**BEYOND DEPENDENCE:**

**Conceptualizing Information and Accountability in NGO-Funder Relations**

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**ABSTRACT**

This paper explores the linkages between information systems and accountability in non-governmental and nonprofit organizations (NGOs). The information systems in four NGOs are introduced: two Indian NGOs engaged in natural resource management and rural development, an education-focused nonprofit in urban Washington, D.C., and a rights-based transnational organization operating in over thirty countries. Despite the differences among these NGOs, they all face closely related challenges in developing information and accountability systems.  The cases suggest that, for information systems to be useful for purposes of long-term social change, NGOs require indicators that are manageable in number and meaningful in content, information systems and technologies that are reflective of mission and values, and regular opportunities for innovation. Sometimes, such systems are simple and flexible, rather than rigorous or sophisticated. The second part of the paper challenges conventional characterizations of NGOs as being dependent on donors for money. It argues that  there is an "interdependence" in which funders rely on NGOs for information that builds their reputations. This interdependence provides an opening for NGOs to challenge the nature of reporting and accountability to their donors. Finally, the third part of the paper explores how this interdependence affects the accountability priorities of NGOs and, in so doing, offers conceptual links between information and accountability.

## INTRODUCTION

The purpose of this paper is to provide a framework for thinking about the linkages between information systems and accountability in non-governmental and nonprofit organizations (NGOs).  The focus is on poverty-oriented organizations in both the global "South"  and "North".  How do information and reporting systems developed by NGOs and their funders reflect relationships of power and interdependence? How do these information systems affect organizational accountability? Do some kinds of information systems enable more accountability than others? How does an information system that is used largely for reporting and monitoring differ from one focused on organizational learning?

I draw upon four case studies of organizational information systems. The aim of the first part of the paper is to introduce these systems, and to extract general lessons on features considered useful by NGOs for long term social change. The second part of the paper embeds these systems in relationships of power, in which various actors, such as NGOs and their donors, attempt to influence the collection, interpretation, and use of information. This analysis questions the unidirectionality of much of the literature on NGOs and organizational change, which places a strong emphasis on funding and conditionality. I argue that the conventional 'piper calls the tune' view which stresses asymmetric relationships between organizations ignores other sources of power, particularly non-financial resources such as reputation, status, and authority (or symbolic capital) that are reflected in information systems. Building on insights from the French social theorists Pierre Bourdieu and Michel Foucault, the paper develops a framework of "interdependence" to characterize relations between NGOs and their funders through exchanges of economic and symbolic capital.

Finally, the paper examines how information and interdependence play out in shaping (and in turn being shaped by) the multiple accountabilities of NGOs to donors, communities, and organizational mission. What kinds of accountability are reflected in the information and reporting systems employed by NGOs? How do the tools of accountability — such as disclosure requirements, reports, and evaluations — mirror these relations of power? These questions are empirical as well normative, as they concern not only the limitations of current accountability practices, but also our visions for what they might enable.

## THE FOUR CASES:
## AKRSP(I), Sadguru, Higher Achievement, and ActionAid

The information systems in four organizations are examined below:  The first two organizations —  the Aga Khan Rural Support Programme, India (AKRSP (I)) and the Navinchandra Mafatlal Sadguru Water and Development Foundation (Sadguru) — are treated together as they both face similar challenges in terms of information systems for tracking their work on natural resource management and rural development in western India. In contrast, the third case is the Higher Achievement Program (HAP) which works exclusively in Washington, D.C. on after-school education with youth. The fourth organization is ActionAid, which works transnationally on range of issues related to poverty.

These seemingly disparate organizations were selected for analytical, rather than statistical, reasons. They are clearly not representative of the nonprofit sector in general. The main reason for their selection is that they all have well-developed information systems and are each able to speak about these systems in sophisticated and nuanced terms.  It is precisely their

struggles to develop and adapt information to make it meaningful and useful for different stakeholders that gives their experiences broader relevance.  These cases show that information, and the systems used to shape it, lies at the heart of issues of accountability and organizational learning. These cases suggest that the challenges of creating meaningful information systems may be similar in nonprofit organizations which work on very different sets of issues, at dissimilar scales of operation, and in distant parts of the world.

Data collection for this research occurred in a series of stages.  The material on AKRSP (I) and Sadguru was collected through intensive fieldwork and follow up communication between 1995 and 2000, and is part of a previous study on organizational change that has been published elsewhere (Ebrahim, 2002; 2003). Material on HAP and ActionAid was collected between April and July of 2004 through a more focused but less intensive process.  HAP and ActionAid were selected because of their reputations as exemplars of information and learning systems.  HAP was a finalist for a management excellence award that featured its management information system, while ActionAid has developed a reputation among transnational NGOs as having launched an innovative information, accountability and learning system.[1]  Below, I provide a brief introduction to each case, with special attention to key features of its information and reporting systems. I then follow with a more integrated analysis of the connections between information, accountability, and organizational learning.

**Sadguru and AKRSP (I)**

The first two organizations, AKRSP (I) and Sadguru, are both engaged in natural resource management programs in rural areas of Gujarat state of western India.  These activities include integrated watershed management, irrigation and water resource development, community forestry, alternative energy projects, agricultural extension, and policy dialogue with various governmental agencies.  Both organizations are large by Indian NGO standards: Sadguru employs over 80 full-time staff, with annual expenditures in the late 1990s exceeding U.S.$ 2 million, while  AKRSP (I) employs approximately 140 full-time staff with annual expenditures over U.S.$ 1.3 million. [update]

Between 1994-2001, both of these organizations were recipients of funds totaling over US $14 million from the European Commission (EC), which were obtained through the support of a Geneva-based organization known as the Aga Khan Foundation (AKF). These funds signaled a precedent for development aid:  it was the European Community's largest and first bilateral allocation of funds directly to the non-governmental sector.  While both AKRSP and Sadguru received funds from numerous other sources, the EC was their largest single funding source during this time, providing over 80% of AKRSP's funds through the late 1990s, and approximately 40% of Sadguru's support.

As a result of the need to manage these substantial funds as well as to manage large amounts of information, both organizations have developed a complex reporting and planning infrastructure. Two systems are particularly noteworthy: systems for annual planning and budgeting, and systems for monitoring and reporting.

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[1] The award for which HAP was finalisted is the Washington Post Award for Excellence in Nonprofit Management. I am grateful to my colleague Susan Sanow who, as director of this award program, invited me to attend a site visit to HAP (as an observer).  I am also grateful to Lisa Jordan of the Ford Foundation for pointing me to Action Aid's innovations in the arena of accountability and learning systems.

*Planning and Budgeting Processes*

Both AKRSP (I) and Sadguru report on a quarterly basis to funders on their "physical and financial progress." Standard reporting formats mandated by the European Commission clearly identify the activities or "line items" for which funding is allocated to each NGO. The reporting formats also require details of "progress" to be provided, both in terms of actual physical output (e.g., numbers of irrigation schemes under construction or recently completed, hectares of wasteland under treatment, etc.) and the financial resources spent on those activities. In addition to enabling progress towards targets to be monitored, these reports fulfill another key function — that of maintaining accountability of the NGOs to their funders. The reports ensure the EC that funds are being spent according to their contract and on schedule, and in doing so they also enable the continued disbursement of funds to the NGOs.

In both Sadguru and AKRSP, there are procedures in place for a systematic collection of physical and financial data. Sadguru's reporting and planning procedures have always been highly centralized in the hands of its Director and Co-Director. These two individuals maintain constant contact with all departments in Sadguru and oversee all budgeting exercises. Internal departmental assessments of progress or success are based largely on product information, that is, in terms of physical and financial target achievement. Sadguru's well-established, flexible, and centralized planning system has enabled the NGO to far exceed its targets for each year of the EC grant. The NGO actually plans this overachievement by setting annual targets below capabilities.

AKRSP (I), on the other hand, struggled through the 1990s to routinize its collection of physical and financial data and to develop better planning procedures. Tensions between the AKRSP (I) and funders sometimes flared up as a result of the its poor planning and because the NGO submitted reports with inconsistent calculations of its physical and financial target achievements. Unlike Sadguru, which is highly centralized, AKRSP (I) maintains three distant and relatively autonomous field offices or "Spearhead Teams," all of which report to a central office that coordinates budgeting and planning. Following the commencement of the large European Commission grant 1994, AKRSP was under considerable pressure to scale up its activities and to improve its performance with respect to targets. The NGO's response to these pressures was to redesign and further decentralize its budgeting and planning systems by making each Spearhead Team responsible for developing and monitoring its own detailed annual budget and plan. In addition, considerable financial discretion was decentralized to the Spearhead Teams (Haribhakti Consulting, 1995). The responsibility of the central office thus shifted from its previous role as overall planner to its new role as advisor and coordinator, while the Spearhead Teams were made directly accountable for meeting targets.

