Advancing Good Governance Seminar

7 June 2012 – 15:45 – 17:00 PM

The Clients: Are You Accountable to the Donor or Beneficiary?

The key focus of this panel was the tension between accountability to donors as opposed to accountability to clients/beneficiaries. It was agreed that the primary focus of accountability should be to the beneficiary rather than to the donor but it was acknowledged that there is a real tension in this due to power dynamics, i.e. the investment, the reporting demands and the priorities of the donors. This becomes all the more challenging in new models of investment, such as impact investment and microfinance. It is also all the more acute with the most vulnerable beneficiaries, such as children and the very poorest and most disenfranchised.

Key Points from the Panel

1. **The balance of power between donor and beneficiary must be adjusted.** Doing so requires more than simply involving beneficiaries in the short term, but rather, organizations must involve beneficiaries for the long term. Examples of how to do this discussed by the panel included: building on the communities' own structures and systems of governance; building and extending social capital; obtaining beneficiary participation in feedback and evaluation; collective ownership; legal structures; participatory programs; clarity with the donors from the outset; ensuring that no relationship with a donor is taken on other than in the spirit of a partnership in the best long term interests of the beneficiaries, which partnership should be donor-facilitated rather than donor-led.

2. **Accountability should be built into the culture of an organization at all levels.** This involves ensuring that the culture of the organization is such that all systems, processes and structures are focused on ensuring genuine accountability to the beneficiary at all levels of the organization. This requires more than mere altruism/benevolence; there must be a level of reach/discomfort/sanction/responsibility for there to be real accountability. There were strong views that good governance must include governance at community level requiring accountability both to and by the community. This reduces the risk of investment and creates real long-term resilience and sustainability in the best interests of the beneficiaries.

   In order to achieve this, organizations must build on existing structures and governance systems in the community rather than simply seeking to import governance structures.

   Some delegates felt that community development fell outside governance. Further work could be carried out to seek agreement on this point.

3. **Tensions as a result of reporting requirements.** There is inconsistency in terms of donor requirements re: reporting. Much reporting is burdensome and not necessarily beneficial to the beneficiaries. This is not assisted by the results/Value for Money agenda. Monitoring and evaluation reports are often cumbersome and place inconsistent demands on providers. There are also frequently many layers between donors and beneficiaries that involve many intermediaries, which creates

disassociation between donors and the real voices and lives of beneficiaries. There was enthusiasm amongst the delegates for simplifying the reporting requirements. There are many examples of principles and standards which could be analyzed in order to produce questions/checklists which donors and providers could use to test real accountability to the beneficiary.

Emerging Questions

1. What are the ways organizations can involve beneficiaries and local communities, in a non-tokenistic manner, in the long-term work of the organizations? Is it possible to create a list of principles and practices that foster such engagement with and ownership over the work of the organization by the beneficiaries/local communities?

2. How can organizations foster the creation of a culture of accountability at every level and in everything the organization does?

   -- should this include governance at community level, requiring accountability both to and by the community?

   -- is community development distinct from governance, and if so, should it remain so?

3. What are the ways M&E can be done that does not create distance between the organization and the beneficiaries/local communities? Is there a way to do M&E that is less burdensome on the organizations, satisfying to donors, and truly beneficial to the beneficiaries?