Article

Accountability, transparency, and government co-option: A case study of four NGOs

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As Non Governmental Organizations (NGOs) grow in importance on the international development scene, transparency, accountability and government co-option are becoming increasingly important topics. The growing influence of NGOs requires that donors, academics, and policy makers start carefully examining transparency and accountability issues on both in micro and macro level. In this paper, we seek to answer three questions: first, who are NGOs accountable to? Second, what transparency methods are NGOs using to demonstrate accountability? Finally, how are governments co-opting NGOs and how does this affect the role of NGOs and in particular their accountability and operations? To shed light on these questions, we interview four NGOs from around the world to answer a written questionnaire about accountability and transparency methods within their organization. The analysis of the questionnaire reveals a variety of transparency-improving techniques applicable to small and large organizations that can range from very formal reporting techniques to face-to-face transparency reporting. In addition to outlining these transparency techniques, the results reveal varying degrees by which NGOs and government work together. Finally, we discuss the role of macro-level code of conduct organizations in meeting some of the accountability and transparency needs of NGOs.

Key words: Accountability, code of conduct organizations, transparency, government co-option.

INTRODUCTION

As Non Governmental Organizations (NGOs) grow in importance on the international development scene, transparency, accountability and government co-option are becoming increasingly important topics. The growing influence of NGOs requires that donors, academics, and policy makers start carefully examining transparency and accountability both in micro and macro level.

NGOs are becoming increasingly important institutions in developing countries. The number of international NGO's grew 20-fold from 1964 to 1998. In the 1990s, NGOs grew by an additional 20% and currently 3,187 NGOs have consultative status with the United Nations (un.org), up to 30% from 2003 (Todaro and Smith, 2006). The rapid growth of NGOs is important because of the special role they play in socioeconomic development. There are numerous advantages to NGO work. Since they are independent bodies, NGOs can assist nations during times of weak governance or corruption. Even during times of good governance, local authorities and firms may lack the incentives for programs such as po-verty alleviation and job creation. Further more, an NGO may, at least in theory, better address the needs of the community it is serving. Because similar problems, and possible solutions, exist in the other countries they operate in, NGOs can often bring innovative techniques and solutions to regions in need. NGOs also provide public goods to sections of the population that might be socially excluded. Examples include public health facilities, community negotiation with governments, and property registration. Also, the preservation of common property such as forests and rivers is propagated by NGOs. NGOs teach sustainability techniques to people who would otherwise have limited incentive to conserve. They can act as an advocate of those who would otherwise not be heard within their own nation. Lastly, NGOs are often seen as more trustworthy and credible than governments or private firms (Todaro and Smith, 2006). Table 1 succinctly illustrates the strengths and weaknesses gene-

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Table 1. Strength and weaknesses generally associated with the NGO sector (Shastri 2008).

Strengths	Weaknesses
Strong link with grassroots	Lack of Experienced Manpower
	Limited financial assistance
Empirical expertise	Focus on short range objective
Innovative ability	Political Influence
Democratic work culture	Legal Obligations
Cost effectiveness	High rate of growth in number of NGOs
Long term Commitment	
	High Corruption rate

rally associated with the NGO sector as highlighted in a paper by Shastri (2008).

Although there is much information about quantitative growth in the NGO sector (number of organizations, size of organizations, etc), qualitative changes within and among NGOs (quality of service, issues of co-option and accountability, etc.) have received relatively less attention in the literature. Therefore, in this paper we seek to answer three questions. First, who are NGOs really accountable to? Secondly, what transparency methods are NGOs using to demonstrate accountability? Finally, how are governments co-opting NGOs and how does this affect NGO accountability and operations?

To answer these questions we contacted six NGOs (and received four complete responses) from around the world to answer a written questionnaire about accounttability and transparency methods within their organization. The results of this research produced a variety of transparency-improving techniques as well as revealed the varying degrees to which NGOs and government can work together. In the first section of this paper we detail the concepts of accountability and transparency and how these concepts relate to macro-level code-of-conduct organizations. The second part of the paper analyzes the results and looks at the implications of the results for effectively increasing transparency and using government co-option on a micro level.

