



World Bank – Civil Society Lunch Discussions

Civil Society Accountability: Standards, Self-Regulation, and Certification

November 10, 2004 at the World Bank

MEETING NOTES¹

The discussion was chaired by Carolyn Reynolds of the Civil Society Team at the World Bank. Carolyn welcomed all participants, informed them that this session is part of a regular series of lunch discussions on various topics with Bank and CSO colleagues, and that a summary of it will be prepared and made public. She noted that the issue of civil society accountability is of growing interest to CSOs as well as for the donor agencies like the World Bank, governments and individuals who support CSO activities. This is the first of a series of discussions which the Civil Society Team will be sponsoring to “unpack” the issues within the accountability debate, in order to better understand how different CSOs are responding to the challenge of demonstrating greater accountability. This is an area where the Bank hopes to learn from some of the best practices already being applied by CSOs.

The theme of this first session on accountability was the case of InterAction, an umbrella organization of over 160 US-based international Private Voluntary Organizations (PVOs), which has been working for two decades to promote greater accountability among its member organizations and with other partners globally in the not-for-profit sector. InterAction member organizations many years ago adopted voluntary standards, but some member organizations have recently gone beyond this and have launched an initiative called "self-certification-plus" as well as a child sponsorship certification project in partnership with Social Accountability International (SAI). Those experiences and challenges were the topic of the panel.

Panel speakers were:

- Ken Giunta, Vice President, InterAction
- Bruce Wilkinson, Vice President, World Vision US
- Eileen Kaufmann, Executive Director, Social Accountability International
- Jeff Thindwa, Senior Social Development Specialist, Civil Society Team, World Bank

Ken Giunta made a brief overview of InterAction’s “PVO Standards” and their recent initiatives in the area of certification. InterAction, which raises US\$3 billion from the American public, and US\$2 billion from other sources including the federal government, gives great importance to

¹ These summary notes were taken and drafted by Karolina Ordon of the Bank’s Civil Society Team . Attribution is given only to the panelists since it was not feasible to allow audience participants to review the draft text of the questions and comments before posting this note on the web..

the issue of protecting the public trust. InterAction has developed a set of standards – ethical guidelines covering governance, financial reporting, fundraising, public relations, management practice, human resources and program services – which were approved in 1992. The PVO Standards were developed with the belief that being held accountable to a set of standards would allow InterAction and its members earn and protect the public trust. It was also believed that both the media and donors recognize that being part of a standards-based network enhances InterAction members’ credibility. The standards are also used to provide goals and guidance that help members to regularly self-reflect and make improvements in their management and programmatic performance. More than a decade later, InterAction remains one of the few international humanitarian and development NGO networks that has such standards. The standards are an evolving list which is continually reviewed, added to, and strengthened by the coalition’s Board of Directors. The most recently adopted standards, for example, guide member organizations in the appropriate use and distribution of pharmaceutical and medical resources and in protecting displaced children from sexual exploitation. Ken noted that the demands and expectations for greater levels of accountability, transparency, and evaluation are coming from donors, and public at large. InterAction members are currently assessing how the standards can be further strengthened and better enforced. InterAction has developed and is currently piloting two specific ways to strengthen its standards – the Child Sponsorship Accreditation Pilot Project and Self-Certification Plus.

Bruce Wilkinson, chairman of InterAction’s PVO Standards team, spoke briefly on the new Self-Certification Plus initiative. Participation in the initiative is voluntary. It is intended as a trust-building effort geared to promoting the same levels of trust between PVOs and their beneficiaries, as developed between PVOs and their donor agencies. While building a relationship of trust is the main objective of this initiative, InterAction has realized that measuring the levels of trust is quite difficult. The intent is for the standards themselves to come under the scrutiny of the communities and be validated by them, as well as discussed with the donor community to seek their views.

Ken further explained that five InterAction child sponsoring organizations are engaged in a certification pilot project. The project, launched in 1999, is a two-phased initiative which features a third-party audit of the PVO which focuses on their compliance with the PVO Standards. The pilot is one of the first attempts by international CSOs to use external audits to verify their compliance with a set of accountability standards. The process will be accredited by Social Accountability International (SAI), best known for its SA8000 Labor Standards audits. The five child sponsorship agencies are World Vision, Children International, Plan USA/Childreach, Christian Children’s Fund and Save the Children.

