates positive feedback loops that enable organisations to learn from what is working and what is not. When understood on these terms accountability is no longer simply a mechanism for disciplining power, but also a force for social change.

Balancing the demands of multiple stakeholders:

According to the stakeholder approach NGOs are accountable to multiple actors. The lines of accountability run in four different directions. Firstly, NGOs are upwardly accountable to donors, government and foundations- those that provide them with their financial and legal base (Edwards and Hulme 1996). Secondly, NGOs are downwardly accountable to their beneficiaries, those that they provide services to or speak on behalf of in policy forums (ibid). Thirdly, NGOs are inwardly accountability to themselves for their organisational mission, values and staff. And fourthly, NGOs are horizontally accountable to their peers.

The strength and clarity of these different accountability relationships is not equal. They vary greatly in relation to the relative power a stakeholders has over an NGO. The responsibilities between donors and NGOs for example, are generally clear and the mechanisms for ensuring accountability strong. Focused on the "spending of designated moneys for designated purposes" (Najam 1996, p967) a donor can ensure accountability through their financial leverage. Similarly, governments create the legal and regulatory environment within which NGOs function, so they too have significant leverage to guarantee accountability.

Beneficiaries on the other hand, generally lack the power to make demands of NGOs. As a result the accountability relationship with them is often weak. Rather than grounded in contract or law, NGOs accountability to their beneficiaries is shaped by moral and ethical imperatives. Because they claim to speak on their behalf, NGOs have a moral obligation to be accountable to their beneficiaries. This moral obligation is also supported by NGOs accountability to their values and mission which frequently reflect a strong belief in the virtues of inclusive and participatory decision-making. However a moral obligation provides significant scope for choice and interpretation. As a result, how NGOs are accountable to their beneficiaries is largely determined by the individual organisation. The quality and embeddedness of beneficiary accountability therefore varies considerably across and within NGO sectors.

The responsibility that NGOs owe to their peers also lacks clarity. Although there should be an accountability relationship between peers to uphold the standards and reputation of the sector, the reality in most sectors, is that norms around what constitutes good practice are often absent (Brown et al 2004) and as a result NGOs frequently lack a common standard or accepted behaviour to hold each other account to.

It is within this context that self-regulatory initiatives are emerging. These are forums where NGOs are coming together, both in response to internal learning and external pressures, to identify the common standards on which peer accountability should be based. Through the process of self-regulation, peer accountabilities are being developed to the benefit of the strength and clarity of NGOs other accountability relationships. What this article argues however, is that NGO's upward, inward and downward accountabilities are not being strengthened equally through this process. The majority of self-regulatory initiatives are principally focused on developing a common position among NGOs on the form and nature of upward accountability, and to a lesser extend inward accountability, while few show similar regard to downward accountability.

Alternative approaches to addressing NGO accountability:

Before moving on to discuss NGO self-regulation specifically I will first identify two other ways in which NGOs are taking responsibility for increasing their accountability as these complement self-regulatory efforts.

First, NGOs are undertaking organisational self-assessments. These are assessments of stakeholder accountability undertaken internal to an organisation that emerge from self-reflection and learning. The Centre for Youth Social Development in India for example, has recently developed a unique software programme called Organisational Self Analysis for NGOs (OSANGO) that enables NGOs to internally analyse how efficiently and effectively they are utilising resources in the pursuit of their mission[ii]. Using surveys it enables NGO's to gauge their strengths and weaknesses through internal self-reflection based on the views of internal and external stakeholders. Civil society organisations from South Africa, West Africa, Latin America, and South Asia worked jointly in developing the tool.

Similarly, the One World Trust's Global Accountability Project has developed the GAP framework which provides organisations with a practical tool for operationalising accountability. It unpacks accountability into four interlinked dimensions: transparency, participation, evaluation and complaints and response mechanisms and outlines guidelines under each on how these can be implemented in practice. It argues that for accountability to be increased in an effective and meaningful way, an organisation needs to integrate all dimensions into its policies, procedures and practice, at all levels and stages of decision-making and implementation, in relation to key stakeholders[iii] (Blagescu et al 2005).