This restructuring and decentralization of the planning and budgeting process to the field level in combination with the organization's efforts to expand its activities, have resulted in increased organization-wide attention to details of physical and financial progress. The risk associated with this attention, as noted by senior management in the organization, is that it has created a focus on measurable targets, possibly at the expense of quality and process in the organization's work.[2] It would be misleading, however, to suggest that target pressures emanate from funders alone since each Spearhead Team sets its own yearly budget targets. The failure to meet physical and financial targets can thus also be attributed, in part, to inadequate planning in

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[2] Interviews, Sr. Program Executive, 2-28-97 and Chief Executive Officer,18-3-96, AKRSP (I), Ahmedabad, India.

the NGO.[3]  At the very least, the decentralization of planning in AKRSP (I), combined with the integrative role played by the central office, has resulted in standard operating procedures that are accurately able to predict and plan annual targets.

*Monitoring Systems and Indicators*

In addition to annual planning and budgeting, both NGOs also have well-developed monitoring systems.  With the assistance of funders, AKRSP (I) and Sadguru developed a list of 89 different indicators for monitoring progress toward the objectives of the project. Approximately 72 of these indicators applied to Sadguru and 83 to AKRSP (I). Both Sadguru and AKRSP (I) maintain a small team of social scientists (educated with masters of doctoral degrees) dedicated to collecting data on these indicators and to generating various kinds of impact studies, evaluations, and reports.

The indicators were developed through a process widely employed by bilateral development organizations and known as "logical framework analysis" (LFA). The logical framework is a matrix in which a project's objectives and expected results are clearly identified, along with a list of indicators that are to be used in measuring and verifying progress towards achieving those objectives and results (Commission of the European Communities, 1993). The logical framework is now the primary organizing tool for monitoring activities in both NGOs. The indicators are sorted by program or activity, such that there are several indicators for each program (such as watershed development, biogas, forestry, water resources, village institutions and so on).  For example, progress in the watershed development program is measured by several indicators: area of watershed developed as a proportion of targets, number of water harvesting structures constructed as a proportion of targets, increase in cultivated area, rates of soil deposition, proportion of program cost contributed by farmers, etc.

The logical framework is primarily geared towards collecting data that lend themselves to quantification; it is oriented towards measuring countable "products,"  and a large portion of the indicators are numbers that can be displayed on a spreadsheet. It fares poorly in drawing out issues of "process" or politics that affect development efforts. It assumes, for instance, that vested interests opposed to village institutions or projects can be neutralized, that farmers agree to community-based management, that government policies remain favorable to NGO activity, that NGOs are able to maintain influential contacts with government (Weir & Shah, 1994, Appendix 3.1: 1-14).

More broadly, the data  collected by AKRSP (I) and Sadguru can be divided into two general categories:

i) "product" data — information that is generally about physical and financial progress (e.g., numbers of irrigation systems built, hectares of watershed developed, amount of funds spent).  With few exceptions product data are focused on easily measurable indicators and quantitative analysis.

ii) "process" data — information that contains details of the qualitative and less easily measured dimensions of development work, for example, on the process and difficulties of mobilizing communities, on perceptual differences between NGO and village members, on class and gender tensions within a community, etc. This material is difficult to generalize due to its context-specific and interpretive nature.

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[3] Interview, Program Manager for Bharuch, AKRSP(I), 2-24-97, Netrang, India.

Information collected by AKRSP (I) and Sadguru — both for their planning and budgeting process, as well as for monitoring through the logical framework — tend to be of the "product" data type.

While the focus of the elaborate "logical frameworks" employed by AKRSP (I) and Sadguru remains on product data, this does not mean that the organizations don't collect data that are more "process" oriented. Both NGOs maintain a barrage information sources for this purpose. In particular, many NGO staff are skilled at using participatory rural appraisal (PRA) which consists of a series of interactive tools and methods (e.g., mapping and ranking exercises) through which staff can learn about a community and its resources, while also building rapport with its members. Both also employ internal peer evaluations of activities. For example, an assessment of AKRSP (I)'s biogas energy program, conducted by another unit in the organization, uncovered problems with repair and maintenance. In the late 1990s, AKRSP (I) also initiated a very simple system of monitoring "significant changes" by field staff in order to keep track of important socioeconomic changes at the village level. Field staff, including community organizers and engineers, were asked to make regular note in their field diaries of any significant changes they observed — such as shifts in cropping patterns or gender dynamics as a result of project. A summary of findings from all three Spearhead Teams, shared across the organization on a monthly basis, provided a departure point for discussions in staff meetings. This experimental exercise had the advantage that it involved all field staff (as opposed to just the members of the monitoring unit), encouraged some degree of analysis and reflection among all staff, could be done rapidly, and did not overburden any single department or individual.

Arguably, AKRSP (I) and Sadguru have developed two sets of parallel information systems — one for funders, and one for internal decision making. The collection of product data for funders does of course influence decisions, both by focusing attention on measurable targets and by skewing valuations of "success" towards target achievement. However, there are also signs of a decoupling of this formal monitoring structure from decisions. This is evidenced by the observation that field staff and upper managers alike are hard pressed to explain how their data on 89 indicators might be useful. In addition, they are selective in the information shared with funders. In attempting to shield themselves from funder control, the NGOs provide only that information which is required by funders; they refrain from sharing the kind of information (i.e., process data) which might help shift the means of evaluating success away from the current reliance on targets. Ironically, it is through their attempts to limit funder interference that they end up reproducing the emphasis on quantifiable targets.[4]

**Higher Achievement Program**

In contrast to the two large Indian NGOs discussed above, the Higher Achievement Program is a smaller and much more localized nonprofit organization based in Washington, D.C. HAP provides enhanced educational opportunities to underserved middle-school students, with a mission to "develop critical academic behaviors, habits, and attitudes" among 5th to 8th grade children in order to "improve their grades, standardized test scores, and attendance; and increase their educational opportunities through acceptance and scholarships to private, parochial and public magnet high school programs" (Higher Achievement Program, 2003a: 1). To do so, the organization offers three main programs:

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[4] This theme, on how NGOs reproduce tensions with funder through their own resistance to information demands, is elaborated in Ebrahim (2002).

1) After-School Academy, that meets three evenings per week, for approximately four hours per session (after the school day).  Each evening involves: one hour of individualized help with homework and dinner; one and a quarter hours on a multicultural enrichment elective that explores diverse activities such as dance, Afro-Caribbean percussion, sculpture, and mosaic; and, one and three-quarter hours on math, literature, and technology skills as part of a specially developed curriculum.
2) Summer Academy, which is an intensive six-week summer session. It uses the HAP curriculum in math, literature, social studies, science and an elective subject, combined with weekly field trips and community service projects.
3) Follow Through Program, in which helps children and their parents identify and pursue top middle school and high school programs.  This includes classes for standardized test preparation, workshops on schools applications and financial aid, interview coaching, and opportunities to meet with representatives from top public magnet, private and parochial schools.

Higher Achievement is not a typical tutoring program. Students are required to commit three or more years to it, with the after-school program alone involving four hours of time, three days a week. The organization serves approximately 300 children annually through its four centers in Northeast and Southeast Washington, D.C., which are the poorest regions of the nation's capital. HAP is a fairly small organization with thirteen full-time staff, but with a sizeable annual budget of almost US $1 million from multiple sources.[5]

One of the most unusual features of HAP is its highly developed information and reporting system, which is characterized by three key elements: a set of five basic indicators; an extensive internal evaluation process; and, a comprehensive and integrated management information system (MIS).  Each element is discussed in turn below.

*Measurable and Meaningful Indicators*

First, the organization regularly tracks progress for each of its student scholars on a set of five measures: school grades, standardized test scores, attendance, tardiness, and high school choice. The first four indicators are, in effect, measures of the "outputs" of the program, with a focus on grades and behavior related to attendance. Each can be measured quite easily and displayed on a spreadsheet. These outputs are presumed to have a bearing on the "outcome" of high school choice (the fifth indicator) – did the student gain admittance to a quality high school? This too, is measurable in that HAP tracks the high school decisions of its scholars, and its staff have a clear sense of which schools have the best reputations.