LITERATURE REVIEW

The growing literature on NGOs has identified certain pertinent issues that impact the effectiveness of NGOs. Accountability is becoming a central issue in NGO operations, especially with regard to the directions of accountability and the preference for sacrificing client accountability in favor of donor accountability. Transparency has also received much attention in the literature, exploring the myriad of methods by which NGOs may reinforce their accountability. Finally, there is some discussion about the role of code-of-conduct organizations, which works to increase accountability and transparency on a macro-level. In the next section of this paper, we provide a summary of the literature on these three issues includ-

ing a more recent issue of government co-option.

Accountability

NGOs and humanitarian aid organizations make it their business to demand accountability from governments, employers, and community members; it is therefore of acute importance that NGOs are accountable themselves. Accountability generally comprises two concepts. The first concept is veracity, asking, "Do you have the empirics to prove your claims?" The second is authority, asking, "From where do you derive the power to speak?" (Slim, 2002). The traditional principle-agent model of accountability places the donor in the position of the principle and the NGO in the place of the agent. Under this model NGOs have to focus on being accountable to donors alone. However, NGOs are now being prompted by donors, clients and the NGO community to utilize a 'triple bottom line' that accounts for financial, social and environmental processes. The stakeholder approach to accountability incorporates these concepts. This approach holds NGOs responsible to "anyone that has been affected by the organisation's policies" (Lloyd, 2005). However, the stakeholder approach can create some problems for NGOs. There is the possibility that the NGO will over-account due to the presence of multiple accountability groups, which can become very costly and is a poor use of resources. Also, when accountability groups slightly overlap, an NGO can under-account when one authority assumes that the other authority is scrutinizing the accountability procedures for an overlapping group (Edwards and Hulme, 1996).

There are four general directions of accountability. (a) NGOs are upwardly accountable to donors, government and other sources of financial support. Upward accountability can present a problem when NGOs are in a position where they cannot reveal sensitive contacts or sources, leaving donors in the dark about some of the "how" of the operation (Slim, 2002). (b) NGOs are inwardly accountable to their staff and mission. (c) NGOs are horizontally accountable to their peers in the humanitarian aid sector. Finally, (d) NGOs are downwardly accountable to their clients. This is a moral and ethical accountability that can raise many questions (Loyd, 2005). First there is the question of voice; is the organization speaking as the poor, with the poor, or about the poor? Is the pursuit of accountability being used to enhance the quality of service provided or is it simply used to attract additional funding? Unfortunately, in many cases downward accountability is neglected in favo favor of accounting upward to donors (Slim, 2002).

The preference of upward to downward accountability can be explained using economic principles. In terms of incentives, NGOs have a strong incentive to be accountable to donors since the NGO is partially or entirely reliant on these donors' funds. However, the incentive to be downwardly accountable to clients is less quantifiable.

The incentive for downward accountability is embodied in the NGO's mission statement or perhaps in individuals' personal values. When an NGO does not articulate the value of downward accountability, it is simple to see that upward accountability may receive greater focus.

The four directions of accountability are general macro-level obligations of the NGO. However, the micro-level circumstances within which the NGO operates will greatly determine the level and direction of accountability employed. It is important for policy-making bodies to recognize the amount of flexibility required for NGOs to operate effectively at the local level.

It can be assumed that most NGOs recognize the importance of some form of accountability. In this research project we sought to discover which directions of accountability were in place by the NGOs surveyed and to observe some effective methods used to define and enforce accountability.

In this research project we examined if any of the NGOs participating in our study were members of a code-of-conduct organization. We also sought to identify what needs the NGOs had that are currently being addressed by code-of-conduct organizations and what macro-level needs remain unaddressed.

Code-of-conduct organizations

Macro-level code-of-conduct organizations allow NGOs to learn from one another, while at the same time providing a minimum standard for humanitarian aid work, including the work of NGOs. This "bottom line" can help NGOs develop some of their initial accountability and transparency procedures more efficiently. Perhaps more importantly, being a member of these organizations provides assurance to donors about the legitimacy of the NGO, which increases the NGO's macro-level transparency. These organizations are especially important in nations where government is unable or unwilling to monitor NGO activity. Three major code-of-conduct organizations are outlined here to exhibit their functions within the NGO community.