Another example of organisational self-assessment is Action Aid's Accountability Learning and Planning System (ALPS.)[iv] Borne of widespread frustration with internal bureaucracy and the belief that those working on the ground were too focused on upward accountability to donors and sponsors, ALPS is an organisational strategy that prioritises the perspectives of the poor within all levels of ActionAid's operations with the principal goal of increasing downward accountability. NGOs are also utilising social audits to take responsibility for their accountability. Initially developed by the NGO sector to gauge the impact of businesses' social and ethical performance, social audits are now also used within the non-profit sector to assess NGOs themselves. Social Audits gauge the extent to which organisations live up to their values through systematically and regularly monitoring their performance and the views of their stakeholders.

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A second response has been for organisations to undertake independent assessments of the NGO sector. For example, The One World Trust's *Global Accountability Report* (Kovach, et al 2003) compared the transparency and member control of International NGOs (INGO) with that of Transnational Corporations (TNC) and Intergovernmental Organisations (IGO) and found that although INGOs had better structures in place for preventing minority control, they were less transparent than both IGOs and TNCs providing considerably less on-line information. Reports such as this have served to galvanize accountability reforms within the sector, forcing NGOs to take notice of the accountability gaps that often characterise their operations. Following up on the report eh One World trust has also developed

Self-regulation, organisational self-assessments, and independent assessments are not mutually exclusive, but rather part of the same trend towards greater NGO accountability. Many organisations that are part of self-regulatory systems are also undertaking organisational self-assessments. The accountability that is promoted through one reinforces efforts in the other. Space constraints however, do not allow all three of these approaches to be looked at together, thus the reminder of this paper is focused specifically on NGO self-regulation.

NGO Self-regulation

Self-regulation is an emerging trend in the governance of social and economic activity both at the national and international levels. It took hold in the corporate sector in the late 1980s when the globalisation of economic activity and rise of neo-liberal ideology created a state both less able and less willing to perform many of its regulatory functions (Jenkins, 2001). Within this context, new emphasis was placed on the self-regulation and social responsibility of business (ibid.) The most recent inventory conducted by the OECD for example, estimates that there are 246 voluntary codes of conduct for business currently in existence (OECD 2000). Although not as extensive as in the corporate sector, NGO self-regulatory schemes are pervasive nonetheless.

With the first self-regulatory systems emerging in the Philippines in 1991 (the Caucus of Development NGOs' (CODE-NGO) code of conduct) (Sidel, 2003), it is estimated that NGO self-regulatory initiatives are now in operation in over 40 countries worldwide (Naidoo, 2004). Mark Sidel (2003) for instances, found examples all across Asia and the Pacific: in China, Laos, Bangladesh, Cambodia, India, Pakistan, Australia, Indonesia, Taiwan, Sri Lanka, Japan, Singapore, Thailand, and South Korea. His findings also pointed towards, diversity within, as well as between countries with most NGO sectors experimenting with multiple self-regulatory systems at one time. Self-regulatory systems have also been identified in Botswana, Mauritius, Nigeria, Kenya, Ethiopia, Tanzania, The Gambia, Poland, South Africa, Estonia, Lesotho, the United States, Uganda and Nepal.

What forces are driving NGO self-regulation?

At the structural level, NGO self-regulation can be understood as emerging from the same structural shifts that gave rise to corporate self-regulation. NGO self-regulation has emerged because worldwide, for reasons related to the dominance of economic globalisation and the decline of state intervention as a credible policy, states are both less able and less willing to intervene in social and economic activities. This comparison is not watertight, as NGO-state relations are very different from those between corporations and states; states are far more willing to intervene in the NGO sector than the corporate sector, given the more confrontational and overtly political nature of the relationship. The purpose of this comparison however, is not to make direct analogies, but rather to indicate that at the structural level a political, economic and ideological environment exists that is broadly conducive to self-regulation initiatives.

At the sector level NGO self-regulation is a product of six interrelated processes. First, the rapid growth of the non-profit sector has brought NGOs increasing power and influence at the international and national levels. Although traditionally involved in the provision of welfare services, since the late 1980s/early 1990s NGOs have complemented these activities with advocacy and campaigning. Arguing that their experiences with groups such as the poor, has endowed them with the insight, knowledge and legitimacy to represent them, NGOs have emerged as key players within the political sphere influencing decision-makers and shaping agendas through moral persuasion, public support and the media. With this increasing power and influence many within the NGO community have come to recognise the need for greater responsibility and accountability. Self-regulation has emerged as a response to this.