Bruce noted that the crisis of 1997, when child-sponsoring agencies received negative press coverage on their operations, sparked a discussion about who should develop the standards for the sector. These two pilot initiatives grew out of these discussions. The emphasis was placed on the voluntary aspect of participation, and five InterAction members volunteered to participate, and submit themselves to a very rigorous accountability mechanism. InterAction is currently placing a lot of emphasis on encouraging other member organizations to participate as well.

Ken noted that in an effort to encourage more members to strengthen their accountability to the PVO Standards, InterAction took the certification manual developed for the external audit by the five child sponsorship agencies and developed a more generic set of guidelines that could be

applied by other PVOs in their annual self-assessment of their compliance with the PVO Standards. Twenty additional member PVOs volunteered to self-certify their compliance with the standards using these guidelines in 2004. If they find that they have fallen short in their compliance with any standard InterAction requested that they prepare an action plan that specifies how they intend to comply with those standards within a period of one year. A review process is being planned after that period to evaluate the results. The leading motivation behind this effort is to make uniform and rigorous the way in which all InterAction members self-regulate their compliance with the PVO Standards. Ultimately, InterAction hopes to push its members constructively and deliberately toward greater levels of accountability and transparency.

Momentum is growing and there are plans to award those members who are moving ahead with self-certifications. An intensive information campaign has already begun.

Eileen Kaufman then made a presentation highlighting the goals of her organization, Social Accountability International (SAI), as well as its involvement in the InterAction Child Sponsorship Certification Standards Pilot Project. SAI works with key stakeholders to develop consensus-based voluntary standards, it accredits qualified organizations to verify compliance to standards, and promotes understanding and implementation of voluntary social standards worldwide. SAI has been working with InterAction to manage the Child Sponsorship Certification Standards Pilot Project, and serves as the accreditation agency for the certification bodies which will perform the compliance audits of the five InterAction members participating in this pilot. SAI's role in the project is to assist the organizations to improve and enhance the operation, effectiveness, accountability, transparency and efficiency of participating agencies. Their other role is to ensure that the participating child sponsorship organizations' management and control systems are effective in assisting children and that these systems are being continuously improved. The certification process involves a number of steps: (a) self study; (b) documentary and field review by team consisting of a social systems auditor and sector expert; (c) multi-stakeholder certification review panel; (d) regular verification of the effectiveness of management systems; and (e) continuous improvement as well as corrective action of implementation if needed. Eileen reported that the audit of the pilot organizations as well as the field tests is nearly completed. She stressed the positive nature of the auditing process, which is no only looking for evidence of accountability, but is also striving to work closely with the audited organizations throughout the process.

Jeff Thindwa provided the Bank's perspective on the new InterAction accountability initiative. The Bank is familiar with these efforts, as well as other CSO accountability initiatives worldwide. For the Bank, these initiatives demonstrate that many CSOs are quite serious about the issue of accountability, event to the point of being willing to be accountable to a set of standards and be audited by an external body. The World Bank embraces CSO-led accountability initiatives because they focus on the issue of trust, which allows the CSOs to work effectively in a multi-constituency environment and reduce reputational risk which is an issue quite familiar to the Bank. There has been a lot of discussion in the past few years in the Bank about the issue of CSO accountability and whether the Bank should try to develop CSO accountability standards of its own, which it would use to determine which CSOs to engage, or whether it should be left for the CSOs to carry out self-certification. The latter option is the most desirable, but the Bank is also willing and interested to work with CSOs to develop their standards. Some work has already been carried out focusing on the legal and policy enabling

environments for civil society in such countries as the Philippines and Albania. This initial research has led the Bank to recognize that more could be done in pushing the boundaries and opening a wider space for civil society to grow and operate at the country level.

Discussion

A representative from the Dutch Executive Director's office at the World Bank was interested in knowing whether the initiatives presented referred only to US-based NGOs and their donor agencies. How do these groups view their accountability to their own constituency groups at the country level? He was also interested in learning how the groups participating in the pilots relate to developing country CSOs and beneficiaries. He also asked how the Bank's own civil society engagement efforts are being perceived and assessed by CSOs.