Based on its own tracking of data on these indicators, HAP publicizes evidence of its success.  For example, for its key output measure of *grades*, the organization claims that 65% of all "C" (or below) scholars increased a full letter grade or more in reading after completing a HAP program.  For math, the results are similar, with 58% of "C" (or below) scholars increasing a full letter grade.  For its output measure of *test scores,* the organization claims that 51% of scholars improved their standardized reading score, and 62% improved their math score (with the average increase calculated at 9.5 and 11 percent respectively). The organization also publicizes its success with its main outcome measure, *high school admissions*, particularly as a result of its

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[5] In FY 2004, about  55%  these funds came from various foundation grants.  The next largest source was government grants (17%), followed by in-kind donations (16%), individual contributions (6%), corporate grants (4%), and tuition (2%).

"Follow-Through" program.  HAP finds that 74% of eighth grade scholars who completed the program were accepted into "top" high schools (Higher Achievement Program, 2003b).

It is not the purpose of this paper to assess HAP's success. Instead, the focus here is on the organization's information systems. For this purpose, two features of HAP's indicators stand out.  First, the key indicators are few in number and are very closely linked with HAP's mission statement which explicitly mentions grades, standardized tests, attendance, and high school acceptance.  In other words, the organization is deliberate about measuring progress towards its mission, and limits itself to a manageable number of indicators that approximate this mission. This is enabled by a clear and focused mission that is designed to be measurable.  Second, the five indicators are meaningful to the key stakeholders, without needing elaborate explanation. Letter grades, test scores, attendance and punctuality tallies, and high school admissions are fairly unambiguous measures, whose significance is immediately apparent to teachers, student scholars and parents alike.[6]

*Qualitative Internal Evaluations*

The information provided by the indicators above is largely quantitative. It is designed to be easily measured and displayed in a table or spreadsheet. In this sense, it is similar to the types of indicators used by AKRSP (I) and Sadguru as part of their logical framework matrices.  While Higher Achievement's easily measurable indicators simplify data collection and analysis, they falls short in providing a more nuanced and qualitative assessment of the progress of individual students.  They also falls short in providing staff with insights on how to improve their work or in setting strategic goals and targets for the year.

In order to compensate for this shortfall, HAP employs two additional evaluation tools: a 360 degree evaluation for each student, and a staff report, both of which are conducted trimesterly.  The 360 degree evaluation involves a number of assessments of each student — by the student scholar herself, parents, each mentor,[7] and school teachers. This evaluation is conducted online and involves a short questionnaire to gauge perceptions of the scholar's performance, motivation and general interest in the program. Management staff in HAP are able to see all of these evaluations which, in combination, are able to reveal contrasting perceptions about the scholar that would easily be missed by the five quantitative indicators.  For example, the evaluations are able to show that some students who demonstrate little interest in classes at school (as noted in the school teacher's evaluation) are highly engaged in the after-school program (as noted in the mentor's evaluation). In such cases, the contrasting evaluations lead HAP staff to follow up with school teachers and parents to devise a strategy that works better for the student.

The trimesterly staff report is designed to enable staff to set and evaluate progress during the trimester. The reports are typically structured by a series of questions to which each staff person responds. For example, the director of each of HAP's four program centers provides a report that not only includes summary statistics (e.g., on scholar enrollments, age, sex, attendance, tuition payments, scholarships received, etc.) but also provides reflections on how

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[6] Arguably, a letter grade in a class with one instructor is not the same as a letter grade with another. HAP attempts to control for this factor through a highly standardized curriculum, with limited room for flexibility by instructors. Given that the organization relies heavily on volunteers for mentoring and instruction, some form of standardization is necessary for ensuring consistency in delivery. This is not to suggest that the HAP curriculum is dry; instead it is distinguished by the creativity and diversity of its content.

[7] A scholar will typically have three mentors, each for a different subject.

the center might improve enrollments, quality of mentoring, and completion of the 360 degree evaluations by the different stakeholders.  More importantly, center directors are asked to provide examples of successes and challenges at the center as well as "interesting, cool stuff" that has arisen from innovations at the center (formally called "the groovy"). The questions and issues addressed in the reports are not uniform, as they are guided by annual workplans tailored to clarify roles and responsibilities of each staff person.

These workplans, combined with the trimesterly reports provide a complex and expansive snapshot of the organization. They also provide a form of evaluation that is complex and layered, thus compensating for the shortfalls of the quantitative and sanitized indicators.

*Management Information System*

Perhaps the most unusual feature of the Higher Achievement Program, in terms of information gathering and analysis, is the fact that nearly all of its administration, reporting and evaluation is carried out online. For administrative purposes, this includes reporting on student applications, rosters, tuition, attendance, staff and student demographics, and tuition. For evaluation and assessment purposes, the system contains data on each of the five indicators, as well as the 360 degree surveys. Scholars, mentors, parents, and staff have access to computers at HAP's centers and office for entering this data. In addition, all organizational forms, documents, and manuals are now being placed on this web-based MIS in order to enable easy access and updating.

One of the key gains provided by the MIS has been the improved ability to track students throughout their years with HAP. Records for each student show not only grades and test scores, but also the 360 degree surveys, thus making it possible to identify changes in that scholar's performance and behavior.  In addition, the organization's executive director claims that the MIS provides opportunities for data analysis that would previously have been impossible, now that data can be broken down into different demographic categories. For example, do boys improve in reading at the same rate as girls?  Are there differences in gains among fifth and sixth graders, or at different centers?  However, the challenge, as always for nonprofits with small staff, remains in finding the time to do so.  The executive director readily admits that "We don't have lots of loose time to play with the data. We focus on the five indicators and on qualitative data from the surveys."[8]

A second key advantage offered by the MIS is the ease with which up-to-date summary statistics can be generated.  This is particularly important in generating reports for funders, in arguing a case for the impact of the program to potential funders, and in recruiting new scholars. However, the capital cost to HAP of developing and implementing the MIS are estimated at US $200,000.  This price tag limits the accessibility of the system to nonprofits that can garner the resources, although HAP claims that in the long run, the MIS significantly reduces costs of materials for printing and mailing surveys and data sheets, as well as labor costs for entering data.

In sum, a key strength of Higher Achievement's information system is that it seeks to balance a limited number of quantitative measures (its 5 key indicators) with more process-oriented assessments (the 360 degree evaluations). The indicators emerge directly from the organization's mission.  Its management information system appears to have been useful in

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[8] Interview, Maureen Holla, Executive Director, Higher Achievement Program, 6-29-04, Washington D.C.

streamlining the data gathering process, while also involving each of its stakeholders in providing and accessing that data.

**ActionAid**

As a transnational organization active in over 30 countries, ActionAid operates at a much larger scale than any of the other NGOs discussed in this paper. Up until the mid-1990s, the organization was known largely as a London-based organization engaged in child sponsorship in poor regions of the world, which supported 70% of its projects. It was largely a service delivery organization focused on issues of poverty, particularly among children. However, between 1998 and 2003, ActionAid underwent a massive organizational transformation towards a renewed focus not only on poverty, but on "overcoming the injustice and inequity that cause it" (ActionAid, n.d.: 6).  This mission implied fundamental strategic shifts in the organization, particularly towards greater policy advocacy work with a focus on the "basic rights" of individuals and communities. This rights based approach goes beyond basic charitable work and service provision, to recognizing people's entitlements to life's essentials such as food, water, healthcare, and education (ActionAid, n.d.: 7; Jordan, forthcoming).  Poverty, as articulated in ActionAid's vision, arises from the inequitable distribution of resources within and between societies. [9]

The new strategy gave rise to a new problem: a major disjuncture between ActionAid's vision for rights-based grassroots change, and its management systems that were centrally controlled and heavily bureaucratic, ostensibly for purposes of accountability. The frustration caused by these structural contradictions was summarized by the joint heads of impact assessment in the organization:

> Staff and local partners were spending too much time and effort on planning and reporting. ActionAid's internal planning and reporting systems over-emphasised upward reporting, accountability to donors and sponsors and an over reliance on ActionAid's own interpretation of change. Large wordy reports tended to describe project activities in great detail whilst giving less emphasis to the wider outcomes, impacts and changes perceived by the groups of people with whom ActionAid and ActionAid's partners work. Despite a huge amount of staff effort spent on reporting, the organisation knew little about the lasting changes that its work has bought about in people's lives. Things had to change. (David & Mancini, 2003: 2)

And thus, through a process that involved a handful of driven Trustees and a small team of international staff, a new Accountability, Learning, and Planning System (ALPS) was drafted.[10] The disjuncture between vision and managerialism was tackled head on:

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[9] This strategic shift in ActionAid was brought about through two interconnected processes — a highly critical and painful external review of the organization's work in 1999, and the launching of a major new strategy called "Fighting Poverty Together" in the same year — both of which were marshaled under the leadership of a new chief executive officer (Salil Shetty) who took the reins in 1998.  As part of its broad transformation, the organization is also becoming more focused on its Southern country units, and is thus moving its headquarters from the United Kingdom to South Africa.

