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**Some Realities Behind the Rhetoric of Downward Accountability**

**by  
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## **Introduction**

This working paper explores some of the issues arising from the current way that donors and UK NGOs structure their reporting and accountability requirements, and challenges some of the beliefs about partnership, participation and bottom up development processes. The data is drawn from a three-country study of policies and procedures around aid disbursement and how these affect and shape relationships between northern and southern development agencies<sup>1</sup>. The research, covering UK, SA and Uganda, is ongoing and this paper is an early attempt to document some of the findings around accountability and impact assessment, from the UK part of the research.

The paper gives a broad overview, the detailed analysis, NGO by NGO will be presented later in the UK country case study. In this paper we will argue that while the stated commitment of UK NGOs and donors is to downward accountability and promoting local ownership and control of development, the policies and procedures that surround the disbursement and accounting for aid money ensure upward accountability dominates. This domination is part of a wider problem of domination by donors of their recipients, which skews the relationship and undermines the potential for these relationships to work well as partnerships. Yet it is partnership that most agencies involved in development believe in and want to achieve.

## **The wider UK context for development aid**

The aid sector in UK does not exist in isolation. It is embedded (somewhat like journalists currently with the army in Iraq) within the wider political and management structures and approaches that operate within the UK landscape. So it is important to briefly explore some of the main characteristics of the wider environment, which clearly influence current practice in the development sector.

There is currently a great focus and emphasis on achieving results, and being able to demonstrate clearly the achievement of those results. This has led to a culture of setting targets, measuring performance, and assessing achievements in quantifiable and comparable terms. The new public management focuses on results, and organisations and individuals are assessed on their performance, often defined by very narrow criteria. Pay and rewards for some staff are related to reaching targets, creating an environment where some decide to tackle the easier tasks or even manipulate figures to fit targets. These people may be rewarded more than those trying to grapple with the most complex and intransigent tasks, which yield fewer clear results in the short term, but which may be more closely related to the heart of

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<sup>1</sup> Three teams have been working on these issues since 2000, funded by Nuffield and ESCOR, DFID. In the UK Tina Wallace and Jenny Chapman have done the research, in South Africa Lisa Bornstein, Terry Smith, Ansilla Nyar and Isaivani Hyman have been the key research team, and in Uganda Martin Kaleeba of Actionaid, staff of CDRN, and Patrick Mulindwa of MISR have been the key research staff.

the problems being addressed, be they low exam results, poor health care services, or low clear up rates for crime.

The distance between the aspirations encapsulated in clear target setting, defining objectives and the accompanying measurable outputs and realities on the ground is wide. The debates and tensions, for example, around education, health, and police targets evidence this. Those trying to implement the work needed to achieve the set targets argue that they are often unrealistic, they measure the wrong things (i.e. attendance of drop out rates rather than education quality and relevance), and they do not take into account local diversity and local realities.

Arguments rage about league tables, targets and the way they are often quietly dropped when they are not met, or shifted to meet political agendas. Pressure is sometimes put on management to make favourable reports. This results driven, target driven approach has been analysed well by others, and the work of a few organisations and individuals will suffice here to illustrate the dangers inherent in these management approaches.

A recently released Demos report says that

‘the demands and expectations of central and local government – with their strict performance criteria, emphasis on quantitative outputs and formal participatory structures, such as local strategic partnerships – all act against community projects achieving their aims’

‘as this report shows, a heavy audit culture often breeds an atmosphere of distrust and risk aversion, which encourages uniformity in programme design and inhibits the distinctive contribution that CBOs make’<sup>2</sup>

They conclude that the approach should be ‘extending and developing people based systems that emphasise ongoing, face-to-face contact between partners and rest on horizontal or mutual forms of accountability, or reducing the number of externally determined indicators and promoting locally determined priorities and outcomes’.

Alisdair MacIntyre<sup>3</sup>, a moral philosopher, argues that it is a modern bureaucratic managerial illusion that people or organisations have the ability to control and shape events, yet this belief lies at the heart of the new public management approach. While there is predictability and logic in the world, which enables us to plan and engage in long term projects, ‘the pervasive unpredictability in human life also renders all our plans and projects permanently vulnerable and fragile’ (p103). He challenges the reliance on concepts of managerial expertise and effectiveness, which create an illusion of social control, but which belie the complexity and reality of the unpredictable, the limits of social control that is possible in reality. Yet these are denied or ignored and lead bureaucracies to take power and assume

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<sup>2</sup> Demos report, 2003.....

<sup>3</sup> After virtue, Gerald Dickworth, London, 2002

dominant roles, which a more modest and realistic appraisal of social realities would question. When things go wrong, the attention and centrality given to the tools used leads to efforts to invent new and better tools or to insist that people follow bureaucratic controls even more closely, in the mistaken assumption that the 'right' managerial approach will control these complexities and solve the problems. This way of thinking is clearly often blinkered and self-reinforcing.

