Empowering citizens

Realising service user involvement in UK Third Sector organisations through accountability principles in self-regulation initiatives

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INTRODUCTION[1]

In the last decade, an increasing number of self-regulation initiatives setting up systems and standards to encourage and certify good practice have spread both in the UK and the development and humanitarian sectors around the world. The UK is one the countries with the highest number of self-regulation initiatives, preceded only by the United States[2].

These initiatives encompass a diversity of tools such as code of conduct or ethics, certification schemes, award schemes, information services, working groups, and self-assessments. They aim to provide both a signal of quality[3] and a guide on how organisations commit to and incorporate into their practice good practice principles such as good governance, beneficiary participation, transparency, and effectiveness.

The reasons behind this growth are diverse. Although with different degrees, the third sector locally and internationally has met increasing scrutiny over the past years. They assume more responsibilities in public service delivery through contract schemes and government grants[4]; and have a more visible (and sometimes political) role in the public sphere. This has exposed them to public scrutiny and legitimacy questions from governments, private actors and others.

This scrutiny has mainstreamed demands for organisations to improve their accountability to their multiple stakeholders and especially to their beneficiaries as opposed to the prevalent emphasis on donors and governments. The focus on beneficiaries, however, brings up the question: what does it mean to be accountable to beneficiaries? We argue that firstly, it implies that a third sector organisation is responsible towards its beneficiaries for delivering on its commitments (effectiveness), and secondly, that the organisation is responsible for empowering and building the capacities of citizens through effective participation in the delivery of these services.

In order to explore these issues, we reviewed a group of self-regulation initiatives in the UK in order to have a picture of how best practices and quality in social service delivery are characterised and especially how they look at the involvement of users in their characterisation of good practices. Questions such as to what extent are organisations prioritising users as opposed to donors or government and how self-regulation can encourage the empowerment of users; are the issues considered in this report.

While in the development and humanitarian sector, most self-regulation initiatives correspond to codes of conduct or ethics applied at sector level; in the UK most initiatives are certification schemes run by third party organisations. The extended use of this type of self-regulation is not surprising and it might be closely linked to government's efforts to promote quality in the sector through quality assurance assessments. Most of these schemes emphasise participation of users on feedback provision and communication and consultation. Only a minority provides principles or standards for organisations to involve users in planning, management or project design or mention the empowerment of users as a main objective.

[2] Warren S. and Lloyd, R. (2009) Civil Society Self-Regulation: the Global Picture, One World Trust, briefing paper No. 119
[3] Gugerty, M. K. (2009) Signaling Virtue: Voluntary Accountability Programs Among Non-profit Organisations, Policy Sciences, Vol 42: p. 243–273
[4] INTRAC (2009) Improving Aid effectiveness: A review of recent initiatives for civil society organisations

This report presents a brief introduction to the different types of self-regulation and takes a look at self-regulation in the development and humanitarian sector. It explores some of the drivers that push the sector into working on improving its practices, the principles under which the sector define effectiveness and accountability and some examples from a diversity of countries. In the next section, we provide a landscape of self-regulation initiatives in the UK and dissect the content of these initiatives according to the issues they mostly focus on and in which ways they encourage the participation of users. Finally, we provide some examples of initiatives in use in the UK.

This project brings together the research cluster Taking Part?[5] that aims to facilitate the co-production and sharing of knowledge around building active citizenship and the One World Trust, a think tank working on the accountability of global organisations. Specifically, this report builds on the work on civil society self-regulation initiatives undertaken by the One World Trust. The project aims at strengthening the accountability of civil society organisations through self-regulation and specially through strengthening their accountability to beneficiaries.

METHODOLOGY

For the purpose of this report we have reviewed 31 self-regulation initiatives used by third sector organisations in the UK. This information is part of a global database of Civil Society Organisations (CSO) self-regulation initiatives compiled and updated by the One World Trust[6]. The database of self-regulation initiatives was launched in June 2009 and provides detailed information of sector level initiatives and schemes in use by civil society organisations around the world. The objective of undertaking this job was to make sense of the landscape of self-regulation around the world as anecdotic information suggested that the sector was increasingly responding to challenges to their work and role through the use of self-regulation. So far, we are confirming these views, and it is a trend that we see in both developed and developing countries. The issues raised by the self-regulation principles concern mostly on the use of financial resources, transparency, although increasingly on beneficiary participation.

The information on the content of each initiative (principles and standards of practice) has been coded according to the type of self-regulation, operational focus, and involvement of users. Additionally, in order to explore some issues around participation and self-regulation in the third sector in the UK, we have conducted a few semi-structured interviews during March and April 2010[7].