[10] The process is described in some detail by Scott-Villiers (2002) and David and Mancini (2003b) [add cites].

ALPS is a system that recognizes that social development, rights or social justice can not be planned for, managed and delivered in a linear fashion. ALPS recognises that the principles and attitudes and the ways in which we do things are more important than plans and reports. That to carry out ActionAid's ambitious, organisational strategy – *Fighting poverty together* – we need to create space for our staff to reflect and work in a different way with our partners and poor people. Attitudes, behaviours and principles are therefore fundamental to ALPS. (David & Mancini, 2003: 2)

Key components of the new system are introduced below, along with a brief overview of its primary challenges.

*The Accountability, Learning and Planning System[11]*

A number of ALPS' core elements appear quite similar to reporting requirement one might expect in a professionally run organization:

- *Strategies* are required every 3-5 years for each level of the organization. This includes a strategy for ActionAid at the global level, as well as customized strategies that are regional, country-based, and programmatic.
- *Three-year plans* are required for each level.  These include annual workplans and budget updates.
- *Annual reports* are required at the global level, and for regional programs and divisions.
- *Strategic reviews*, led by external consultants, are required before the end of each strategy period (every 3-5 years) for each level.

What makes these seemingly conventional elements somewhat unusual in ActionAid is their alignment with a series of key "principles" that are value-driven.  Two of these principles are that "ALPS information must be relevant and useful to the people who produce it, receive it and who need it to make decisions" and that "ALPS aims to make best use of staff time by cutting down the amount of written information needed" (ActionAid, 2000: 3). In this spirit, ActionAid places limits on the length of its documents (e.g., twenty pages for a strategy document), and requires that documents be written in the language spoken by the majority of users and translated where necessary. In addition, ALPS breaks with convention in a number of areas:

- *Annual participatory review and reflection processes* (PRRPs) are required at each level of the organization. This process aims to improve programs by examining and sharing successes as well as failures.  To do so, it seeks to involve stakeholders at all levels, including poor people, partners, donors, peers, etc., to analyze and critique programs.
- *No annual reports from country programs* are required.  In the past, ActionAid's headquarters in London received annual reports from each country program. This upward reporting has been eliminated both to reduce the reporting burdens at the country level, and to free up time and scarce resources to concentrate on the more useful PRRPs. Country directors are asked, instead, to share rough notes from the PRRP processes, lessons, and outcomes on ActionAid's global intranet.

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[11] The description of ALPS draws from four main sources: (ActionAid, 2000; David & Mancini, 2003, 2003b; David, Mancini, & Owusu, 2001).  Most of these documents are available online at www.actionaid.org.uk (click on resources, impact assessment, and then alps, or go directly to www.actionaid.org.uk/index.asp?page_id=800).

• *Planning/budgeting processes are better synchronized with reviews.*  Rather than treating workplans and budgets separately from reviews of work, ActionAid attempts to coordinate them.

These new elements are especially important for their implications for accountability. Both the PRRPs and the elimination of country-level annual reports effectively shift accountability downward towards local stakeholders.  Upward accountability to headquarters and international donors is still maintained, but it is in the form of PRRP notes and a more engaged process of analyzing ActionAid's work, rather than as a conventional annual report.

*Achievements and Challenges of the ALPS[12]*

The short-term results of ActionAid's new system are promising. Despite the size of the organization, an internalization of the principles and attitudes of ALPS appears to be underway at different levels of the organization. The participatory review and reflection processes have been especially important in four respects.  First, according to ActionAid's impact assessment unit, there is some evidence that PRRPs are proving useful in evaluating and reshaping projects. Second, there is an increasing downward accountability to partners and poor people, especially in Africa programs, arising from the fact that PRRPs have made strides in involving stakeholders at all levels. While this does not mean that ActionAid is being held to account by its stakeholders, there is certainly on opening for critical engagement.  Third, there have been improvements in transparency, with country offices beginning to share more details of budgets, programs, and fundraising with the public. For example, ActionAid Brazil shares all of its financial information on the internet.  And finally, as a result of PRRPs, ActionAid staff are beginning to better understand the impacts of their work.  Rather than writing program reports about "activities", there has been a refocusing of analyses on impacts in people's lives.

Despite these early successes, there remain many hurdles.  In keeping with the ALPS spirit of examining achievements as well as failures, ActionAid's impact assessment unit is quite candid in writing about the problems and challenges ahead. For example, they note the continuing "deep-rooted separation between finance and programme work" (David & Mancini, 2003: 6) such that finance staff are not as involved in planning and review processes as they should be. They also admit that "we have not clearly articulated what we mean by the principles and behaviours set out in ALPS.  We haven't articulated expected changes, nor developed yardsticks by which we can 'lightly' assess progress" (ibid).  Relatedly, there is a need for greater investment in building the capacities of staff and partners to review current human resource and organizational development policies. In an attempt to build some of this capacity, ActionAid began work on a management information system through the assistance of external consultants. However, the initial system that was proposed contradicted the very principles of ALPS: it would have required large amounts of quantitative data at the country level, with a focus on activities. Opposition to the new system from the Africa director, the impact assessment unit, and the finance director resulted in the MIS being shelved until it can be redesigned.

The tensions between upward and downward accountability continue to pose difficult challenges.  Within ActionAid itself, there is a contradiction between ALPS, which prioritizes downward accountability and learning, and the global framework arising from the international

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[12] This summary relies exclusively on internal assessments by David and Mancini (2003, 2003b).

strategy, which aims to understand the organization's impact. Again, the heads of impact assessment are forthcoming:

> Although, in the long run, there doesn't necessarily have to be a disjuncture between the two – in the short term this can set up contradictory incentives. Pressure to identify impact can impede honest reflection and learning. It also has the potential to damage relationships with partners where their contribution is not highlighted. Pressure to 'talk up' work can be heightened in countries where work is extremely difficult and progress extremely slow (or negative). In any case, programme change is neither linear, nor consistent – yet the global framework itself represents linear thinking. (David & Mancini, 2003: 8)

These tensions also extend to interactions with external donors, particularly those that impose logical frameworks (as discussed in the case of AKRSP(I) and Sadguru above). The organization has not developed an effective communication strategy with donors concerning how it wants to monitor its work.  But it is clear that it wishes to challenge the linear thinking associated with management tools such as the logical framework.

In short, the challenges that face ActionAid and its new Accountability Learning and Planning System are as much about values and principles as they are about good management. In attempting to reshape systems of reporting and relationships of accountability, ALPS has run into the structural features of an environment in which upward accountability and linear reporting permeate all organizational levels.  But the fact that ALPS is beginning to take hold in an organization as large as ActionAid  speaks to the importance of its basis in internally-driven values and principles.

**Summary of Information Systems in the Cases**

Table 1 summarizes some of the key features of the information systems discussed. The differences in the three cases are significant. Each operates at a different scale and on very different issues.  Higher Achievement's use of 5 indicators stands in stark contrast to the 89 used by AKRSP (I) and Sadguru.  The types of reporting that receive the most attention in each case also vary significantly, from a heavy focus on measurable indicators based on logical frameworks in AKRSP (I) and Sadguru, to a balancing of fewer indicators with qualitative measures in Higher Achievement, and to a focus on strategic reviews and participatory reflections in Action Aid. There are also similarities across the cases. All four of these organizations collect information that is quantitative and qualitative in nature. They all develop annual workplans and measures of progress.  None of them has the capacity to use all of the information it gathers for decision making. As a result, each one prioritizes its gathering and use of information.

*Table 1: Comparison of Information Systems*

|  | **Higher Achievement Program** | **Sadguru and AKRSP (I)** | **ActionAid** |
|---|---|---|---|
| *Scale of operations* | Local (Washington, DC) | Regional (western India) | Transnational (over 30 countries) |
| *Focus of work* | Middle-school education and high school admission | Rural development and natural resource management | Poverty, and its root causes of injustice and inequality |
| *Reporting emphasis* | • Progress on key indicators<br>• 360 degree evaluation<br>• Staff reports | • Physical and Financial Progress<br>• Logical Framework Matrix | • Strategies and strategic reviews<br>• 3-year plans and budgets<br>• Participatory review and reflection process |
| *Number of Indicators* | 5 | 89 | To be developed |
| *System Innovations* | • Web-based MIS, involving all major stakeholders<br>• Combination of quantitative indicators and qualitative reviews | • "Significant Changes"<br>• Parallel information systems | • Participatory review and reflection process<br>• No annual reports from country programs |

A comparison of information systems in these cases leads to at least five general observations and caveats. First, the challenges of managing information vary with the nature and scale of work. An organization that tracks 300 children in an urban location faces a very different scale of challenges in its information system than one that tracks several hundred rural communities (where many do not have electricity), or programs in dozens of countries. The larger an organization grows, the more likely it is to need to decentralize its information systems, while also finding reliable ways of aggregating information that are not unduly onerous.