The mission of Humanitarian Accountability Partnership International (HAP-I) is "to make humanitarian action accountable to its intended beneficiaries through self-regulation, compliance verification and quality assurance certification."This code-of-conduct organization originated from a failed "Humanitarian Ombudsman Project," which attempted to assist in litigation against corrupt international humanitarian agencies. While the "ombudsman" approach failed to be effective, a need to address the accountability 'gap' in humanitarian aid situations remained. As a result, HAP-I was created to "identify, test and recommend alternative approaches to accountability." The organization has 22 full members, including big aid names such as CARE International and Oxfam GB. By joining HAP-I, the members agreed to abide by the organization's minimum standards of accountability.

These standards can be summarized as: (a) ensuring that the survivors of war or disaster can influence the decisions about the aid they receive and (b) they are able to object if they feel that the authority of aid workers is being misused. HAP-I provides training, networking, and support to its member NGOs, as well as potential members, so they may adhere to HAP-I's principles of accountability. HAP-I also monitors member organizations and reports on the NGO's performance to beneficiaries. If complaints or concerns are raised about a member, HAP-I will serve as a mediator to reach a solution. Humanitarian Accountability Partnership International is a prime example of how the call for accountability can be answered on a macro-level (Hapinternational.org).

People-In-Aid (PIA) is another code-of-conduct organization which mission is "to promote, support and recognize good practice in the management of aid personnel." PIA grew out of a British research project focused on improving the organizational structures within non-profit organizations. In 2001, this research project led to the development of an organizational framework, 'the Code,' as well as the development of an audit mechanism that allowed member NGOs to monitor their progress. In 2003, the Code was revised and is now known as the 'Code of Good Practice.'

PIA's 133 members work with each other to improve their organizational efficiency at networking seminars and through other networking services provided by PIA (peopleinaid.org). This organization attempts to meet a very important need in the NGO sector. As the Senior Program Director of the NGO Shramik Bharti states, "Affordable HR with commitment and competence" is one of the biggest problems facing NGOs today.

A final significant code-of-conduct organization on the international NGO scene is Sphere. Sphere believes that "all possible steps should be taken to alleviate human suffering arising out of calamity and conflict, and…that those affected by disaster have a right to life with dignity and therefore a right to assistance." Sphere provides its members with a handbook and a process of collaboration, and ensures that members are committed to quality of service and accountability. Sphere works with the Red Cross and the United Nations agencies as well as other international and national NGOs. A board of NGO representatives provides support services, training opportunities, and materials to all interested parties, all focused on improving the quality of humanitarian aid (Sphereproject.org).

Code-of-conduct organizations stress the importance of accountability and transparency on the macro level and the subsequent NGO improvements transfers to the micro level. The Humanitarian Accountability Project, People-In-Aid and Sphere all serve important macro-level roles in the international NGO scene.

Transparency

Increased transparency can encourage greater donations

by assuring donors that their donations are reaching the desired populations, can clarify accountability groups, and can increase overall quality of NGO service. One important role of transparency is to reduce corruption within the organization and more importantly during humanitarian crises. Humanitarian crises can lead to an inequitable distribution of aid, which includes NGO services, basic need supplies or development funds. NGOs are particularly vulnerable to fraud, embezzlement or bribery, which can occur when local governance is destroyed, the rule of law is all but gone, or there is a shortage or surplus of aid. Transparency helps ensure that aid via NGOs reaches those who need it, and offers some protection for the aid recipients. This protection is especially important due to the asymmetric relationship of NGO aid. Left without any substitutes, aid recipients have very little power to control the activities of those giving aid (Transparency International) Therefore, it is important that transparency processes in some way reflect how aid recipients feel their needs are being met.

Extensive transparency procedures can be costly and time consuming. In the past, charities were simply asked to report on money raised, spent, the number of clients reached, and the administrative costs involved (Slim, 2002). However, the current NGO community recognizes that multiple stakeholders require multiple methods of creating transparency. Transparency methods can be internal evaluations, external audits, complaints procedures, environmental impact assessments, specific stakeholder surveys, or social audits. Transparency walks a fine line; it is difficult to quantify abstract ideas such as 'empowerment' and 'awareness,' however it is imperative that progress be monitored on such projects. The search for immediate results may also mean looking for short-term solutions or 'insisting upon digging up the seedling to examine its roots before it can bear fruit' (Edwards and Hulme, 1996).