SELF-REGULATION INITIATIVES IN THE THIRD SECTOR

We define self-regulation initiatives as those initiatives which set the principles and standards underpinning the work of third sector organisations. These initiatives have been developed in order to support greater accountability and more effective programming of the organisations that sign up and adhere to them. Critically, self-regulation initiatives are based on the work and participation of civil society organisations, rather than being government led or induced[8].

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[5] The cluster is a consortium of Lincoln, Goldsmiths (University of London), and Manchester Metropolitan Universities.
[6] http://www.oneworldtrust.org/csoproject/
[7] We are grateful to the following persons for sharing with us their points of view and information about their work: Mark Parker (BASSAC), Mirella Grillo (Charity Evaluation Services), Gary Hartin (London Youth), Suzie Webster (Community Foundations Network), Veronique Jochum (NCVO) and Suzie Farnworth (Y-Gen).
[8] Lingan, J., Cavender, A., and Palmer, T. (2010) Responding to Development Effectiveness in the Global South. One World Trust/World Vision briefing paper No. 126 p. 2

We broadly categorised these initiatives into five types: codes of conduct, certification schemes, information services, awards and self-assessment tools. Self-regulation initiatives may or may not have a mechanism to verify compliance. For example, an organisation could only make a public commitment to comply but there is no way of verifying this commitment. When an initiative has a compliance mechanism this can involve a third party (independent assessment) or a peer (peer review) verifying compliance through an assessment (pro-active compliance); or it can involve setting a complaints and response mechanism where stakeholders can file a complaint against an organisation that has breached a code of conduct or standards of practice (reactive compliance)[9].

- **Codes of conduct or ethics:** they tend to detail a set of principles that guide the behaviour of members. They tend to be formalised but usually do not have a compliance mechanism.
- **Certification Schemes:** These schemes tend to be highly formalised and have relatively strong compliance mechanisms. It usually involves a third body assessing the organisation. At the end of which a mark or certification is awarded to organisations that satisfy the benchmarks.
- **Information Services:** they seek to enhance transparency in the sector by sharing information about third sector organisations with the general public and across the sector. In most cases, information services do not have compliance mechanisms.
- **Self-assessment tools:** these tools allow organisations to assess their own performance against a set of benchmarks and guide them towards identifying spaces for improvement. It is up to organisations to apply the tool, although sometimes an external validation of the self-assessment can guarantee compliance (this would lead to a quality mark).
- **Awards:** They seek to identify, highlight, and reward good practice and may be administered by a peer, umbrella or third party organisation.

Key reasons that non-governmental organisations give for their use of self-regulation tools are that they enable them to strengthen their accountability to stakeholders, including their constituencies and users; to improve their organisational effectiveness in delivery of services, citizens' engagement in public life, and policy advocacy; and importantly, that they reflect values of solidarity, empowerment of citizens, and beneficiary orientation in the mechanisms that are used.

THE USE OF SELF-REGULATION IN THE INTERNATIONAL DEVELOPMENT AND HUMANITARIAN SECTORS

NGO effectiveness and accountability has been a topic of discussion for many years in the development and humanitarian sector. However, it is in the last five years that we see a significant growth in the number of initiatives set up to improve the practices, impact and accountability of NGOs.

Drivers for these initiatives are diverse. Firstly, the sector has to protect one of its main assets: public trust. NGOs are not do-gooders by default anymore. Scandals on financial mismanagement and amateurish interventions have hit big and small, national and international NGOs equally.

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[9] Lloyd, R., Calvo, V. and Laybourn, C. (2010) Ensuring Credibility and Effectiveness, Designing Compliance Systems in CSO seld-regulation. One World Trust briefing paper 127, June 2010.

Although public trust towards the sector still runs high in many countries, this cannot be taken for granted. In countries such as India, Cameroon, Kenya and Romania, for example, the credibility of NGOs has suffered considerably due to scandals, and perceived poor performance.

TEXTBOX 1: TRANSPARENCY AND COMMUNICATION A KEY TASK FOR NGOS IN COLOMBIA

Colombia has a well developed system of legislation and institutions with regard to NGOs. Access to information laws have been enforced since 1986 and a new constitution in 1991 instituted the rights of CSOs including the right to conduct oversight of the government. However, there have been repeated attempts to pass laws restricting the activities of CSOs.