Second, as NGOs have become increasingly successful in lobbying for policy change both at the national and international level, so the targets of their actions have come to question their legitimacy and representation. Governments, previously the sole actors at international forums now find themselves having to justify their decisions and policy choices to an increasing number of NGOs claiming to represent such nebulous groups and issues as the 'marginalized' or 'environment.' Similarly, corporations must now take in to consideration environmental and social concerns when pursing their activities or risk damage to their profits and reputation. In both cases, fear of increased scrutiny and exposure has led governments and corporations to question NGOs legitimacy asking questions such as "who do they represent?"; "to whom are they accountable?" These are self-serving questions often reflecting attempts to undermine the credibility of NGOs, but they need to be taken seriously nonetheless. In Pakistan during the 1980s for example, the increasing power of NGOs in exposing rent seeking led the government, under claims that they were unaccountable and un-transparent, to deregister 2500 NGOs (Sidel 2003; Sattar 2000). The emergence of self-regulation is a means of countering these negative claims and avoiding the threat of government intervention.

Third, the rapid growth of NGOs worldwide has in many countries outstripped states' capacity to regulate the sector effectively (Naidoo 2004; Sattar 2000; Brothwell 2001; Rana 200.). In Pakistan for example, although the state is the principle regulator of civil society, it simply lacks the enforcement capacity to ensure basic rules are followed. As a result NGO compliance with financial reporting and other requirements is very low (Rana 2004). Similarly, in the Philippines the Bureau of Internal Review, the body responsible for certifying the countries 70,000 NGOs, lacks the financial and human capacity to adequately undertake its regulatory responsibilities (Chamberlain 2000). As a consequence, fraudulent NGOs have emerged that have no legitimate purpose other that to take advantage of the foreign funds available for NGOs undertaking development work (Constantino-David 1992). Analogous problems could be imagined in India where the NGO sector is estimated at close to 1 million organisations. Lack of state capacity is not only a problem of the South however, even the United States has troubles effectively regulating and monitoring the operations of its non-profit sector. Bothwell (2001) for example, argues that the Inland Revenue Service and state governments were unable to prevent the high profile nonprofit scandals of the 1990s because they simply lacked the human and financial capacity to do so. Self-regulation has emerged in response to these regulatory gaps. Where governments lack the capacity to regulate effectively NGOs are recognising that to ensure the reputation and credibility of the sector there is a need to self-regulate.

Fourth, in those contexts where government laws and regulations have been adequately laid down, self-regulatory systems have emerged in response to the need to go beyond the law and promote higher standards for internal governance and external accountability. For even where the state has the capacity to regulate, state legislation will never adequately address issues such as how NGOs should balance multiple accountabilities. As Irish and Simon (2000) suggest "organisational integrity, good governance, accountability, and transparency of NGOs cannot be promoted by law alone. Guidelines for NGOs are needed that go beyond the law and set higher standards for internal governance and external accountability. These include self-regulatory tools such as NGO Codes of Ethics or Standards" (p11.) Likewise Naidoo (2004) argues that it is not possible to "legislate for a culture of ethics and accountability" (p17) it is a process that must emerge from within the sector through self-reflection and learning.

Fifth, self-regulation is emerging in response to the need for NGOs to retain public trust and confidence, the cornerstones of a NGO's existence, relationships and image (Fowler 2000 *cited in* Heap 2001). In most countries around the world NGOs are more trusted than any other actor in society (SustainAbility 2003). Central to this is their strong values. NGOs are driven by morally sound issues such as the need for social justice, increasing the voice of the poor and environmental protection. Any actions or criticisms that undermine this base can have a significant impact on NGO's ability to carry out their activities. Promoting accountability through self-regulatory mechanisms is thus a proactive means of ensuring this trust.

Sixth, self-regulation is being driven by the need to diversify funding bases. Especially within the context of the developing world, external funding sources are contracting; consequently, NGOs are recognising that they need to identify new resource pools to remain sustainable (Naidoo 2004). Increasingly they are looking towards indigenous funding sources. Accountability through self-regulation is a way for NGOs to prove their effectiveness and legitimacy in the eyes of domestic donors.