The unpredictability of real events and social change has been well documented by many. In the development world the most well known texts are perhaps Rondonelli<sup>4</sup> and Shon<sup>5</sup>, yet their approaches, while often cited, do not appear to shape the way development bureaucracies and agencies handle complexity and the unpredictable. Rogers<sup>6</sup> also well describes the impact of these approaches on staff in development organisations, where the pressure to act, achieve and count has overwhelmed efforts to understand, analyse and learn.

A major set of linked concerns has been well presented recently by O'Neill in the Reith<sup>7</sup> lectures. She carefully analysed the current attempts in most areas of life to control and count, which she compares to the former Soviet Union:

Central planning may have failed in the former Soviet Union but it is alive and well in Britain today. The new accountability culture aims at ever more perfect administrative control of institutional and professional life. (Lecture 3)

She argues that this approach is replacing trust and judgement:

This new accountability is widely experienced not just as changing, but I think as distorting the proper aims of professional practice and indeed as damaging professional pride and integrity.

The very efforts taken to achieve better performance and results actually threaten the quality of work and lead to less good work being done, precisely because most work is complex and requires people to use their skills in innovative ways and not be driven or hedged in by bureaucratic controls. The pressure for counting and accounting is so strong now that the many components essential for good work such as trust, flexibility, ability to adapt to change are undermined.

Plants don't flourish when we pull them up too often to check how their roots are growing: political institutional and professional life may not go well if we constantly uproot them to demonstrate that everything is transparent and trustworthy. [Lecture 1]

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<sup>5</sup> Schön, Donald A (1983) *The Reflective Practitioner: How Professionals think in action* Avebury

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## Context for NGOs

This wider political context shapes the thinking and practice of the current work of many major donors to UK NGOs, especially DFID and EU, the largest and most influential donors on the UK development scene. This trend is clearly evident now in the Millennium Development Goals<sup>8</sup> which now shape much of the development agenda and the energy of the donors and many NGOs. While many see them as ideals, aims to be reached for and a positive mustering of energy around particular issues, others see them as concrete targets against which development agencies will be measured and judged. Many commentators say they will not be met because the targets are too ambitious and take too little account of local realities; others argue that the political will and resources are not there for achieving such ambitious aims.<sup>9</sup> The danger is that these poverty focused targets, which dominate the current aid agenda, will be dropped or changed when they appear to be unreachable, and the whole process is in danger of generating cynicism and demoralisation, something seen in other UK sectors around targets. It risks skewing the focus of much development work and has a profound effect on the way funding is allocated. These priorities and approaches have a major impact on the way UK NGOs approach their work here and abroad.

Hudock has convincingly shown how the role and power of financial donors shapes the work of recipients, especially in contexts where financial resources are scarce. She drew on a wide range of organisational literature, and first hand research in West Africa, to show that survival is a driving force for NGOs, and accessing financial resources is one major key to that survival.<sup>10</sup> Other commentators have also written about the significance of financial sustainability for NGO survival, and the imperatives of this.<sup>11</sup> As the number of UK NGOs grows, and within many NGOs the target is for internal growth, competition for funding increases. Overall aid flows have fallen in recent years<sup>12</sup>, so the need for funding for survival and growth intensifies, and the significance of donor policies and procedures increases.

The funding context for UK NGOs is, of course, complex. It is a large and diverse sector, with a wide variety of organisations within it, from those made up entirely of volunteers, to agencies such as Oxfam, Care and World Vision with world-wide turnovers of hundreds of millions of pounds<sup>13</sup>, and in-UK turnover of e.g. £200 million for Oxfam. Larger ones, the household names, those with shops, and those working through child sponsorship access varying proportions of their funding from the public, and this avenue of funding

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<sup>8</sup> DFID's publications on the Millennium Goals

<sup>9</sup> UNCTAD report on less developed countries

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<sup>11</sup> One key writer in this area is Alan Fowler,

<sup>12</sup> Reality of Aid, annual reports year on year about Overseas Development Aid statistics

<sup>13</sup> The size and reach of some of these international NGOs is well documented in a recent book focusing on them, Lindenbergh, M. and Bryant, C. 2002, *Going global: transforming relief and development NGOs*. Kumarian press, Connecticut, USA.

is not explored here. Their experiences are diverse, for example with Oxfam funding up to 50% of its overseas work now through institutional funding rather than public donations, while Actionaid still have over 70% of its funding from direct public giving.

It is the case, however, that most UK NGOs rely heavily on institutional and other donors for some, much or all of their funding. These include DFID and EU, and sources such as foundations and trusts, and the two largest independent funding organisations in the UK, Comic Relief and the Community Fund (National Lotteries). Even those with significant independent funding sources are keen to access funding from DFID and EU, and other bi-lateral donors. Many of these are putting considerable effort into raising more funding from these sources, and want to increase their share of this income by winning large contracts as well as accessing earmarked NGO funding lines. Many NGOs, without access to public donations, are heavily reliant on these sources for survival, and have been seen to be very vulnerable to shifts in donor agendas, funding delays, and changing priorities.