Government co-option

NGOs are frequently co-opted by governments. One form of government co-option occurs when there is an extreme failure of government or the private sector, and NGOs step in to fill the government's place temporarily. Another type of government co-option takes place when governments formally or informally contract out certain projects to NGOs. Governments sometimes prefer to work with NGOs because NGOs are often better equipped to reach the poor, and there is some evidence that large NGOs are able to provide certain services more efficiently than governments. In certain cases, governments may decide to step out of a certain sector or stop providing services to a certain area because of the presence of an NGO that is helping that sector or region. This effectively makes it easier for the government to not get directly involved and take responsibility for the nation's problems. However, this type of co-option raises questions about whether

NGOs are actually helping or hurting citizens. How can political or economic change occur when NGOs continue to mollify the consequences of structural shortcomings? Also, when large government funds are involved, who influences the direction of NGO projects, the government or those in need? (Todaro, 2006). Government co-option also introduces the possibility that governments may step out of some vital sectors such as health and education due to lack of funds or due to political or social controversies in these sectors under the guise that the NGOs are already providing these vital services (Nagar, 2003). This therefore replaces what should be the responsibility of the government with dependency on the services provided by the NGOs.

METHODOLOGY AND RESULTS

A detailed questionnaire was developed with 20 qualitative questions that covered the basic operations of the NGO, its accountability and transparency procedures, and the extent of its government interaction. The questionnaire was sent to six NGOs and completed by senior members of the organization during July and August 2008 (details are provided in Appendix B). The NGOs interviewed represent a variety of NGO structures, from small to large, those with a limited focus to a very broad focus. We received five responses and additional follow-up questions to clarify responses were asked. However, one of the questionnaires was excluded from this study due to incomplete information. In addition, one NGO, Compassion International, was interviewed in person by the authors during June 2008 at their Hsinchu office in Taiwan. The next section provides a brief description of all the NGOs interviewed, followed by an outline of the organizations' transparency techniques. We avoid providing a quantitative summary of the techniques used since the NGO size and scope differs greatly from one case to another.

Organization summaries

Gravis is an Indian-based organization dedicated to a grassroots solution to the challenges of life in India's Thar Desert (Western India). Projects at Gravis can range from $1,000-$1,000,000 dollars; over 85% of resources are spent on direct project implementation. Shramik Bharti is also an India-based NGO located in north central India. Its primary mission is to empower the poor and underprivileged, especially women and children. To do this, Shramik Bharti promotes democratic institutions and helps people develop their capabilities to give them greater control over their lives. Their average project budget is $40,000 per year. The Academy for Educational Development (AED) is a large U.S.-based organization that works across the globe with governments and transnational organizations to improve education, health, civil society and economic development. A much smaller organization, Taiwan-based Compassion Internatio-

nal works to improve education and living standards among the aboriginal populations in Taiwan's mountains. Details on each NGO, their mission and current projects, and the primary challenges that they face are described in Appendix A of the paper.

Results on accountability and code of conduct organizations

Contrary to the fears raised in the literature on NGOs, all four NGOs interviewed appeared to value client accountability equally with donor accountability. The methods of transparency used to reinforce these directions of accountability are detailed in the following section of this paper. It may be argued that there may be some selection bias, involved as participating in this project was voluntary and one of the NGOs that was contacted did not respond to the survey and this could lead to some bias. We concur that this may be a possibility but the study still sheds significant light on important issues related to the functioning of NGOs.

The questionnaire (see Appendix B) included questions related to the participation of NGOs in code-of-conduct organizations. None of the NGOs interviewed mentioned being a member of a code-of conduct organization. There are several possible explanations for this finding. One explanation may be that smaller NGOs, such as Compassion International, simply do not have the resources to send representatives to networking conventions or have such a specialized field of operation that the benefit of joining such an organization is small. Another possible explanation is that while the interviewed NGO's are not a member of a code-of-conduct organization, some of their donors are members. This is true in the case of Gravis, which receives donations from CARE International and therefore may receive the indirect benefits of being a member of HAP-I.