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Typology of NGO self-regulation: scale, scope and form

Having outlined what is driving this trend, this section will analyse self-regulatory systems across three different axes: scale, scope and form (see table I)

	National		Regional		International	
	Sectoral	**Universal**	**Sectoral**	**Universal**	**Sectoral**	**Universal**
Code of conduct/ ethics	CCIC NGO Code of Ethics; Code of Association of Children's Organisations in the Republic of Macedonia; ACFID Code of Conduct; CODE-NGO Code of Conduct; InterAction	Code of Conduct of the Lesotho council of NGOs; SANGOCO Code of Ethics; Nigeria draft Code of Standard Practice for NGOs; Botswana NGO Code of Conduct; Code of Ethics for Estonian Non-Profit Organisations; Ugandan NGO Forum; Credibility Alliance; NGO Code of Conduct for Ethiopia	EU NGDO Charter		The Sphere Project, The Red cross Code of Conduct, Code of Good Practice for NGOs Responding to HIV/AIDS; People in Aid	WANGO Code of Ethics and Conduct for NGOs
Certificati on/ accreditat ion	AusAid Accreditation	PCNC PNO certification programme	Draft Code of Ethics and Conduct for African CSOs		HAP-I (developing accreditation scheme)	

Table I - Classification of NGO self-regulatory systems

NGO Self-regulation exists at the national, regional and international scales. They are most common at the national level, but are increasingly prevalent at the international level as well, particularly within the humanitarian sector with the emergence of initiatives such as the Sphere Project[v], Humanitarian Accountability Partnership-International (HAP-I)[vi] and People in Aid[vii]. At the regional level self-regulatory systems remain limited.

The scope of self-regulatory initiatives is also variable. They can apply to a sector segment, or be sector-wide. For example, the NGO Code of Conduct developed by CODE-NGO[viii] in the Philippines is specific to development organisations reflecting the practices of that particular sector, whereas, the NGO Code of Conduct for Botswana[ix] applies broadly across the entire NGO sector. At the international level self-regulatory initiatives are generally developed among organisations that undertake a similar type of work. They have to date been concentrated in the humanitarian sector, however a recent initiative by the International Federation of Red Cross and Red Crescent Societies has developed a International Code of Practice for NGOs Responding to HIV/AIDS[x]. In addition, the World Association of NGOs (WANGO) has recently undertaken the ambitious task of establishing a Code of Ethics and Conduct for NGOs "broadly applicable to the worldwide NGO community" (WANGO 2004).[xi]

Across the different scales and sectors self-regulation can assume a multitude of different forms. For the sake of clarity, this paper groups them according to two broad categories: codes of conduct and certification/accreditation schemes. Codes of conduct are self-regulatory mechanisms where groups of organisations come together in agreement over standards governing their conduct with each promising to abide by established norms (Shea 2004). Certification/accreditation initiatives are self-regulatory systems where independent external reviews of an organisation's compliance with agreed upon standards and norms are conducted (ibid.) Each has their relative strengths and weaknesses that will be discussed below.

Within each of these categories, the structure and strategy of a particular self-regulatory system can be very different. This is because self-regulatory systems are generally borne of internal reflection and learning and/or distinct external pressures and thus are a response to particular conditions and needs. For example, the NGO Code of Conduct for Botswana differs significantly, both in content and form, to that of the Draft Code of Standard Practice for NGO's in Nigeria.[xii] The former for instance, places far

greater emphasis on beneficiary accountability and implementation structures than the latter. This could be a reflection of the fact that Botswana's civil society is at a more developed stage in their debate on accountability, or it may be a reflection of stronger external forces pressuring the sector to adopt accountability reforms.