Previous research<sup>14</sup> highlighted the critical role of donors in shaping what UK NGOs do and the ways in which they do it, though boards and chief executives also play a significant role. The research data strongly suggests that in the past four years donor influence has increased at the same time as the donor context has changed significantly. Because of the many complexities within the funding regimes open to UK NGOs, the shifts impact differently on NGOs according to their size, origins, and the focus of their work.<sup>15</sup> Some of the most significant funding shifts that affect UK NGOs directly have been the move of DFID funding away from using NGOs as a key conduit of aid and a return to government funding, through budget support and sector wide funding, especially in much of sub-Saharan Africa. DFID's Joint Funding Scheme was closed and the new Civil Society Department has developed a new mechanism for funding large (and more recently a few specialist) NGOs: the partnerships agreements (PPAs). These replace the old block grants and have been extended to more agencies. The Civil Society Challenge Fund is a much smaller fund than the JFS, and the new criteria for accessing this project funding stress an advocacy and rights approach to development, excluding agencies deemed to be only doing basic service delivery.

The EU experienced a crisis around NGO funding and ceased new grants for a year or more in 2000, cutting off vital funding access to many UK NGOs. It has resumed its programme with a rolling series of substantial bids under themes determined by the EU. Many NGOs, who in the past received regular EU funding through the NGO budget, now find themselves largely excluded from being able to apply, because of the size and complexity of the bids, lack

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<sup>14</sup> Tina Wallace, Sarah Crowther and Andrew Shepherd, *Standardising development: influences on UK NGOs policies and procedures*. Worldview Press, Oxford. 1997.

<sup>15</sup> These issues of funding flows and volumes of money available for NGOs in UK are discussed in a separate paper, *The donor landscape for UK development NGOs*, Work in progress: Draft For ISTR Conference, July 2002, Cape Town, South Africa

of staff time and capacity, or because their work does not fall within the designated themes.

The volume of lottery funding, now known as the Community Fund, has fallen significantly because of the fall in the popularity of the lottery itself in UK. The international programme has come under scrutiny and has been unable to maintain a constant fund over recent years. Funding is resuming in 2003, with new funding criteria and guidelines, at a lower rate and after a hiatus of over a year. Comic Relief funding, in contrast, has risen and it is becoming one of the only real alternative sources of funding for many small and medium sized NGOs. The money available from Foundations and small donor trust funds, which are more flexible and responsive to NGO requests and often more prepared to take risks, are declining because of the fall in stock market values. Many NGOs have seen dramatic falls in the value of their reserves for the same reason.

### **Donor policies and procedures**

Along with the decline in money for NGOs, especially funding for their own, rather than donor-led agendas, there has been a rise in the number and complexity of donor demands on UK NGOs. DFID now requires logframes for all CSCF funding, and contracts are very tightly regulated and defined. Strategic plans, policies around e.g. gender, advocacy and conflict, detailed reporting, tight and difficult-to-change budgets and retrospective funding are all part of most DFID funding packages now. The EU has always been a bureaucratic and relatively inflexible funder. Over the years the Community Fund has increased its demands and the application form expanded, partly in response to NGO consultations but also in response to changes in other parts of the donor community. As the Community Fund, and increasingly now Comic Relief, rely on external assessors<sup>16</sup> there is an inevitable tendency to focus more on quantitative issues that can be checked - the evidence of clear policies, procedures and systems for which the Community Fund has a complex system of numerical scoring- rather than the more difficult qualitative issues. These issues would include assessing how well UK NGOs relate to their southern partners and the quality of that relationship and the quality of the partners themselves. It would also include how best to support risk taking and new initiatives, how to work in ways that enable organisational strengthening, how to improve the quality of relationships and work on the ground, and how to ensure the work is responsive and relevant to the needs of local people.

The current dominant concern of institutional donors to cut transaction costs leads to contracting out and a bias towards working with fewer, large NGOs. The belief in competition means that NGOs are required to compete with each other and with the government and the private sector for money that in the past was channelled through the NGO sector. There does not appear to be an

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<sup>16</sup> Community Fund uses temporary assessors in large numbers while Comic Relief now has a relatively small number of long term assessors working with their grants officers.

analysis of the costs of this approach in terms of time and energy invested versus success rates, nor is it clear how criteria for effectiveness are judged.<sup>17</sup>

The key donors do not meet regularly to share their ideas systematically<sup>18</sup>, or to discuss changes in approach and implications for the NGO sector. This means that there is no clear donor position or conceptualisation on the role for the UK NGO sector in development. The impact of the tightening donor context may perhaps in some instances be intended and in others unexpected, what is clear is that the impact of changes made at donor level on the NGO sector is not analysed or planned for.