The NGOs for Transparency Network has set a two level mechanism: It organises "collective exercises of accountability" where NGOs for Transparency and regional umbrella organisations gather information on which NGOs work in a specific region. The reports (regional reports and a national aggregated report) are then presented in a public meeting to local governments, private sector and international cooperation organisations. At an organisational level, NGOs commit themselves to publishing a minimum of information on their web sites. This information includes: transparency policies, history, mission, board structure, statutes, financial reports and evaluation reports. The initiative has been running for 5 years now and more than 300 NGOs around the country have been involved so far.

Secondly, the increasing focus of NGOs on policy influencing (advocacy) has transform them into important political players; as such, their accountability and legitimacy to speak and act on behalf of a particular constituency is being closely scrutinised by governments and private actors. In this respect, third sector organisations are aiming to communicate and legitimise their role as civil society actors towards those whom they seek to influence.

Thirdly, NGOs need to give a signal of quality towards potential donors in an increasing competition for funding. On the other hand, donors and regulatory authorities are putting more emphasis on metrics to measure outcomes which require NGOs to improve knowledge management and demonstrate accountability through subjecting themselves to benchmarking against sector standards and codes of conduct[10]. But the prominence of effectiveness and accountability is of course not only important for the sake of the sector. It is important because NGO activities involve the lives of people for whom NGOs seek to make a positive change.

The way NGOs relate to and make a difference in people's like is central in these debates.

An important keystone for the humanitarian sector, for example, was the publication of the Joint Evaluation of Emergency Assistance to Rwanda in 1996. The report strongly emphasized the necessity for NGOs to improve their performance, as in many cases, unprofessional interventions *"resulted not only in duplication and wasted resources but may also have contributed to an unnecessary loss of life"*[11]. The report included among its recommendations that NGOs needed to strengthen their systems of accountability to recipients of assistance and enforce these standards in the field. A number of initiatives in the humanitarian sector emerged following this evaluation. Among them, the Sphere Project which identifies technical standards for working in emergency

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[10] Lingan, Lloyd, et al. (2009) Responding to NGO Development Effectiveness. One World Trust/World Vision Briefing Paper No. 122. p. 2

[11] Overseas Development Institute (1996) The Joint Evaluation of Emergency Assistance to Rwanda: Study III Principal Findings and Recommendations. Network Paper 16 p.23 In: http://www.sheltercentre.org/sites/default/files/ODI_rrn16_JointEvaluationOfEmergencyAssistanceToRwanda.pdf [Consulted on April 2010].

situations, the Humanitarian Accountability Partnership (HAP), ALNAP and the People in Aid initiatives.

More recently, discussions around the effectiveness of aid and the contribution of NGOs and civil society organisations in the aid architecture have also steered the sector towards these issues. National umbrella bodies for development and humanitarian NGOs in a number of both "northern" and "southern" based countries have been developing codes of conduct, certification schemes, and effectiveness frameworks detailing principles and standards to guide and/or benchmark their work. Although most of the initiatives developed by organisations require only a commitment of compliance, many organisations are working toward agreeing on standards and benchmarks and verification mechanisms.

TEXTBOX 2: ENCOURAGING ACCOUNTABILITY AND PEER LEARNING IN EMERGENCY RESPONSES

The Disaster Emergency Committee (DEC) in the UK is a group comprised by 13 UK international charities undertaking humanitarian and relief work. The members run joint appeals every time a disaster or emergency occur and have commonly set an accountability framework that includes a commitment to strengthen their accountability to the public, donors and beneficiaries while at the same time encourage peer learning.

Members can adopt their own approaches to comply with the principles of the accountability framework and prepare a self-assessment that is then validated by an external firm. An important component of this work is their emphasis on beneficiaries: DEC members commit to improve information channels, feedback mechanisms and participation of beneficiaries in decision making. Through the yearly evaluations they have acknowledged that setting adequate participatory mechanisms has been one of the most relevant challenges for their work.

In this regard they have worked on having peer learning and continual improvement a central part of their work. For this reason they periodically run workshops to analyse previous year members' self-assessments and discuss lessons from the field. In order to communicate more effectively on their progress, they keep a transparency portal on the following site: **http://www.dec.org.uk/** where they also publish their annual report.

Over the past 2 years an analysis was conducted by the One World Trust in collaboration with World Vision International of near 140 international and national level initiatives in both "southern" and "northern" based countries. It found that the majority of NGOs do indeed define their work according to a range of accountability principles.

The focus of these principles was found to be on relationships with the multiple stakeholders of NGOs, internal practices (good governance, transparency, internal auditing and controls), ownership and participation in relation with beneficiaries and local stakeholders, evaluation and learning to develop better strategies and their commitment to be independent and respectful of diversity and human rights (see Table 1).