The defining characteristic of all self-regulatory mechanisms is their voluntary nature; NGOs are free to decide whether or not they want to abide by the standards set by a particular code of conduct or certification scheme. This is often cited as their principle weakness. However, I would argue that this is not entirely correct, as elements of compulsion exist to signing up to virtually all self-regulation initiatives. For example, donors are increasingly using signatory to a code or certification as criteria for disbursing funds. Likewise, in both the Philippines and Pakistan the governments are using signatory to the Philippine Council for NGO Certification's (PCNC) Code of Conduct[xiii] and the Pakistan Centre for Philanthropy's Nonprofit Organisation (NPO) certification scheme[xiv] as criteria for granting organisation's tax deductions on their donations. A similarly persuasive incentive is built into the Australian Council for International Development's (CFID) Code of Conduct[xv]; only signatory organisations can apply for Australian government aid programme funds. On a more general level reputation plays a significant role as well. NGOs concerned about their brand may sign up to codes of conduct for defensive reasons, fearing the questions that may arise if they do not (Leader 1999). Furthermore, in a growing and increasingly diversified NGO market, it is becoming increasingly difficult to identify quality, for NGOs aspiring to the highest standards self-regulatory systems are a way of standing out from the rest.

A further criticism that is levelled, particularly at codes of conduct, is that they lack enforcement mechanisms once NGOs have signed up to them (Leader 1999). This criticism does not apply to certification schemes as independent external parties verify compliance and ensure implementation. Once NGOs sign up to a code it is often left to them to ensure the code is followed. The problem with this, Leader (1999) argues, is that too often organisations underestimate, and give too little thought to, the changes that will need to be made in agency procedures for the code to be abided by. The Red Cross Code of Conduct is a case in point. It has no mechanisms for verifying whether signatories comply with the Code, and has no structures in place through which a breach of the code can be reported. This has led the IFRC itself to conclude that "its contribution to accountability remains weak" (IFRC 2004 p8.) Similar critiques have also been made of the South African NGO Coalition's (SANGOCO) code of ethics. Harris-Curtis (2001) posits that "the code gives no indication of what will happen if an NGO fails to comply…and there is no available evidence of any organisation being disciplined to date" (p6.)

Not all codes of conduct are merely statements of principles however. There are a multitude of different structures and processes being developed within NGO self-regulatory systems that ensure enforcement. There are mandatory reporting requirements where signatories have to deliver copies of their annual reports and audited statements to a council or committee that scrutinises and assesses them against agreed upon standards. Such mechanisms are in operation in the Canadian Council for International Co-operation's (CCIC) Code of Ethics[xvi], the Code of Conduct of the Lesotho Council of NGOs, the Code of the Association of Children's Organisations in the Republic of Macedonia, and the ACFID's code[xvii]. Similar structures are also being established in the NGO Codes of Conducts in Ethiopia[xviii] and Botswana. There are also mandatory pledges by CEOs to certify their organisation will operated in accordance with the codes standards. These are in operation in InterAction[xix], People in Aid and the Red Cross' Code of Good Practice for NGOs Responding to HIV/AIDS. People in Aid make identification of a named representative responsible for implementing the code a mandatory requirement for signing on. There are also complaints mechanisms in place for parties to hold organisation to account for their compliance to a particular code in InterAction, the Lesotho Code of Conduct, Humanitarian Accountability Partnership-International (HAP-I), the ACFID Code of Conduct, the NGO Code of Conduct for Ethiopia, the Botswana NGO Code of Conduct, the Ugandan NGO Forum Code of Conduct[xx] and the Draft Code of Ethics and Conduct for African Civil Society Organizations[xxi]. What this suggests is that not all code of conduct are aspirational in nature, many are developing structures and process that enable them to be enforced.

What is clear is that developing a code of conduct and getting NGOs to sign up to it is not sufficient to increase NGO accountability. A supporting institutional structure needs to be in place that ensures the code is enforced. Yet it is also important to note that each self-regulatory system is a reflection of the conditions and needs of a particular NGO sector. Thus, if a code of conduct lacks a supporting enforcement structure this might be a reflection of the nascent stage of the sector's development. Generating consensus on a set of aspirational principles is significantly easier to achieve than reaching

agreement on a set of standards against which organisations will be formally held to accountable to.

NGOs are investing significant efforts in improving their accountability and legitimacy at the international, regional and national levels. Importantly, these efforts are growing in scope, scale (Naidoo 2004) and diversity. Self-regulation is emerging as an important response to this. The focus of the next section is on disaggregating the impact of self-regulatory on NGO's multiple accountabilities and identifying the extent to which self-regulation is strengthening NGOs downward accountability to their beneficiaries.