### **Some key consequences**

In aggregate funding changes favour the more powerful and well established NGOs in UK, which are growing rapidly and putting major resources into raising institutional donor funding<sup>19</sup>, and those able to adapt to and deliver on the latest focus on a rights based approach and advocacy work. The current belief that a narrowly defined form of 'policy focused advocacy' is an essential aspect of all development work, or even the key tool for change, risks a bias against those working with the poor directly. Many medium and smaller NGOs no longer fit the currently desired profile and are facing major financial crises.<sup>20</sup>

As funding becomes tighter competition increases. Competition appears to exacerbate some of the existing deficiencies and problems in the NGO sector in the UK, and allows donors to increasingly set the agenda and funding conditionalities. One of the most alarming consequences is the evident fear and secrecy within the entire 'aid chain'. These are strong words, but words that accurately describe many current relationships. The hallmark of doing research with NGOs is that they almost always request confidentiality; they do not wish to incur the displeasure of, or damage their image with either their donors or the wider public by sharing openly issues of failure and problems as well as successes. This situation has worsened since phase 1 of the research with almost no UK organisation of any size or individual wanting to be identified directly with some of the critical issues emerging from the research<sup>21</sup>. This is also true for NGOs in Africa receiving funds from UK

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<sup>17</sup> The problems of assessing aid effectiveness are known to all NGOs grappling with impact assessment frameworks, and also to DFID as evidenced in their recent draft Development Effectiveness Review 2002. This highlighted many weaknesses in definitions, available information and methodologies preventing good assessment of what makes development effective

<sup>18</sup> Intrac have facilitated two international donor workshops in UK, Development Initiatives hosted a global workshop of donors for DFID in 2000, and this research project has facilitated two small donor workshops. Bi-lateral meetings take place and there are continuing attempts to meet more regularly on the part of some UK donors.

<sup>19</sup> One agency has over 30 fundraisers working to raise funds solely from government and multi-lateral donors.

<sup>20</sup> A group of small and medium NGOs in UK has formed themselves into a group called Domingo to look at these problems and to explore ways of addressing them; Barings fund this work.

<sup>21</sup> There was one notable exception in this round of the research. ActionAid in UK and in Uganda especially is striving to become a much more open and transparent organisation, in line with its stated values.

NGOs. At every level people will only open up and discuss their concerns and experiences if they are guaranteed anonymity.

There is a lack of openness and trust in these relationships between the funded and the funders at each level. Of course there are exceptions where the relationships of trust and confidence between individuals and organisations allow for open discussion and dialogue. But as a working rule the hallmark is secrecy and not wanting to be seen to challenge or rock the boat.

This dominance of the donors, and the need to meet their demands to keep the funding flowing, has major implications in many areas, including learning. It is very significant in biasing UK NGOs towards meeting the demands and perceived needs of donors above all other demands on them by other stakeholders. It also leads to the mushrooming of claims that NGOs make about what they can do with relatively small amounts of money, called 'promise inflation' by one participant at a recent donor meeting. As they strive to meet the ever growing demands of donors that they are able to:

- do hands-on work and also advocacy,
- make linkages from the micro to the macro,
- network and build networks elsewhere,
- build local organisations organisations,
- promote partnerships,
- be innovative,
- work with the private and public sectors
- take a rights based approach
- do poverty focused work effectively
- demonstrate their impact
- and so on!

there is an upward spiral of claims in order to secure funding. Reporting then becomes a process of proving these myriad claims were met. Another result is the adoption of donor tools, often uncritically. While the impact of many of these tools has never been undertaken (this research attempts to be the start of an analysis of how these tools shape development thinking) they have been freely embraced. Indeed they are often at the heart of the training and capacity building programmes undertaken by UK NGOs with their partners in the south.

These factors all combine to make NGOs defensive and secretive, as they are trying and claiming to achieve far more than is possible, and they have become often uncritical of their own and donor practice. Their critiques of donor conditionalities remain largely unvoiced<sup>22</sup> and these conditionalities are being actively passed down to their partner organisations. Increasingly NGOs and CBOs wanting funding in South Africa and Uganda are expected to conform to a similar set of structures, systems, policies and procedures,

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<sup>22</sup> There are some notable exceptions where some agencies come together to input into donor debates or to question donor procedures (e.g. around the DFID initiated debate on civil society in 1998). But the voices are infrequent and muted even around issues such as the development effectiveness review of DFID's work, or the lack of support they feel from the Secretary of State for development.

forcing them to resemble their donor NGOs and each other, squeezing out the diversity and range of possibilities in civil societies in different cultures and contexts. Questions raised by southern partners about these pressures to conform to externally set criteria are often not passed on to donors. Evaluations or learning that raise real questions about this way of working and NGOs ability to meet all their claims, or which highlight real weaknesses in organisational processes or development work are not shared. While the World Bank places highly critical evaluations and reviews on its website, NGOs feel they cannot afford to be so open; their continued existence or growth<sup>23</sup> depends on keeping up the cycle of rising claims and evidence of meeting them. The growing reporting requirements increase this pressure to show in a positive light everything that has been done. However, at the same time this increases cynicism about development and their effectiveness – and this leads to increasing pressure to tell good stories to counter that cynicism.