Results on transparency

Gravis promotes transparency in decision making by holding regular meetings with the staff and community. In addition to community meetings, Gravis evaluates its work through a Technical Advisory Committee comprised experts in the fields of agriculture, hydrology, horticulture, sociology, education and engineering. In order to reduce the risk of corruption, Gravis makes all field payments through field accountants in the presence of field workers and community members. External audits are also conducted periodically as a further method of increasing transparency.

Shramik Bharti uses a detailed evaluation process of input/output analysis as a transparency technique. Input is monitored through finance budgets and project plans. Output is monitored by comparing actual achievements against planned output. An alternative to output monitoring is process monitoring. Process monitoring uses the achievement of the project milestones as an evaluation technique. Shramik Bharti also performs impact evaluations through base line surveys, mid term evaluations and end project evaluations. Shramik Bharti's multifaceted system may seem like it carries high administrative costs. However, senior program manager Rakesh Pandey says that the monitoring techniques are "quite effective" and although "proper planning with the team takes time…we save on total time of the project."

The Academy for Educational Development (AED) tailors its transparency techniques to each project since project varies widely. In the case of some large projects, AED completes client-requested and donor funded external evaluations of the projects. AED employs finance managers to cover all projects. In addition, both internal and external audits are conducted of field expenses. Finally, the U.S. government acts as a source of transparency for AED by performing an annual audit of the organization due to its non-profit status.

Compassion International takes a more hands-on approach to providing transparency. In order to assure accountability, Compassion International sends a social worker to the client community in order to identify the problems of the village. After the village needs have been discussed by the organization, a press announcement is made to the local donor community. Monthly community activities are organized where older members of the aboriginal community come to speak with donors about the needs of the village and the progress being made. In addition to this personal display of transparency, donors may also look at Compassion International's quarterly financial reports for more formal progress indicators.

Results for government co-option

Compassion International has the most direct approach to government co-option; they choose to accept no government funding. One reason for this refusal is the inflexibility of the requirements that come with government funding. Upon accepting a government grant some time ago to send schoolteachers to aboriginal communities, Compassion International was told what proportion of the grant was to be used for specific purposes. In their particular situation, a very small proportion of the grant was allotted to cover transportation costs; an amount that was similar to what was allotted for school transportation in a city. However, in order to reach the aboriginal communities through windy mountain passes, the teachers really needed SUVs or other large vehicles. Unfortunately, due to the government-dictated transportation budget, the already underpaid teachers were forced to use dangerous motorcycles to reach the villages. Besides grant restrictions, Compassion International chooses not to accept government funds due to the fact that grants can often "come and go. Maybe next year the social worker will not have a salary," says the Hsinchu regional office manager. There is a shared sentiment

among the NGOs that were interviewed that governments often only want to see results, with insufficient attention paid to the development process or sustainable development practices. Often government projects create what Compassion International calls 'mosquito buildings'; quickly assembled buildings that serve little function other than to house mosquitoes. While they do not accept government funding, Compassion International does help the government by providing them with data about the aboriginal populations so the government may better serve the communities.

The other three NGOs surveyed did accept some government funding and worked with the government on certain project. However, there were several complaints that government often slowed down their work and projects. It was also mentioned by all NGOs that when the government is not able to serve certain areas adequately, it is the duty of the NGO to work around the inefficiencies and cooperate with government as necessary to better serve their communities. Thus there appears to be limited conflict between the roles of NGOs and the government in providing services to the communities that are served by the NGOs included in our study.

Conclusions

It is imperative that all of those involved with NGOs demand accountability in all directions: to donors, to clients, to employees, and to the NGO community. Specifically, it is crucial that NGOs increase and maintain downward accountability to clients. Gravis demonstrates accountability to clients by allowing client input on development projects during regular meetings between staff and the community. Compassion International also demonstrates a commitment to downward accountability by sending a social worker to consult with aboriginal communities about their needs.