Conditions under which self-regulation increases accountability to beneficiaries:

Ibrahim, Suryaningati and Malik (2003) argue that in Indonesia a particular understanding of accountability has come to dominate NGO self-regulatory systems. It is technical in nature and sees accountability as meaning primarily good accountable relations with donors and government. Its focus is on setting standards on internal governance, administration and financial management systems so as to ensure compliance with reporting requirements, laws and regulations. Its main purpose is to increase support from the international donor community, government and the private sector. The view that in order to increase their accountability NGOs need to be more accountable to beneficiaries is largely absent (ibid.)

Numerous other NGO self-regulatory initiatives are promoting a similarly technical understanding of accountability. While this type of accountability is important, especially in contexts where civil society is still developing and lacks experience engaging with donors and the government, it is essential that the accountability promoted through self-regulatory systems is not hijacked by such a narrow understanding of the term. NGO accountability must also be about clarifying and strengthening downward accountability to beneficiaries.

Increasing accountability to beneficiaries however is problematic, as it requires more extensive organisational reforms and far greater self-reflection and self-criticism than, for example, improving financial systems, consequently there is a weaker consensus on what it means and how it could work in practice.

Kunugi & Schweitz (1999) observe that in order to receive acceptance from a large number of organisations NGO codes of conducts are often vague and lack definition. This is especially the case around issues of beneficiary accountability. The responsibilities that NGOs owe to beneficiaries are frequently couched in vague language and rarely supported by guidelines on how to implement them. For example, the Estonia Code of Conduct[xxii] states that a NGO needs to be "accountable for its activities" and "responsible to [its] founders, members, stakeholders, supporters, donors and the general public", beyond this nothing more is said about how these divergent accountabilities are to be realised or reconciled. Similarly, the CODE-NGO's code of conduct stresses that NGOs need to "acknowledge [their] accountability to [their] various publics and stakeholders…" Yet no reference is made to who these different 'stakeholders' are. Although in both codes of conduct NGOs' multiple accountabilities are recognised, there is no mention of how these accountability relationships differ and how the mechanisms for strengthening them might also. The reforms required to increase donor accountability are very different to those designed to increase beneficiary accountability. Although, it is important to provide organisations with the strategic space to develop methods that best fit their particular activities, better guidelines on what increased beneficiary accountability actually means and how to develop it are needed.

Leader's (1999) warnings are insightful, "with a shared set of values vagueness in a code can be accepted, without it vagueness is a weakness and leads to confusion" (p2.) With the lack of common values around how NGOs are accountable to beneficiaries, vagueness in self-regulation initiatives may lead to confusion and ultimately weakness in how downward accountability is operationalised.

Vagueness does not characterise all self-regulatory systems, however. Some initiatives provide a more detailed understanding of what increased downward accountability means in practice. For example, one of the accountability criteria of the Pakistan Centre for Philanthropy's NPO certification scheme asks "does the NPO engage all stakeholders (including donors, colleague organisations, staff, beneficiaries (especially underrepresented groups/women/minorities) at various stages of programme/project design, development and implementation?" Here, a more comprehensive understanding of what accountability means is being outlined. Accountability to stakeholders is understood as meaning engagement at all

stages in a decision making process from design, to development to implementation. The NGO Code of Conduct for Ethiopia has developed a similar understanding: "all men, women, young people, and children of our target communities [are to be involved] to the greatest possible extent, making them responsible for the conception, implementation and evaluation of projects and programmes." In order to strengthen accountability to beneficiaries NGO self-regulatory systems need to begin to unpack what downward accountability means and what mechanism and processes need to be in place to bring it about.

Both the NPO certification scheme and the NGO Code of Conduct for Ethiopia also have structures in place to enforce standards on beneficiary accountability. The Ethiopian code has a complaints procedure in place, while the NPO scheme is enforced by the Pakistan Centre for Philanthropy. This is in contrast to the SANGOCO Code of Conduct which offers similarly detailed principles/guidelines on how to improve beneficiary accountability ("develop mechanisms to enable all stakeholders to be involved in planning programmes that directly affect them"; "provide opportunities for regular evaluations and updating of programmes that include stakeholder and community input"; "hold regular strategic planning sessions to which relevant stakeholders are invited to contribute") but lacks the mechanisms to enforce them. Ideally, to increase downward accountability standards should be supported by formal enforcement structures. Also important is that stakeholders are aware that standards exist. HAP-I for example, identifies the need to inform beneficiaries of NGO standards and their right to be heard as one of its seven principles for increasing the accountability of humanitarian aid to beneficiaries.