The cuts in accessible funding for many, the rise in contracting for others, the steep rise in demands for detailed project planning and reporting, for tight budgets, for strategic thinking and accountability, for demonstrating achievements against claims laid out in project documents combine to make NGOs work hard to meet these multiple requirements. In the process of fund-raising and reporting they become highly dependent on their donors and the donors goodwill. These demands weigh heavily and risk taking more time and energy than the time spent listening to and responding to the needs of those the NGOs work with. They face dilemmas hard to solve when the needs and perspectives of those they want to support clash with those of their donors, and different NGOs feel and handle these tensions and contradictions at different levels. Detailed donor demands for reporting are passed down to the next level, as are the onerous budgeting requirements. What is true for the majority of UK NGOs in relation to their donors, then becomes true at the next level when they become the donors passing on these demands to the southern organisations they work with. This risks distorting their organisations and diverting their staff away from working responsively with local people; this in turn risks the commitment to sustainability through real participation, local ownership and changes to inequalities that keep so many poor.

The research does not deny the agency of individuals and NGOs within this broad context, and there are some startling exceptions to the broad trends. Yet these initial findings show that the dominant pressures are certainly for upward accountability, and meeting the demands of donors, in order to survive or grow as organisations, rather than for finding ways to prioritise the needs of local people, beneficiaries or local NGOs and CBOs. Many of the imperatives of the donors, such as targets, demonstrating effectiveness, measurable indicators, are also imperatives for board members and chief executives, who come from the wider business culture in the UK described earlier. The larger NGOs especially draw on private sector expertise at board and senior staffing levels, and they share these concerns and also pressure the NGOs they work with to adopt these approaches. Once the larger NGOs

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<sup>23</sup> For small and medium sized NGOs the issue is one of existence. For larger NGOs with independent incomes the issue is probably far more one of growth and a desire to receive contract funding, and to be part of policy discussions at the highest levels with donors.

take up policies and procedures the pressure on small and medium sized NGOs increases further, making it even harder for them to buck the trends and behave differently.

### **Issues of monitoring and evaluation**

UK NGOs and donors are working in a wider context that reinforces the culture of bureaucratic control, measurement of concepts and change, proving effectiveness to auditors, managers and potential critics. These are reinforcing the power of those with the money and ensure an upward focus within NGOs. This undermines concepts of partnership which require two way negotiation, listening, and downward accountability. Yet much of the rhetoric and commitment around development work focuses on learning and the learning organisation, listening to the voices on the ground, working bottom up and participatively, working in a process and not a blueprint way. The arguments for taking a learning approach are well understood: the issues of development are complex, the problems challenging and difficult to address, the constraints of poor contexts often militate against even achieving the activities planned. There are many manuals and policies within NGOs around participatory monitoring and evaluation, becoming a learning organisation, bottom up planning.

Exploring donor conditionalities and the response of UK NGOs suggests that while there is a real commitment to these values and approaches, in practice the drive to show control of events, to muster evidence to support an input-output rational logical model of change, which is predictable and manageable, dominates. The implications of this, when transported thousands of miles to organisations in Africa are very significant and in turn have an impact on the way they work. The last section of the paper focuses on the procedures and demands around monitoring and evaluation in the UK, to explore how far the arguments presented in the paper so far are upheld or questioned by realities around accountability in the aid chain.

### ***Monitoring and evaluation of the new PPAs between DFID and some UK NGOs***

By the end of 2001 11 UK NGOs had signed PPAs with DfID. These are agreements that allow for programme funding over 3 years. In return the NGO is expected to contribute to DfID's own targets and report against the strategic objectives agreed in the PPA.

These PPAs have a number of advantages for the recipient NGOs. The funding is not tied to specific projects and so allows a lot of flexibility in how it is used. Many NGOs also report that not having to report project by project cuts down on a lot of extra paperwork and allows for more strategic reflection.

The PPA seems to relieve us of a lot of bureaucratic reporting. In theory it allows us to insert our own agenda on M & E and learning. In the past we have done evaluations we wouldn't otherwise have done for DfID. The question is does it give DfID greater leverage over our strategic plan? I don't think it does.

In most cases (VSO being the exception) the PPA agreements only provide a small percentage of the NGO's total funding. But they have a symbolic importance beyond the size of the funding:

DfID PPA funding is only a small percentage of our total funding, but politically it is big. It gives leverage elsewhere.

However a close look at these new funding tools also reveals a number of tensions and issues. Some of these are particularly pertinent to the question of upwards and downwards accountability.

Firstly by their very nature the PPAs are intended for NGOs that are helping to contribute to DfID's own priorities and targets. They require the NGO to develop global strategic goals that are compatible with DfID's own. They are not designed to allow NGOs to respond to their own agendas in either the north or the south. This leads to tensions between the global agenda and local realities.

Within the PPA there is an emphasis on reporting on aggregate impact at the global level. Yet reporting at an aggregate level on work that is happening in different ways in different countries remains very challenging. DFID's inability to do this well itself is clear in their DER report 2002. Each of the 5 BOAG agencies now has its own system that both serves the purpose of the board and also allows for reporting against the PPA to DfID.

Where the original impetus came from for these organisation wide systems is open to debate. Some agencies claim that they were about to do this in any case and that the PPA negotiations just gave them a bit of added impetus, others are quite clear that the original impetus came from fear of imminent evaluations by DfID, in yet others there are clearly expressed tensions between the desire of the international directors for information at the global level with other moves within the organisation to improve downwards accountability.