To date, more than 300 of such initiatives have been identified around the world. Although the majority of initiatives are principle-based and require only a commitment of compliance, an increasing number of initiatives are implementing a diversity of mechanisms to put principles into practice and verify the compliance of participants. *"While designing a code through a highly consultative process will certainly help in encouraging its adoption, this is rarely enough; incentives and sometimes sanctions are also needed. [...] The challenge is in finding the approach that is suited to the context and that allows the initiative to meet the demands of different stakeholders*[12].

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[12] For a detailed analysis of compliance mechanisms and case studies, see: Lloyd, R., Calvo, V. and Laybourn, C. (2010) Ensuring Credibility and Effectiveness, Designing Compliance Systems in CSO seld-regulation. One World Trust briefing paper 127, June 2010

The development and humanitarian sector is working actively into responding to demands of accountability and effectiveness through self-regulation initiatives. However, *self-regulatory initiatives are only one piece of the puzzle of NGO effectiveness. In order to improve quality and effectiveness an organisation will need to do more than simply complying with a set of principles and standards; it will need to be committed to ongoing learning and improvement[13].*

The use of self-regulation in the development and humanitarian sector has brought up some issues which organizations need to reflect upon[14].

In India there are now around 1.7m NGOs and the numbers are growing at an increasing rate. This growth has increased concerns about organisations formed simply to take advantage of money available from private funders and tax benefits. The perception of corruption in the government-NGO relations has also diluted the effectiveness of the NGO sector as a whole and the credibility of NGOs is at a nadir. Furthermore, high levels of competition have reduced the potential for collaboration at a regional and national scale.

The Indian Confederation of NGOs (ICONGO) is attempting to remedy this credibility deficit through the Omega Rating, a certification scheme which has audited 87 organisations. The scheme assesses financial management and human resources policy particularly with regard to issues such as sexual harassment. Determined to maintain the integrity of their accreditation they have recently downsized from 155 organisations. There are 4000 NGOs applying to be assessed. Those NGOs who have been accredited are benefiting from increased attention from donors. The Omega Rating has just been one part of a 5 year programme of advocacy and lobbying to mainstream the idea of earning and standardising legitimacy and credibility for the NGO sector.

- There needs to be extensive internal discussion on what it means for an organization and each member of staff to adopt a self-regulation initiative and especially what it means to be effective and accountable to their stakeholders, especially to beneficiaries or users.
- Applying effectiveness principles needs to become part of the daily practice and culture of staff members and not merely a check list to please donors and achieve short term goals.
- Resources will need to be made available to facilitate and carry out an internal review of compliance with the commitments and allocate resources to fill gaps. In some cases, donors should be made aware of these initiatives as some organisations report the lack of support to these initiatives by donors.
- While establishing agreement on general good practice principles is a relatively easy task, generating common understanding on how to put those principles into practice can be challenging. Principles tend to capture the broader essence of effectiveness and standards provide a more fixed framework of indicators. Before signing up to principles or standards, NGOs need to work out what they mean in practice for the organisation and see if they are relevant.

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[13] Lingan, J., Lloyd, R. et al (2009): Responding to NGO Development Effectiveness Initiatives One World Trust/World Vision Briefing Paper No. 122. p. 8

[14] Idem. p. 10

- Organisations need to be prepared to discuss which mechanism adapt to their culture, structure and resources available. The cohesion of the sector and the level of coordination is also a factor to take into account, as organisations need to create a space of trust and learning in order to move forward an effective self-regulation initiative.

TEXTBOX 4: A CODE OF ETHICS AND CERTIFICATION SCHEME FOR CAMEROON CIVIL SOCIETY ORGANISATIONS

Civil society in Cameroon became very vibrant and vocal in the 1990s when a series of laws to liberalise Cameroon's political contours were promulgated. For example, the law of decentralization in 2004 encouraged local government councils and other decentralised state institutions and services to work out strategies with the civil society to enhance delivery of basic services and give a voice to grassroots communities to effectively demand these services. This active work, however, brought concerns about the performance of some NGOs and built tensions NGOs and the government and other development partners including grassroots groups.

One organisation that has attempted to tackle this legitimacy, accountability and transparency deficit is the North West Association of Development Organisations (NWADO). They have conducted research using forums and questionnaires into the major issues for civil socity organizations in Cameroon. Transparency and the signalling of quality were the issues most raised and in response NWADO has developed a code of ethics and a certification scheme after a broad based national civil society consultation. The code addresses issues such as governance; organisational integrity and independence, human resource management; financial management and accountability; communication and networking and conflict of interest. The initiative will consist of a three levels of accreditation and NWADO is currently setting up regional and national level committees to carry out the monitoring.