A representative of the IMF also asked to what extent the process is only US-driven and only involves US participants.

Another participant asked about how the accountability of InterAction member organizations towards their constituencies will be measured, and also how they will measure their beneficiaries' involvement in project design and implementation.

A representative of a Romanian NGO asked whether InterAction would be able to adapt these standards to developing country contexts and to assist local CSO partners in their adoption. A second question asked the World Bank to clarify how it is going to support such CSO accountability initiatives and whether it is going to focus its work in one country, or work simultaneously in different countries.

Jeff responded by stressing that this process must be demand-driven, and that he did not think that it is the Bank's role to lead it. In his view, it works best if done at the country level. What the Bank can do is to study and collate good practices, experiences, and approaches and make them available to all stakeholders and to support CSO efforts to adopt these various approaches to their individual institutional needs.

Ken responded by stressing that InterAction's standards are still evolving, and that InterAction has been working on them with local CSOs, as well as with special constituencies (i.e. indigenous peoples and disabled persons). In response to the question of why InterAction is implementing these initiatives and whether they are indeed US-driven, Ken pointed to the relatively long history, consolidation, and legitimacy of the civil society sector in the US, its strong relations with the US government and donor agencies, and how these factors played a role sparking InterAction members interest in the accountability agenda. He also indicated that InterAction has established a dialogue on this issue with civil society groups based in Europe, and have been meeting regularly with groups around the world to discuss this issue. However, InterAction is probably the most advanced among its peers in this accountability work so far, in part due to the fact that it has been in existence for a longer time and in part because it has built the legitimacy and trust needed to undertake such an initiative. Ken also stressed the financial cost of the accountability initiatives, noting that it is an expensive undertaking, not affordable to all CSOs. InterAction, therefore, has been experimenting with other options and looking at different models of promoting accountability which are simpler and less expensive to implement.

Bruce mentioned the participatory evaluation work being carried out by InterAction members. Various approaches are being discussed and tested by member organizations and individuals. He then referred to the question about what steps Bank could take to improve its engagement mechanisms with CSOs. He feels that the Bank should try to narrow its engagement efforts with segments of civil society in order to improve the depth and quality of engagement. He challenged the Bank to be more steadfast in its effort and also for CSOs to be better organized – solving the problem of representation through self certification.

A Bank representative from the South Asia Region Social unit spoke about the growing pressures of “the culture of accountability”. He cautioned that the growing number of standards with which CSOs are expected to comply may actually create an opposite effect to the one desired, leading to a reduction rather than any increase of trust. He stressed that there is definitely a need to demonstrate a broad support of these standards; for them not to be imposed from above.

A representative from a Ukrainian “bankwatch” group pointed out that many CSOs are only now becoming interested in the Bank’s work, as they are realizing how the Bank’s policies and programs are directly affecting them or their constituencies. The person asked how the Bank plans to engage with such groups, and whether they would need to become accredited by an external party before being able to work with the Bank.

Ken spoke about the issue of the Bank’s engagement with CSOs, and noted that networks such as InterAction can assist the World Bank to identify the most relevant CSO representatives to work with the Bank on a given issue.

Eileen commented how difficult it is for auditing organizations to check whether CSOs are indeed delivering what they promise to deliver to their beneficiaries. The issue of what kind of standards should be developed to assess the quality and effectiveness of CSO work is being debated and is a challenging task.

Jeff spoke about the World Bank’s procurement standards and ways in which CSOs can work with the Bank. He noted that trust fund and other grant resources are available to support CSOs and that they can also become directly involved in the Bank’s project work at the country level. The Bank, he argued, feels that when it has the responsibility to identify its civil society interlocutors when it is leading on a particular issue or initiative, as opposed to the situation when the process is driven by other players.

Carolyn wrapped-up the discussion underscoring that the notion of accountability is very broad and involves many dimensions – including legitimacy with stakeholders, representation, transparency, measurement, and the quality and efficacy of consultations. She thanked everyone for their participation and invited their feedback and participation in future discussions on the accountability issue.