The contradictions between collecting information in order to prove effectiveness for further funding, for developing upward and downward accountability, and for critical learning remain unresolved in all of the existing systems.

The global systems are intended to prove global impact, and yet most of these large NGOs now work through partners. How they can aggregate and thus claim the work of others is not resolved. And the question of the effect this has on partners is barely debated.

All the systems require considerable time and resources to both set up initially and to implement. In most cases there was not prior recognition of the full implications of this in terms of the staff time and support required. All the systems are making efforts to include partners in reflections in different ways, but in no cases were partners significantly involved in designing or drawing up

the systems. The questions of who defines the changes that are reported have not been significantly addressed.

There is a lot of rhetoric about learning as a main driver for the global impact reporting. Some agencies are specifically encouraging the reporting and discussion of problems and difficulties in projects. Yet there is little to no understanding or discussion about how meaningful learning can take place from interventions that are unique and messy in very different contexts. There is also little discussion around how funding and power relationships might make it difficult for honest discussion around failure and problems<sup>24</sup>. There is general scepticism as to whether the relationship with DfID can be a meaningful partnership allowing for mutual learning:

I see the PPA as a contract for collaboration, not a real partnership. I am not hopeful there will be real learning or support. One problem is that there is a huge turnover of staff at DfID. The text of the PPA was agreed with one person, the Memorandum of Understanding and financial matters with another. Some are in London and some Scotland.

Some of the large NGOs are making genuine attempts to improve downwards or sideways accountability. For example ActionAid and Save the Children Fund are providing forums for wider stakeholders to criticise and feedback on their work. But in all the pressures outlined above threaten to push systems back to upwards accountability.

In particular downward accountability around cost effectiveness of the NGOs work remains challenging and little work is taking place to improve financial transparency, ActionAid being one exception.

Despite the wide criticism of logframes for anything but the most straightforward event management, and their obvious unsuitability for more complex programmes many feel logframes can be scaled up to cover global approaches. With the PPAs the thrust from DfID has been towards reporting against a logframe. While this was strongly and successfully resisted in some agencies during the initial PPA negotiations, there is recently renewed pressure to conform

### ***Monitoring and evaluation around EU and DFID (and other bi-lateral) contracts***

Reporting against contracts is hard for many NGOs. The requirements are rigorous and detailed, but it is often hard to ensure that the staff implementing the project really understand what is needed by e.g. the EU and how to present it. This problem is compounded by the relatively high turnover of staff experienced in many NGOs, in both UK and countries in Africa.

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<sup>24</sup> In a recent BOAG meeting to share learning around developing these systems Save the Children Fund and ActionAid were the only two organisations that really addressed this issue.

The financial reporting is especially demanding, 'onerous' is a word that is often heard in relation to this reporting. Often NGO internal systems for reporting and accountability are not exacting and demanding enough to meet the criteria set out in contracts, and so staff in fundraising departments often have to do additional work to ensure that the reports that go to donors do meet their high standards.

The implications of the logframes that are needed when bidding for EU and DFID contracts, the very detailed budgets with clear justifications of all budget lines, the need to explain everything clearly and logically from concept down to actual activities make preparing bids and then implementing and accounting for contracts very demanding for NGOs. Specialised staff are often needed, or consultants are brought in to help with these processes. One large NGO said that UK NGOs are ill equipped to compete with private companies for many of these contracts, even though they feel they may be better placed to do good work on the ground. This concern is born out by the difficulties that some NGOs run into once they win a contract, they have faced a range of problems in meeting all the high level demands of implementation and accounting.

However, these are a significant source of substantial funding for NGOs large and specialised enough to bid for them, and many predict they will become an increasingly common way for accessing funding. This will mean that NGOs will move further from setting their own agendas to becoming implementers of the agendas and strategic priorities of the donor agency.

### ***Monitoring and evaluation (and reporting) on projects***

It is often said that projects are an inappropriate vehicle for change and development yet in reality much funding continues to be disbursed through projects, and reporting against projects remains almost universal. Projects funded through the Civil Society Challenge Fund, Comic Relief and the Community Fund all have to report against their project proposals.

For CSCF these projects are now all presented in logframes, and reporting is tied closely to the inputs, outputs, outcomes and impact delineated in the logframe. Indicators are requested at the time of the project proposal and reporting is expected against these indicators. While the Community Fund does not require a logframe, they report that increasingly NGOs in UK present their projects in this way. It is a format they feel comfortable with and against which they know how to report.

Comic Relief has clear reporting guidelines that NGOs need to follow. They have had cause for concern about late reporting and poor reporting, but increasingly monitor the receipt of reports and require them before the disbursement of the next tranche of funding. NGOs do need to report against their project proposals, and many NGOs report a lessening of flexibility about changes to projects, or new directions, compared to their past experiences with Comic Relief.