However, the challenges of developing meaningful measures or indicators is more likely to vary with the nature of work than with its scale. Meaningful indicators are not simply those that can be measured, but those that can be interpreted and understood by people who collect and use them. Higher Achievement's five indicators are fairly straightforward in terms of measurement. But their real value lies in the fact that they are measures of the organization's mission, and they provide information that is immediately understood not only by the staff of the NGO, but also by student scholars and their parents.  In contrast, the 89 indicators used by AKRSP (I) and Sadguru's work are useful largely for justifying funding by demonstrating the quantity of infrastructure developed, numbers of people served, and the increase in average household income. These indicators are no doubt meaningful to upper management and bilateral donors in assessing progress, but they carry little meaning for field-level staff who collect them or for the communities they serve. Action Aid faces an even tougher challenge in developing indicators for its work in social justice and inequity, particularly since the linear thinking that underlies logical framework in unlikely to be helpful. To its credit, the organization rejected a management information system initially developed by external consultants on these grounds.

At a conceptual level, indicators drawn from logical frameworks are typically premised on a "goal attainment" model of assessment.  That is, they are based on an assumption that the goals, services, and products offered by an NGO can easily be measured. However, D'Aunno

(1992) suggests that it might make more sense to vary assessments with the context of an organization. In cases where an organization's work can indeed be fairly directly measured (e.g., HAP's test scores and high school admissions), and performance criteria are likely to be shared across different stakeholder groups (e.g., scholars, parents, mentors, staff, and funders), a rational or goal attainment approach is sensible.  However, in cases where performance criteria vary among stakeholders, it would make more sense to adopt a "multi-constituency" model that gauges organizational performance in relation to the preferences of different groups. This is likely to be more useful among organizations whose goals are more process-oriented (such as "participation" or gender equity, in an NGO like AKRSP (I)) and where there may be conflicting goals among constituents.  In other cases, attainment of organizational goals may be even more difficult to measure, such as in the case of policy advocacy or "empowerment." Such organizations may be better assessed by an "institutional theory" model, that is, by measuring their conformity to what society expects of them (see, for example, DiMaggio & Powell, 1983; Meyer & Rowan, 1977; Scott, 1995).  For instance, if one were to measure the progress of ActionAid based primarily on the number of national or international policies related to poverty and injustice that it is able to change, its progress is likely to look slow and limited. However, an institutional theory approach might instead assess the organization on its behavior – being at the forefront in fighting for a set of espoused rights and doing so through socially legitimated structures and processes such as protests, high-level negotiations, policy briefs and lobbying, and court cases, even if it takes decades to achieve those rights. One might also assess it on internal conformance to its own principles of justice and equality, by measuring the extent to which power is shared at different levels of the organization and among Northern and Southern units.

Third, the number of indicators also appears to matter.  The Higher Achievement Program has limited its attention to its five core indicators, which it has prioritized based on mission. While the organization is interested in measuring its long-term outcomes on a broader set of indicators, this task is left to external scholars; HAP is engaged in a randomized longitudinal study with scholars at MIT and Princeton University. While HAP is hopeful that this larger study will provide insights for decision making, its own focus remains on the core indicators. In the case of AKRSP (I) and Sadguru, the 89 indicators have proven impractical. On one hand, the number of indicators has turned out to be burdensome.  But on the other hand, if one were to disaggregate the indicators by program (e.g., watershed development, forestry, irrigation, etc.), the indicators whittle down to a more manageable dozen or less per program. More significantly, the data collection requirements are perceived as onerous because the information is not viewed internally as being particularly useful or meaningful, and thus its collection has added to an already heavy work burden. While NGO staff were actively involved in designing the indicators in collaboration with external consultants hired by the European Commission, they were not subsequently coached on how to integrate the data into decision making, nor were they given adequate opportunity by their funders to revisit and reduce the number of indicators to the most useful one.  In short, selecting indicators that are both manageable in number and meaningful in content would appear to be good practice.

An additional general observation concerns the use of technology. It is tempting to assume that new technology, such as web-based management information systems can solve the challenges of gathering and analyzing information. However, as the experience of Action Aid demonstrates, an MIS is of little use if it does not reflect the mission and values of an organization.  Even Higher Achievement's widely touted MIS was developed through a very deliberate process that was driven by HAP staff, who then convinced funders that such a system

would enhance organizational effectiveness. But at its core, the technology is a tool like any other. As HAP's executive director cautioned, it is necessary first "to distill your essence and then you have to translate that into technology; don't let the technology drive who you are."[13]

Finally, organizations seem to benefit from information and reporting systems that allow room for flexibility and innovation. In the case of AKRSP (I) and Sadguru, there was little flexibility with their 89 indicators. Once they were developed, they were stuck with them unless they could convince the European Commission to alter the requirements. But both NGOs employ a number of other far more flexible tools for data collection, such as participatory rural appraisals and the tracking of "significant changes." Action Aid has similarly found its participatory review and reflection process to be valuable precisely because of the flexibility it offers in content and in format (by incorporating multi-stakeholder views, by not requiring a fixed reporting style, and by eliminating the annual country reports). The Higher Achievement Program maintains a rather tight ship in terms of data collected, but builds flexibility into the freer narrative content of its trimesterly staff reports. It also encourages staff members and mentors to innovate in their work by allotting ten percent of their workplans to "the groovy" – i.e., experiments with their jobs.

In summary, the four cases offer a number of insights on the creation of useful information systems. Key features include the use of indicators that are manageable in number and meaningful in content, the design of management information systems and technologies that reflect and reinforce organizational mission and values, and the deliberate incorporation of flexibility and innovation in any system.

With these observations as a basis, the task of the next section is to reflect on the embeddedness of information systems in social structures. In particular, I turn to social theory for guidance on examining how the interdependence between NGOs and funders shapes their information systems. Each of the cases provides a different angle from which to view these inter-organizational dynamics. I then attempt to extend this analysis to broader connections between information, accountability, and organizational learning.

## INFORMATION SYSTEMS AS MIRRORS OF INTERDEPENDENCE

Information is a central resource in organizations, and particularly in exchanges between NGOs and their funders. Yet much scholarly discussion on NGO-funder dynamics has centered on a different resource: money. It is often assumed, by NGOs and funders alike, that the "piper calls the tune" in their relationships involving financial resources. Conditionalities associated with funds have long been common themes in debates over relations between NGOs and their international funders (e.g., Drabek, 1987; Hudock, 1999; Hulme & Edwards, 1997; Society for Participatory Research in Asia, 1991). However, an analysis of organizational interactions based primarily on money misses other crucial forms of resource exchange, particularly of symbolic types of resources. Arguably, NGOs and funders have strongly *inter*-dependent relations — and they are constantly engaged in struggles for control over and access to financial and symbolic kinds of resources.

This interdependence relies on an exchange of "capital" or resources. Drawing from the work of the social theorist and anthropologist, Pierre Bourdieu (Bourdieu, 1977; Bourdieu, 1979; Harker, Mahar, & Wilkes, 1990), I distinguish between two forms of capital: 1) economic capital

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[13] Interview, Maureen Holla, Executive Director, Higher Achievement Program, 6-29-04, Washington D.C.

which includes material resources such as money and property, and 2) symbolic capital which includes non-material resources such as status, prestige, authority and reputation, and in which information plays a key role.[14]

For the information provided by NGOs to be useful in generating funds, it must demonstrate that the funded activities have been "successful," especially since funders are themselves responsible for justifying project selections to their stakeholders such as boards, governments, and taxpayers. But the measurement of success is often ambiguous and is complicated by the fact that individual decision makers "often seem to be able to reinterpret their objectives or the outcomes in such a way as to make themselves successful even when the shortfall seems quite large" (Levitt & March, 1988: 325).  One tool used by funders to reduce ambiguity in the measurement of success is the standardization of reporting formats. These reports provide details, often based on pre-established line items, of the amounts of funds spent during the quarter and the amount of activity undertaken (e.g., numbers of children fed or taught, numbers of rural irrigation systems built, etc.). While the details of such reporting systems vary, for the present purposes, I wish only to emphasize that information is an essential input to funders and is thus structured in a way so as to reduce uncertainty in its usefulness to them. This is not a new finding for, as Tendler (1975) has shown in her study of the United States Agency for International Development, donor agencies are capable not only of structuring information but also of "manufacturing" the project applications themselves.  In doing so, the donor agency "lessens the high degree of uncertainty of the environment from which it must get its inputs, assuring a more reliable source of supply"  (Tendler, 1975: 103).