There is also a tendency among NGO self-regulatory initiatives to conflate the provision of financial information with increased accountability. For example, in India the Credibility Alliance has developed a set of "norms and good practices"[xxiii] for NGOs. Under these guidelines it states that for "organisations be accountable and transparent to internal and external stakeholders…signed audited statements…balance sheets, income and expenditure statements, receipts and payment account, notes on accounts and the statutory auditors' report" all need to be available and the organisation's annual report also needs to be "disseminated/communicated to key stakeholders" within eight months of the end of the financial year. Although, ensuring stakeholders have access to these document is important, alone it will not increase an organisation's accountability to its stakeholders. For transparency to be meaningful it also needs to relate more broadly to openness, specifically openness in decision-making procedures. A transparent organisation must have transparent rules of decision-making that ensure all stakeholders have sufficient information on who is doing what and at what stage in the decision-making process, from policy-formulation to implementation.

In sum, in order for self-regulatory systems to ensure downward accountability, NGOs need to ensure that the type of accountability around which norms and standards are developed is not solely focused on activities such as improving reporting requirements and compliance with laws and regulation, it also need to encompass beneficiary accountability. Furthermore, what accountability means in practice needs to be unpacked and detailed. Notional references to the need for stakeholder accountability are not sufficient for increased downward accountability to be realised. In addition, structures should be developed to support enforcement and beneficiaries should be made aware of a code of conducts existence and their right to hold NGOs to account to it.

Conclusion:

Self-regulation is an important tool for NGOs to use in improving their accountability. Notably, it is creating the space for norms and standards to develop where there previously were none. Through self-regulatory initiatives NGOs are developing a common understanding of what accepted practice is. Through this they are strengthening peer accountability by developing standards against which they can hold each other to account. Given the oftentimes limited capacity of the state to effectively regulate the rapidly burgeoning NGO sector this reflects an important development. However, this paper has also shown that in a context where there are no normative standards or where normative standards are weak and underdeveloped, balancing competing stakeholder claims is difficult (Brown 2003). At the current time, NGO self-regulatory initiatives are preoccupied with clarifying and strengthening upward accountability to donors and governments to the neglect of increasing downward accountability to beneficiaries. In order to remedy this situation more focus needs to be placed on identifying what increasing accountability to beneficiaries means in practice and what mechanisms need to be in place to bring this about. Notional reference to the need for greater accountability to beneficiaries is not sufficient, self-regulatory initiatives need to provide more detailed guidelines to their signatories for downward

accountability to be realised.