Many different methods of transparency can reinforce accountability, as demonstrated by the four NGO that participated in our study. Gravis employs transparency techniques that are easy for their donors to interpret through expert reports from its Technical Advisory Committee and through periodic external audits. In addition to these quantitative methods of transparency, Gravis employs client-targeted transparency by including clients in project decision-making. Shramik Bharti emphasizes accountability both to clients and donors through its detailed input/output evaluation, process monitoring, and impact evaluation methods of transparency. These methods are all formal, quantifiable methods of transparency, which makes them easy for donors and clients to interpret, and makes it easy to chart progress of the NGO. However, the disadvantage to these quantifiable measurements is that it may be difficult to include an assessment of the development of qualitative concepts such as "self-confidence" or "empowerment." The Aca-

demy for Educational Development employs a formal transparency technique by employing finance managers on all projects; finance managers lower the risk of corruption by double-checking every expense. However, the rest of AED's transparency framework is very flexible due to the large variation in its clientele. In contrast to AED's large clientele, Compassion International is a small NGO that employs a hands-on approach to accountability. Monthly community activities where clients speak about progress in the village allow donors to witness and question first-hand the impact of their donation. As a formal counterpart, Compassion International publishes quarterly financial reports. Macro-level code-of-conduct organizations can increase a NGOs transparency by showing that the NGO adheres to a minimum standard of accountability. However, transparency ultimately must be tailored within the political, social, and organization environment of an individual NGO.

Government co-option leads NGOs to ask what is more valuable to them: government funds or the freedom to design projects and implement them at a pace decided by the operation. Compassion International refuses to receive any government funding due to the restrictions that come with government grants. Many of the NGOs shared this sentiment that government can be a burden. However, the other three NGOs accepted government funding, determining that with it they could better meet the needs of their clients.

Accountability, transparency, and government co-option are crucial issues facing the growing NGO sector. In this paper we explore the directions of accountability, and the various degrees of transparency and government co-option. With the results of only four NGOs, it is obvious that a multitude of effective transparency techniques exist. It is therefore important for government institutions and other policy-making bodies to recognize that NGOs must be regulated but this regulation should allow for some flexibility. Flexibility in regulations will allow NGOs to customize their transparency techniques to best serve their clients, donors, peers, and themselves.

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Appendix A

NGO Summaries

Gravis

Gravis is based in Jodhpur, Rajasthan, India. The orga-
nization has been in existence since 1983, working on
improving living conditions inherent to the Thar Desert of
India. Gravis considers the beneficiary community impor-
tant in deciding which projects will be undertaken. Their
technical advisory committee then designs the best
approach to the problems. Projects can range from
$1,000-$1,000,000 dollars; over 85% of resources are
spent on direct project implementation.

Gravis has collaborated with the government on "a
number of projects." These projects have both compli-
mented and substituted government work. Some exam-
ple of Gravis' substitution work includes providing basic
needs to the community: water security, food and agri-
culture assistance, health and education. The head of
Gravis emphasizes, "it is not a matter of [government] re-
entering [these areas]. It is a matter of optimizing the
resources and developing effective e partnerships so that
existing money/services reach who need it most." Gravis
has not felt that government has impeded their work, and
has been able to sort out "negative experiences."

Gravis occasionally faces some opposition from its
client community. Gravis also has trouble finding good
human resources. Also, the natural disasters that come
with life in the Thar desert—droughts and floods—impact
their work. The head of the organization states that a
"lack of effective partnerships and exhausting financial re-
sources" is the biggest problem facing NGOs today.
Website: www.gravis.org.in

Shramik Bharti

Shramik Bharti is based in Kanpur, Uttar Pradesh, India.
Approximately 15 other NGOs operate within the same
project area. The organization has been in existence
since 1986. Shramik Bharti works to empower the poor and
underprivileged, especially women and children. To do this,
Shramik Bharti promotes democratic institutions and helps
people develop their capabilities to give them greater control
over their lives. As is stated in their mission "Shramik
Bharti's programmes grow out of that respect and faith in
idea of a truly democratic society, free from exploitation."

Major decisions on development projects are decided by
an Executive Council; routine decisions are made by
management. Shramik Bharti currently service approxi-
mately 50,000 households. Current projects are:

• Formation of Self Help Groups and their Federations.
• Promotion of Producer groups.
• Low external input agriculture.
• Biological treatment of Sodic Lands.
• Promotion of rearing Ahimsa Silk in ravines of Yamuna.
• Reviving traditional handloom cluster.
• Improving equine welfare.
• Promoting Home Based Life Saving Skills for Safe
  Motherhood.
• Supporting destitute senior citizens.
• Awareness about HIV/AIDS.
• Strengthening Grassroot democracy.