In other words, the success of a grantee enables its funder to take credit for that success, and to build a reputation for finding and supporting projects that are good investments.  Thus, a key resource which funders need for their continued operation is a good *reputation*, or more specifically, the *status* or *prestige* associated with that reputation.  The information is valued for the reputation which it confers, but is not necessarily important in itself. I use the term reputation not only to refer to general perceptions of an organization's standing and credibility, but also to the power derived from this standing.  It is thus reputation, rather than information, that is a key resource needed by funders.  The presentation of information in "successful" terms transforms that information into reputation and thus into a form of power.

This link between information and reputation, which may be denoted as information/reputation, is directly related to Michel Foucault's conceptualization of the link between knowledge and power, which he denotes as power/knowledge (Foucault, 1984; Rabinow, 1984: 9; Shumway, 1989: 112).  For him, knowledge and particularly the right to create and decide what counts as knowledge is a form of power.  Consultants and other professionals decide what information about a social development activity is to be collected and scrutinized in order to separate "successes" from "failures".

The relations between NGOs and funders in terms of flows of information/reputation and funds is diagramed in Figure 1. Of the cases examined in this paper, that of AKRSP (I) and

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[14] My use of the term "capital" is very general and should not be confused with more specific uses of the term (e.g., capital as investible resources only).  I also do not distinguish between different forms of capital "exchange" (e.g., generalized reciprocity, barter, spot sales, transfers, etc.). For Bourdieu, the most powerful form of capital is the symbolic form — authority which comes with prestige and status, and which is invested in the "experts" of our society such as doctors, lawmakers, teachers, and even development professionals.  From this perspective, any form of social change activity may be conceptualized as occurring in a context where there are struggles between organizations over various kinds of resources, and in which symbolic capital is an important form of power because of its association with expertise and thus with knowledge production.

Sadguru lends itself most readily to this analysis.  In this diagram, I draw a distinction between two main types of funding organizations: primary and intermediary funders.  The category of primary funders includes bilateral "donors" such as the European Commission (and could include others such as the United States Agency for International Development, or the United Kingdom's Department for International Development) and organizations with their own endowments (such as the Ford Foundation). Intermediary organizations have limited funds of their own for supporting grantees and thus turn to other organizations (usually bilateral donors or large foundations) for funds to transfer to NGOs.  Both AKRSP (I) and Sadguru have relied heavily on an intermediary funder — a Geneva-based organization called the Aga Khan Foundation — for their grant from the European Commission. In fact, it was the Aga Khan Foundation that cultivated the funding relationship, wrote the grant proposal (in consultation with the NGOs), and prepared the NGOs for site visits by the funder.  In addition, once the grant period commenced, the Aga Khan Foundation served as a conduit for consolidating and polishing reports received from the NGOs and passing them onwards to the European Commission.

[Insert Figure 1 about here]

Two flows of capital are central to Figure 1: flows of funds (economic capital) from funders and flows of information/reputation (symbolic capital) from NGOs.  Funds are not simply *transferred* to NGOs, but are *exchanged* for information/reputation.  These forms of capital are thus inter-convertible: NGOs convert funds into information/reputation, and funders convert information/reputation into funds.  As an intermediary, the Aga Khan Foundation plays a dual conversion role: it uses its own reputation (which is built upon the reputations of and information from NGOs) to secure funds from bilateral agencies, and it also uses the money which it obtains from donors to acquire information (and thus reputation) from NGOs.  The survival of an intermediary organization depends on its ability to perform this dual conversion and on its ability to market its value-added to this conversion process. Thus, the intermediary markets itself to donors in terms of its track-record for managing large funds, securing timely reports from NGOs, and in identifying and supporting successful and innovative projects.  At the same time, it markets itself to NGOs in terms of its connections with funders, its knowledge of the jargon used by donors, and its awareness of changes in funding trends.

The cases of AKRSP (I) and Sadguru suggest that there are exchanges of economic as well as symbolic types of resources between NGOs and funders.  The possibilities for exchanging and converting between various kinds of capital enable organizations to develop *interdependencies*, thereby reducing the uncertainties associated with their respective behaviors and thus with the outcomes of their actions.  Efforts by funders to structure information and reporting in NGOs — through the specification of indicators in logical frameworks, and regular reporting based on line items in quarterly progress statements — are a reflection of this interdependence, which forms a basic structure that guides their interactions. The relations of Sadguru and AKRSP (I) with their funders (i.e., the Aga Khan Foundation and the European Commission) are so embedded in capital exchange that it has become difficult to conceive of relationships outside of this mold.

How might NGOs and international funders work towards their common goals of poverty alleviation in ways that extend beyond this constant struggle over the exchange of funds for reputation? The experiences of the Higher Achievement Program and Action Aid offer the

beginnings of an alternate vision of interdependence. HAP is cognizant of the fact that funders not only want quantitative assessment of the NGO's work (e.g., test score improvements), but also that they are much less willing to support the development of information systems (which are often viewed as indirect or overhead costs) than they are to fund direct program expenses. HAP's approach has been to find and work only with funders who "get it" — those who share HAP's values, who are committed to HAP's mission, and who may thus be more willing to support the building of organizational capacity rather than only programs.  Even with such alignment, HAP has had to work persistently to convince its funders to support its $200,000 management information system, which has now attracted considerable attention in the Washington nonprofit community.  Moreover, HAP is adamant about staying focused on its mission, regardless of offers of funding to divert from it.  The NGO turned down a generous offer from a venture philanthropy organization because it was concerned that the conditions of the funds would divert it from its vision and strategy.  In terms of interdependence, HAP's experience extends beyond a mere exchange of money for information/reputation, and includes an interdependence in vision and strategy. HAP's inner ability to say no to funding has strengthened its position in terms of power dynamics among its existing funders.  Its staff and board also exude a confidence in their work that is not very common.

Nonetheless, all four of the organizations examined here are acutely aware of the pressure to "talk up" and market their work to funders.  This has proven particularly challenging for ActionAid, especially in countries facing violent conflict where progress is very difficult to demonstrate or measure. Issues of interdependence play out in two complex layers in the organization:  in relations between the ActionAid and its donors, and also within the organization itself, especially between Northern and Southern country units. The NGO has largely been a North-driven organization, but which is now attempting to redistribute that power towards the South. ActionAid currently has five key members: the United Kingdom, United States, Ireland, Greece, and Brazil.  But in the next two years, it plans to add India, Ghana and Nigeria as fully fledged members (with others to follow), and is relocating its headquarters from the U.K. to South Africa.  As such, the balance of power within the organization is expected to shift towards its Southern members.[15] Moreover, the organization is becoming a key player in policy advocacy in the South, rather than simply a funder of child sponsorship activities.  In terms of its information systems, these efforts to deal with power relations are most obvious in its elimination of the annual reports from the country programs in favor of the more flexible and decentralized participatory reviews and reflections.  The organization is also in the process of trying to educate and dialogue with its own funders (which include bilateral agencies) to challenge the linear thinking of logical framework analysis and to foster localized learning processes rather than imposing rigid reporting formats from above.

Collectively, these four cases demonstrate the centrality of information in relationships between NGOs and their funders, as well as internally among organizational units.  The oft-cited adage that "the piper calls the tune" is inadequate in characterizing the *interdependence* among and within these complex organizations. Moreover, there appear to be different kinds of interdependence.  The dynamic exhibited by Sadguru and AKRSP (I), in which funds are exchanged for information, may be the most common form of interdependence between NGOs and funders.  However, HAP's focus on funders who "get it" and ActionAid's internal

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[15] Presentation by Atila Roque, Executive Director, ActionAid USA, at a workshop on *Seeking NGO-Donor Partnership for Greater Effectiveness and Accountability*, held at the InterAmerican Development Bank, Washington, D.C., on May 12, 2004.

restructuring offer other models for interdependence characterized by shared vision, values, and a redistribution of power among actors.

## LINKING INFORMATION AND ACCOUNTABILITY

The preceding sections of this paper have been devoted to introducing the information systems in four NGOs, and to discussing the embeddedness of these systems in interdependent relationships between NGOs and funders.  The notion of "accountability" has emerged periodically in this discussion. But how is accountability linked, in analytical terms, to information and information systems?  How is it linked to reporting and organizational learning?