All funders have a range of issues around NGO reporting, including the poor quality of some reports, late reporting, lack of clarity about whom is writing the reports. They have focused energy on improving the timing and quality of NGO reporting on their projects over the past few years, though they have not found a way to ensure that the reports they receive are ‘the voice’ of the field staff or beneficiaries. Many donors are asking for additional information to get at this- significant change stories, focus group discussion, case studies and more qualitative ways of reporting. These usually remain an addition to the other forms of reporting though.

The research findings suggest that in fact reports get rewritten as they rise through the aid chain; NGOs in UK want to ensure that reporting meets their understanding of donor requirements. The raw issues of field level experience often disappear within these reporting structures, and there is a focus on successes and achievements. In spite of donors saying they encourage reporting on failure and learning from experience, UK NGOs cite too many examples where they feel their funding has been threatened because of talking too openly about problems to enable this kind of openness to become the norm.

Two areas are nearly always glossed over in reports to donors. One is the issue of relationships; the quality of donor –UK NGO relations, UK NGO-partner relations and partner NGO/CBO relations with beneficiaries are rarely discussed. These relationship issues do not feature in the logframe so reporting on them is not required by most reporting systems. A second area is one of methodology or development practice. The ways in which NGOs are trying to work to empower women, or enable networks to develop, or to address poverty of the most excluded are again not part of the LFA and so are not analysed or reflected upon in the reporting.

The research identified a number of critical issues around the use of LFA in planning and implementing projects, and reporting against the logframe, that ensure that the pressure remains for upward accountability, rather than accountability to beneficiaries. These issues are presented as an addition to the many concerns raised by other commentators about the use of logframes as a key development management tool.<sup>25</sup>

1. LFA is a management tool, and as such it is primarily used for upward accountability to managers.
2. Reporting against a logframe does not require downward accountability, or any reporting around development practice, how the work is being done, nor the relationships being generated through the development process. While modifications to logframes to make them more participatory and responsive have been developed, they always remain a tool based on linear logic, drawing more from concepts of managing change used within the industrialised world than on local understandings of change.
3. It is used almost universally, and so doesn't reflect local ways of approaching projects or development work. Instead staff and partners

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<sup>25</sup> Das Gupta ....., Ros Eyben and others at the IDS workshop on power and partnerships, IDS, May 2002

have to learn how to fill in logframes and master this technique. In the process this implicitly devalues different ways of approaching planning and implementation in different countries, different cultural perceptions of how to promote development, and local knowledge systems; it places a very high value on an externally designed and driven tool. Partners own ideas and processes are subsumed by logframes; indeed training in LFA has squeezed out even thinking about alternatives in the majority of cases.

4. The concepts in LFA are often hard to grasp and hard to use, so a great deal of time is spent teaching this tool to staff and partners. Far less time is spent listening to, and learning from, them about critical issues and different approaches. Instead they have to learn how to do things in a particular way. This certainly engenders a respect for the tool, it is seen by many as professional and technical. It does not encourage other ways of conceptualising or thinking about change and development.
5. It is part of a way of approaching development that fits the new public management agenda from UK, USA and elsewhere; it carries certain understandings of change with it. It is designed to ensure clear objectives are laid out and that logical steps to achieve those objectives are taken and then the results are measured and demonstrable.
6. LFA is a tool of control and accountability. Along with financial reporting and accounting systems it is a system of controlling activities and inputs. It certainly replaces the need for trust, local knowledge and understanding, and good working relations with partners, with a universal system. This may be well understood in UK, though evidence shows everyone fills in a LFA differently, but it is often poorly understood and handled at the local level.
7. While many NGOs in the south say they appreciate the logframe because it helps them to think more systematically and logically, they also say it does not assist with development work on the ground. The realities of working in harsh environments on complex problems of social change, in difficult political, economic and social contexts cannot be captured or handled well in a logframe. The reality of development practice is a far cry from what has been written down, and practitioners recognise this. Yet they report against it for their donors at the end of the day, causing major distortions of reality and experience. This seems to us to be a major indictment of this tool.
8. Reporting against a logframe is complex, and often is not related to local experience. Consequently, reports are often revised and even rewritten as they go back up the aid chain to ensure the quality of the reporting matches the expectations of the end user, the back donor.

These factors all push NGOs at every level to focus their accountability and reporting upwards, to meet donor demands. There are no similar structures, systems or pressures pushing them to adopt processes of downward accountability. Some UK NGOs do get involved in participatory processes at the local level, and there are interesting but isolated examples of other ways of reporting and recording progress. These include, for example, participatory reflection processes with communities, partner forums, joint working on identifying significant change stories, using PRA as a monitoring and evaluation tool with local people. These are nearly always an addition to the

dominant modes of reporting and accountability, not a replacement. Some of these alternatives will be the subject of other presentations at this workshop, and so analysis of them will not be included here.

## **Reporting**

The pressures around reporting are so keenly felt within many UK NGOs that it is worth spending a little more time on this issue. NGOs at every level in the study have reported that they find the levels and demands around reporting increasing and often onerous. Most NGOs interviewed as part of the research said that they found the reporting requirements complex and demanding, and that too much time was spent on reporting. Mawdsley and Townsend<sup>26</sup> and a recent Intrac report<sup>27</sup> also found this. Many UK NGOs say they often have to rework or revise reports from partners to fit the increasingly stringent requirements of the donors in UK, and southern NGOs report spending hours trying to report against frameworks that they are often not using in practice.