Funding for Shramik Bharti comes from international, do-
mestic, and government sources. The average project
budget is $40,000 per year. 40% of funding is spent on
activities other than salaries.

Shramik Bharti works with the government as a comple-
ment to their work.

Some government co-opted projects include promoting
reproductive and child health, family planning, microfinance,
agricultural improvement, and the training of local politi-
cians. While the government partially or wholly finances
these activities, they do not enter into the implementation
process.

One of the biggest problems facing Shramik Bharti is a
lack of financial resources. As the Senior Program Ma-
nagers states, "When things start happening resources
dry up and bags are packed." Website: www.shramik-
bharti.org.in

Academy for Educational Development

The Academy for Educational Development (AED) is
based in Washington D.C., USA. AED was founded in
1961 and works to improve education, health, civil society
and economic development. There are many programs
currently being implemented by AED. The Director of
Energy Programs was interviewed; some current energy
projects include: projects in Sudan and Angola, a know-
ledge management project in support of the USAID Ener-
gy, Infrastructure, and Engineering office, as well as a
Powering Health website. They are expecting to work on
an energy/health project in Haiti soon.

Project budget varies widely by project type. The
smallest AED energy project is around $25,000 and the
largest is a five-year project in Angola costing $6 million.
The largest organization-wide project known by the
Energy Director is $150 million.

AED does not usually work directly with governments.
However, the government component is often considered
when designing a project and often the services provided

by AED compliment those of the government. An example of this is the Angola project, where AED is "working with the electricity distribution company to increase transparency and accountability in the provision of electricity service and to increase access to electricity." By doing this, AED is "showing by example the benefits of increased transparency, which is expected to be adop-ted in mid-term by the government." Direct conflict with government is often avoided since "USAID and other donors do a good job making sure that the programs that are designed are aligned with government's priorities."

It is difficult for AED to find sufficient local capacity to implement their more complex programs. Also, the infrastructure barriers such as poor communications, roads, etc. are a constant problem. However, the Director of Energy Programs states that "uncertain funding and development priorities" is the biggest problem facing NGOs today since it limits long-term planning. Also, it is difficult for AED to get accurate information from developing governments, often because they simply don't have it.

Compassion International

Compassion International is a Taiwanese-based NGO that operates within Taiwan, Vietnam, and China. Compassion International was founded in 1995. The Taiwanese branch that was interviewed works with aboriginal communities in the mountains of Taiwan. Some current projects include:

• Training village women to teach kindergarten
• Brining in college students to teach junior high
• Convincing young people who have left school to re-enroll
• Working with Microsoft to teach villagers basic computer skills

Compassion International does not accept government funding due to the strict requirements that often come with it. However, Compassion International does occasionally work with government by providing the government with detailed reports of the current status of village life. Compassion International relies entirely on small donations from individuals. In order to convince community members to continue giving to Compassion International, an e-newsletter is sent out regularly to update donors on the projects. Also, there are occasionally "parties" held where donors can meet older members of the villages to speak personally about the progress being made and the current needs.

The biggest problem facing Compassion International is a lack of human capital or employees to serve the aboriginal communities. Also, they face large transportation problems due to the difficulty of reaching mountain villages.

Appendix B

NGO Questionnaire

What is the state and city in which your organization is located?

What is your position within the organization?

How long has your organization been in existence?

Does your organization have a website or brochure available?

What are the key elements of your organization's mission?

What projects are you currently working on?

Who decides what development projects to work on?

Approximately how many clients do you currently serve?

How do you assess or evaluate projects?

What are your primary funding sources? (international, domestic, government)

What percent of funds are allocated to direct development projects (not salaries)? What is the average project budget?

What systems, if any, does your organization have in place to ensure that funding meets its intended recipients (that is, accounting, social audits, client evaluation)?

Have there been any internal or external audits of your organization's financial information?

How many other NGO's operate in your current project areas?

What are the primary needs of your project areas?

Has the government of the country your organization works in encouraged you to take a more active role in certain development sectors? If yes, do your activities substitute the government's work or compliment it?

What responsibilities have you been given that government would normally cover? Do you expect the government to eventually re-enter this area?

Has the government impeded your work?
What other problems have you faced during your activeties? From which source?

What is the biggest problem currently facing NGO's?