Name of self-regulatory initiative	Country of use	Web address
ACFID Code of Conduct	Australia	http://www.acfid.asn.au/code/code.htm
AusAid Accreditation Scheme	Australia	http://www.ausaid.gov.au/ngos/display.cfm?sectionref=7885652095
Botswana NGO Code of Conduct	Botswana	http://www.icnl.org/JOURNAL/vol3iss3/sr_Botswana.htm
Caucus of Development NGO Networks	Philippines	http://www.codengo.org/
Code of Conduct of the Lesotho Council of NGOs	Lesotho	None available. See Shea (2004) for details: http://www.usaid.gov/our_work/cross-cutting_programs/private_voluntary_cooperation/conf_icnl.pdf
Code of Ethics for Estonian Non-Profit Organisations	Estonia	http://www.ngo.org.lv/files/4106_code.doc
Code of Ethics of the Canadian Council for International Co-operation	Canada	www.**ccic**.ca/e/001/**ethics**.shtml
Code of Good practice for NGOs Responding to HIV/AIDS	International-HIV/AIDS	http://www.ifrc.org/what/health/hivaids/code/
Credibility Alliance	India	http://credibilityalliance.org/information/Latestdraftnorms
Draft Code of Ethics and Conduct for African Civil Society Organisations	regional	www.sarpn.org.za/documents/d0000352/P340_AU_SACSO_Code_Ethics_Conduct.pdf
Humanitarian Accountability Partnership-International (HAP-I)	International-humanitarian sector	http://www.hapinternational.org/en/page.php?IDpage=3&IDcat=10
InterAction	USA	http://www.interaction.org/pvostandards/index.html
NGO Code of conduct for Ethiopia	Ethiopia	www.crda**ethiopia**.org/Code%20of%20Conduct/CoC.htm
Nigerian Draft Code of Standard Practice for NGOs	Nigeria	http://www.icnl.org/JOURNAL/vol3iss3/sr_Nigeria1.htm
Pakistan Centre for Philanthropy's Non-Profit Organisation Certification Programme	Pakistan	http://www.pcp.org.pk/pdf/Certification%20Model.doc
People in Aid	International-humanitarian	http://www.peopleinaid.org/code/code01.htm
Philippine Council for NGO certification (PCNC)	Philippines	http://www.pcnc.com.ph/revenue-regulations.html
South African NGO Coalition (SANGOCO) Code of Ethics	South Africa	http://www.sangoco.org.za/index.php?option=content&task=view&id=8&Itemid=30
The Code of the Association of Children's Organisations in the Republic of Macedonia	Macedonia	None available. See Shea (2004) for details: http://www.usaid.gov/our_work/cross-cutting_programs/private_voluntary_cooperation/conf_icnl.pdf
The EU NGDO Charter	Regional European Union	http://www.dochas.ie/Documents/NGDO_Charter.pdf
The Red Cross Code of Conduct	International-humanitarian	http://www.ifrc.org/publicat/conduct/index.asp
The Sphere Project	International-humanitarian sector	http://www.sphereproject.org/handbook/index.htm
Ugandan NGO Forum Code of Conduct	Uganda	http://ngoforum.or.ug/conduct/index.htm
World Association of NGOs Code of Ethics and Conduct for NGOs	International	http://www.wango.org/activities/codeofethics/web_ccbook1.pdf

Table II- list of self-regulatory initiatives with web addresses and country of application

one world trust

Glossary

ACFID   Australian Council for International Development

CCIC   Canadian Council for International Co-operation

CODE-NGO   Caucus of Development NGO's

EU NGDO   European Union Non-governmental Development Organisations

HAP-I   Humanitarian Accountability Partnership-International

IFRC   International Federation of Red Cross and Red Crescent Societies

NPO   Nonprofit organisation

PCNC   Philippine Council for NGO Certification

SANGOCO   South African National NGO coalition

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i http://www.focusweb.org/publications/2002/whats-wrong-with-the-oxfam-trade-campaign.html

ii http://www.osango.net/home.htm

iii For more information of the One World Trust's Global Accountability Project go to http://www.oneworldtrust.org/?display=project&pid=10

iv http://www.actionaid.org/docs/alps.pdf

v http://www.sphereproject.org/handbook/index.htm

vi http://www.hapinternational.org/en/page.php?IDpage=3&IDcat=10

vii http://www.peopleinaid.org/code/code01.htm

viii http://www.codengo.org/

ix http://www.ifrc.org/what/health/hivaids/code/

x http://www.ifrc.org/what/health/hivaids/code/

xi http://www.wango.org/activities/codeofethics/web_ccbook1.pdf

xii http://www.icnl.org/JOURNAL/vol3iss3/sr_Nigeria1.htm

xiii http://www.pcnc.com.ph/revenue-regulations.html

xiv http://www.pcp.org.pk/pdf/Certification%20Model.doc

xv http://www.acfid.asn.au/code/code.htm

xvi www.ccic.ca/e/001/ethics.shtml

xvii www.acfid.asn.au/code/code.htm

xviii www.crdaethiopia.org/Code%20of%20Conduct/CoC.htm

xix http://www.interaction.org/pvostandards/index.html

xx http://ngoforum.or.ug/conduct/index.htm

xxi www.sarpn.org.za/documents/d0000352/ P340_AU_SACSO_Code_Ethics_Conduct.pdf

xxii http://www.ngo.org.lv/files/4106_code.doc

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