The demands from donors around more systematic and regular reporting- some projects have to report quarterly and others every six months, or annually- have a knock on effect. Some UK NGOs demand monthly reporting, financial and narrative, from their project officers. Reporting has to be both financial and narrative. Often it requires reporting on achievements and impact after a very short time. It usually has to relate closely to the aims and objectives set out in the logframe. While most funders claim to be flexible and allow for changes and say they follow a process approach to project implementation, in fact NGOs find they have to explain and justify deviations carefully, and these are not always accepted. When evaluations are carried out, e.g. by DFID, often the evaluator will be given the original logframe and this will be the yardstick against which the project is assessed, regardless of subsequent changes unless these have also been presented in new logframes.

The donors have the power to sanction poor reporting, weak project management, and other failures by refusing to continue the funding or ensuring that the NGO or project is not funded again. The partners and communities have no sanctions to impose on NGOs. Yet it is often not easy for NGOs and communities to find ways to fit their diverse, complex realities and actual experiences into tight reporting formats. Many find it hard to write well in English or complete forms to the levels required. This may require their NGO partner to edit and change and improve their reports for donors, or even to write them, often leading to a glossing over of difficulties and hiding complexities in the process. At each level there may be editorial control before the report rises up the aid chain to the donor. There is no parallel structure to enable downward accountability, or even information sharing. Often local partners and beneficiaries are completely unaware of the key project documents, the aims and objectives of the project as presented to donors,

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<sup>26</sup> Mawdsley, E, Townsend, J, Porter, G, and Oakley, P. 2002. *Knowledge, power and development agendas*. Intrac, Oxford.

<sup>27</sup> Brehm, Vicky M. 2001 *Promoting effective north-south partnerships*. Intrac, Oxford.

and the nature of the organisation they are involved with. They may have a very poor grasp of the overall purpose of the NGO that funds the project they are engaged in, nor understand why they came or why they leave when the funding ends.

The research found that even staff of UK or international NGOs working in a country have a very weak understanding of the overall strategic plan of the agency they are employed by, and a limited grasp of their global activities. They feel far from the centre and have little power or influence over the work of the wider organisation. They may be writing or editing reports from partners to go back to donors they have a limited understanding of, and many said they did not know if their projects were funded by DFID, Community Fund or Comic Relief, or another international agency. They tend to work within standard procedures, developed by each INGO for use across all their projects, and which are designed to meet the needs of financial accounting and accountability at headquarters and beyond that to donors.

Finally, a common complaint was that after all this effort they rarely receive any feedback on their reports. They appear to disappear into a vacuum. Questions or comments, if they come, may come up to a year- or even more-later. The learning and interaction potential around reporting appears to be completely missed most of the time. This causes despondency and even cynicism in those that write them. Those that receive them often feel overwhelmed by the paperwork, and the imperative to get on with the next phase prevents time for reflection and feedback.

## **Conclusions**

Current policies and procedures around the project cycle, and around the disbursement of aid from donors to UK NGOs, and from UK NGOs to NGOs in countries of the south are dominated by tools developed in UK, Europe or USA which are largely based on new public management thinking and approaches. These affect the nature and quality of relationships between organisations at every level of the aid chain. They put more emphasis and importance on the needs of the donors at the top than on the realities of development processes and accounting to the people who are the supposed beneficiaries of the whole process, the poor in communities across Africa, Asia and Latin America.

In Africa these procedures determine the discussions and debates between donors and 'partners', pushing partner agendas into the shade and encouraging them to learn the procedures required by the donors. This approach to the disbursement and accounting for development aid is inserted into a historical context where the north has been the dominant player and the south has been the recipient, often disempowered even after the end of colonialism. It has a real impact on the quality of relationships, something that is well analysed in a new UNDP publication by African writers called 'Winning the war against humiliation.'<sup>28</sup>

The data emerging from this three-country case study suggests that if local ownership, building strong local civil societies, bottom up development, and local sustainability are to have any real meaning these policies and procedures need revisiting. They carry within them issues and values and approaches that need re-examining, and changing. In the UK practitioners in their fields contest these results based approaches, target setting, targets, quantitative reporting, and the onerous systems of measurement. The problems they cite become even more acute when systems designed here are exported to contexts that are so different. They do not translate well, nor serve well the needs of people for whom the world is a complex, contingent place and where the issues they are grappling with are often huge and multi-faceted. The challenges of working to combat poverty in places where conflict, HIV/AIDS, aid dependent economies, poor public services and debt are daily realities, cannot be logically boxed and rationally controlled, nor easily measured and accounted for. Many processes NGOs and people themselves are involved in will take generations to yield social and economic change, yet the current obsessions with demonstrable impact ask for examples of positive change within the first year of a programme or project. This is distorting and unhelpful and needs challenging at every level.