In their study of several of the world's most established NGOs involved in international emergency relief work, Lindenberg and Bryant (2001: 218) offer a link between information and accountability, which they argue is contingent and multi-directional in nature:

> One of the implications of multiple and competing audience pulls is that different kinds of information and feedback are needed for different audiences.  Therefore accountability is necessarily contingent upon both the demander and the context of the demand.  For example, donors often require formal evaluation reports, while other contributors expect some summary financial reports and annual mailings; beneficiaries, on the other hand, need results — though their own interpretation of favorable results can differ from the interpretations imposed by donors.

In practical terms, an analysis of accountability thus requires an examination of both *how* and *for whom* information is used. Donors, for example, are often interested in clear and measurable "results" arising from NGO interventions (assessed through evaluation and reporting), thus enabling them to build a reputation for funding "success."  Similarly, NGOs use the information they provide to donors as a vehicle for accessing money, thus creating organizational interdependencies.  Information may thus be seen as a form of symbolic power that, by conferring legitimacy, can be used by NGOs to leverage other resources. The result, argues the renowned development scholar Robert Chambers, is a stable system of "power and misinformation" in which "multiple sources of feedback to those in power often mislead, tending to show things better than they are, and so justifying further funds to complete the feedback loop of a self-sustaining myth" (Chambers, 1994: 22-23).

*Accountability is a relational concept; it is about relationships of power between organizational actors*.  Forms of organizational assessment —such as evaluation, reporting, and organizational learning — may be seen as tools or mechanisms of accountability. However, because of they are relational, these tools cannot be properly interpreted without some consideration of how they affect NGO behavior and for whom they are employed.  Figure 2 is an attempt to locate the tools or processes used by NGOs along two relational dimensions. The vertical axis depicts the *direction of accountability*.  In other words, it asks *for whom* is this mechanism primarily employed? For simplicity, this axis has two poles: internal to NGO mission or external to donors.[16]  The horizontal axis is also relational and focuses on the *effects of a particular mechanism on NGO behavior*.  In other words, it asks *how* does this mechanism affect NGO decision making or activity?  This axis ranges from indirect or passive influence on NGO

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[16] A more complex version of this figure would include additional axes for other stakeholders, and particularly for clients and communities.

behavior on the left to direct or active influence on the right. Power is not explicitly depicted in this figure because it is embedded in the relational nature of both axes.

[Insert Figure 2 about here]

The analytical value of these two axes can best be demonstrated through examples.  Let us take the example of record-keeping by an NGO staff member who maintains extensive personal notes to keep track of visits to clients or beneficiaries (e.g., notes by community organizers in Sadguru who attend a village meeting, or notes by a HAP mentor on a student scholar).  This record-keeping is largely internal to the organization, as it is not shared with outsiders. In some cases, in order to protect the privacy of their clients, NGO workers may not even share these notes with a superior (e.g., in cases of social workers working with drug abusers). In cases where superiors do look at the notes, this may serve purposes of maintaining internal quality control.  But on the whole, such record-keeping is not intended to reshape organization-level decisions; its primary function is to assist staff in doing their jobs.  As such, on the horizontal axis in the figure, the mechanism of "recording" may be said to affect organizational decisions and activities only indirectly or passively.  To the extent that it enables some form of quality control, recording can help the nonprofit towards the achievement of its mission; its function is largely internal to the organization, not external to donors.  This mechanism is thus located in quadrant one of Figure 2.

Annual reports and disclosure statements, located in quadrant two, are a form of record-keeping explicitly directed towards maintaining external accountability.  Like records, they do not directly influence what an NGO does, but are a means through which the organization conveys its activities to the outside world.  The fact that many NGOs in the South generate annual reports in English, even though most of their clientele do not speak this language, suggests that these reports are generated primarily for external consumption, especially by donors.  To the extent that these records are thus available for scrutiny, they may be seen as a means of "transparency."  As Lindenberg and Bryant (2001: 212) eloquently put it, "Transparency is about providing information" whereas accountability is about providing an explanation or an "account for decisions, actions, and their consequences."  In other words, reporting information is a necessary but insufficient condition for accountability.  Reports and disclosures thus fall into quadrant two of Figure 2 — they are often generated for the benefit of donors and have only an indirect impact on NGO behavior (since they reflect decisions and actions already taken).  As means of transparency, their value lies in the legitimacy they offer, particularly in the eyes of external donors and observers.

Evaluations, on the other hand, have much more potential directly to influence decision making and behavior in NGOs.  There are at least two broad categories of evaluation: those that provide a snapshot of progress to date, and those that feed back into organizational decision making.  The former type is likely to affect NGO decisions and actions only where it turns up results poor enough to threaten external sources of funding.  Its value is punitive.  It is thus located in quadrant three of Figure 2, since it reflects accountability to donors and has a significant potential to affect NGO behavior. The latter type of evaluation — in which evaluation results are designed, a priori, to guide NGO decision making — is really a form of organizational learning.  Learning, which includes evaluation and other forms of feedback to guide behavior, is located in the final quadrant of Figure 2 for two reasons.  First it has, by definition, an impact on

NGO decision making or action.  Second, learning is a process internal to organizations and it can be designed to help achieve organizational mission.

Much  of the reporting and evaluation conducted by AKRSP (I) and Sadguru for the European Commission was done for external legitimation and falls into quadrants two and three of Figure 2. This is not to say that the organizations are not engaged in internal learning processes; in fact, they have rather sophisticated learning processes which operate independently of funder requirements, and which I have elaborated elsewhere (see chapter six of Ebrahim, 2003). In other words, they have parallel information systems where some forms of reporting and evaluation serve external accountability purposes and others serve internal learning and accountability. The crossover between these two systems is limited. The Higher Achievement Program appears to maintain a single information system that is integrated through its MIS. While it generates separate reports for funders, it is able to draw on a single system for that data.

The frustration that many NGOs feel concerning information systems that focus on external accountability at the expense of internal learning is expressed by ActionAid's chief executive in his introduction to the ALPS process. He does not mince words:

> A growing concern voiced by staff and local partners in recent years has been the disproportionate amount of time and effort that is going into meeting ActionAid's planning and reporting requirements. If it were only a question of wrong priorities, the problem could be easily rectified by reordering time allocation. The bigger risk is the spread of a culture of bureaucratisation and disempowerment of staff, partners and ultimately the poor people that we work with.
>
> Alps aims to liberate staff and partners from the tyranny of filling endless forms and writing lengthy, beautifully presented plans and reports that mostly adorn some shelf or archive. (ActionAid, 2000: n.p.)

ActionAid's response to this tyranny of reporting is not simply practical; it is also normative because it draws on a series of principles articulated in ALPS. These principles clarify that the organization's " main accountability . . . is to the poor and marginalized women, men, boys and girls"  and that a key purpose of ALPS is to promote "critical reflection that enables us to learn not only from our successes but also our failures" (ActionAid, 2000: 3). The organization's normative message to funders and to its own partners is that if they are going to be serious about addressing complex problems of poverty and inequality, then their information systems better prioritize learning and accountability to the poor, rather than mindless upward reporting and mechanistic accountability.

In cases where funders share a long-term perspective and vision with NGOs, their interdependence can promote such an alignment of accountability with information and learning systems. But in the preponderance of cases where donor priorities emphasize short-term results at the expense of long-term learning, this mismatch can lead to conflicting accountabilities.  As Figure 2 has demonstrated, accountability is a relational concept embedded in relations of power, and it is in this context that its mechanisms must be understood.

# CONCLUSIONS: IMPLICATIONS FOR PRACTICE AND RESEARCH

This paper has examined information and information systems in NGOs at three different levels of analysis. The first was a look at key features of information systems in four cases — Sadguru, AKRSP (I), Higher Achievement, and ActionAid. This was followed by an institutional view of information, in which systems for gathering, using, and reporting that information are reflective of the structural context inhabited by NGOs and their funders. There is an interdependence between NGOs and funders characterized by exchanges of information and reputation for funds and, in some cases, also by an alignment of vision and values. The information systems adopted by NGOs appear to reflect their relations of interdependence and power. This interdependence also affects the accountability priorities of NGOs. The last section of the paper attempted to map the conceptual link between information and accountability in the context of interdependent relations.

Collectively, the observations in this paper lead to at least three implications for research and practice, all of which emphasize a need for greater attention to information systems that promote organizational learning. The first implication concerns the design of information systems. Despite differences in the scale and nature of their work, all four cases suggested that useful information systems require at least three features: indicators that are manageable in number and meaningful in content (especially to community level workers and clients), management information systems and technologies that reflect and reinforce organizational mission and values, and the deliberate incorporation of flexibility and innovation. Perhaps the most memorable example of this is the Higher Achievement Program's incorporation of "the groovy" into the workplans of its staff and mentors, in which about ten percent of their work is devoted to trying out "interesting, cool stuff." There is a need for more research on the design of information systems that are able to promote long term organizational learning, while still fulfilling day-to-day organizational reporting functions. There is also a need to better understand the interplay between organizational values and information systems.

The second key implication is that while NGOs may be hesitant to challenge the reporting requirements of their funders, they may be underestimating their leverage with funders. Conventional characterizations of NGOs being dependent on donors for money fail to recognize an interdependence in which funders rely on NGOs for information that builds their own reputations. In response to the constraints of these highly structured relationships, where economic capital is exchanged for symbolic capital, it is natural for NGOs to opt for developing parallel information systems that are internally of more use. This not only overburdens organizations, but it creates opportunity costs where precious resources are squandered on short-term activities with ambiguous long-term results. Research can shed light on different models of interdependence common among NGOs and funders, and the strategies used by actors to leverage change in these relationships. More importantly, there is a need for more research on innovations in interdependence, where NGOs and funders alike are able to break out of this traditional mold to create partnerships based on trust and collective commitment to social change.

The final implication of this paper concerns the relational nature of accountability and its embeddedness in relationships of power. On one hand, it is quite reasonable for funders to want an accounting of how funds are spent and what results they bear. But is it equally reasonable that upward accountability to funders should trump accountability to the communities that those funds are to serve in the first place? A reorienting of this accountability dynamic poses

normative challenge for NGOs as well as funders.  NGOs have a responsibility to stand by their missions and to take their funders to task when their reporting requirements compromise mission and values. Funders have a responsibility to the communities they purport to serve, which they can demonstrate by increased attentiveness to the informational needs and capacities of the NGOs they fund. Here too, research can shed light on how NGOs manage multiple accountabilities, and on the incentives to which NGOs and funders respond. Ironically,  a realigning of information systems and accountabilities — to emphasize long-term learning rather than short-term reporting, and to prioritize internal and downward accountability to mission and communities — does not have to compromise upward accountability to funders.  While such a reorientation might result in less formalized reporting on quantitative indicators for funders, thus making it more difficult to demonstrate success in the short run, it has the potential to create more meaningful change in the long run.

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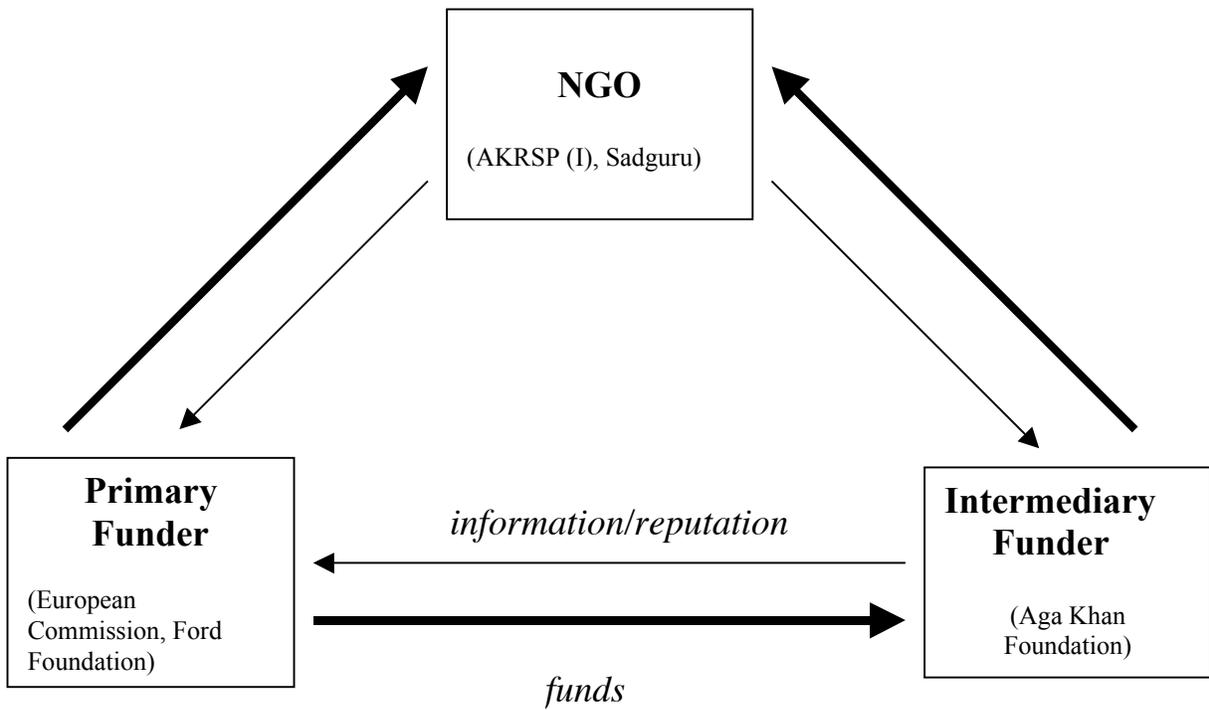Tendler, J. (1975). *Inside Foreign Aid*. Baltimore, Maryland: Johns Hopkins University Press.

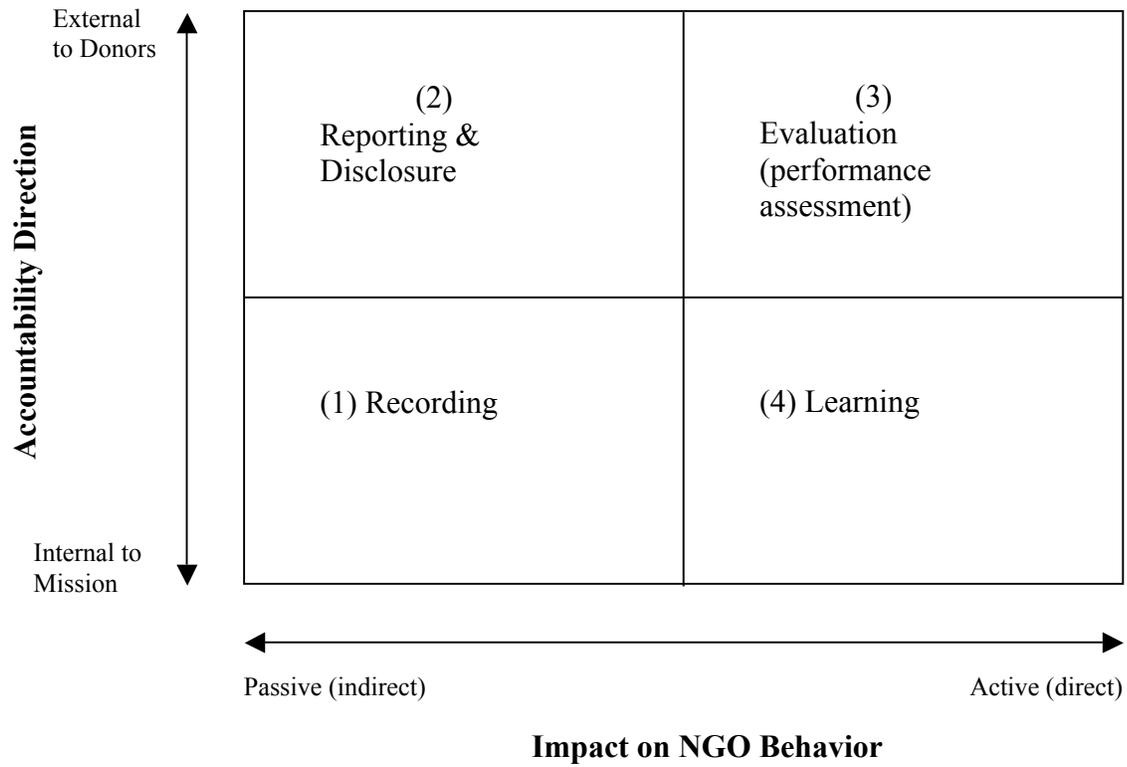*Figure 1:* Interdependence in Capital Flows between NGOs and Funders

The figure is a 2×2 matrix. The vertical axis is labeled "Accountability Direction," ranging from "Internal to Mission" (bottom) to "External to Donors" (top). The horizontal axis is labeled "Impact on NGO Behavior," ranging from "Passive (indirect)" (left) to "Active (direct)" (right).

- Top-left quadrant: (2) Reporting & Disclosure
- Top-right quadrant: (3) Evaluation (performance assessment)
- Bottom-left quadrant: (1) Recording
- Bottom-right quadrant: (4) Learning

**Figure 2:** *Relational Dimensions of Accountability*