Table 1: High Level Principles of Effectiveness in the Development and Humanitarian Sector[15]

High Level Principle in self-regulation initiatives	Examples of language used for guiding principles
Accountability (internal & external) stresses the multidimensionality of accountability demands.	• We hold ourselves accountable to both those we seek to assist and those from whom we accept resources. • We shall have capacity development programs for staff, members and leaders to ensure existing potentials are fully developed and utilized. • Members enable beneficiaries and staff to report complaints and seek redress safely.
Ownership, Partnerships & Participation (the engagement of local stakeholders in decision making; agenda based on their needs and priorities)	• Our programs will be planned, designed, implemented, monitored and evaluated with egalitarian practice and the participation of the people concerned. • Signatories of the Code agree that active participation of the citizens is necessary for the improvement of general political, social and economic situation in the society.
Transparency and Good Governance (the disclosure of information about NGO activities, finances and governance arrangements for guaranteeing internal controls and efficiency)	• Transparency is achieved through dialogue (on equal footing), with an emphasis on early consultations and early sharing of information. Communications and transparency, including financial transparency, increase the level of trust among organisations. • An NGO annually should prepare and make available to the public basic financial information on the organisation. The NGO should also provide public access to appropriate financial records.

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[15] Based on Lingan, J. Lloyd, R. et al. (2009) Responding to NGO Development Effectiveness Initiatives One World Trust/World Vision Briefing Paper No. 122. p. 3 and Lingan, J., Cavender, A., and Palmer, T. (2010) Responding to Development Effectiveness in the Global South. One World Trust/World Vision briefing paper No. 126 p. 5

Learning, Evaluation & Managing for Results (encourages organisations to learn from the work they do)	• Results based effective humanitarian action must be reality-based and action-oriented. This requires result-oriented coordination based on effective capabilities and concrete operational capacities. • The CSO has a stated intent, policy and plan on monitoring; evaluation and researching for evidence based interventions. The policy encourages the identification and documentation of best practices, lessons learnt opportunities, innovations, and challenges and solutions, etc. to inform program/project design and implementation.
Independence (from political and economic interests)	• We shall endeavour not to act as instruments of government foreign policy (...). We therefore formulate our own policies and implementation strategies and do not seek to implement the policy of any government, except in so far as it coincides with our own independent policy. • We aim to be both politically and financially independent. Our governance, programmes and policies will be non-partisan, independent of specific governments, political parties and the business sector.
Respect for diversity and human rights in guiding NGO action	• Non-Discrimination: We value, respect and seek to encourage diversity, and seek to be impartial and non-discriminatory in all our activities. • Non-Governmental Organisation will at all times adopt the principle of the equality of rights between men and women in making decisions and formulating organisational policies as well as in seizing opportunities.

MAPPING SELF-REGULATION IN THE UK THIRD SECTOR

For the last twenty years, the UK government has expanded the delegation of social services to third sector organisations as a way to cutback public sector participation associated to higher costs and inefficiency. Third sector organisations, it was argued, could provide more efficient services as they were closer to service users[16] and could reach groups that the public sector was unable and the private sector unwilling to reach[17]. In addition, during the nineties third sector organisations became a central part of the civil society and social capital agenda. Civil society's role in governance was increasingly valued and third sector organisations were considered important components of associational activity. They were not only expected to deliver services but also to provide opportunities for the empowerment of citizens by involving them in the delivery of those services and making their voices heard in local and national policymaking processes.

These trends were also closely intertwined with changes in how users of social services were perceived by social policy discourses: from being passive recipients of welfare state policies, to users who were entitled to have a say in service provision and policymaking[18]. Participatory approaches were increasingly favoured as a way to bring legitimacy to policymaking and enable citizens to tackle social problems by themselves[19].

These changes demand new responsibilities for third sector organisations. On the one hand, increased expansion in service delivery meant that organisations had to account for their performance. On the other hand, a more visible role in governance created greater demand for organisations to demonstrate legitimacy to speak and act on behalf of a constituency. This role increased expectations to provide meaningful spaces for participation and empowerment of users.

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[16] Miller, C. (2004) Producing Welfare. A Modern Agenda. New York: Palgrave MacMillan
[17] Fyfe, N. (2005) Making Space for 'Neo-Communitarism'. The Third Sector, State and Civil Society in the UK. In: Lauri, N. and Bondi, L. Working the Spaces of Neoliberalism. Oxford: Blackwell Publishing
[18] Barnes, M. and Prior, D. (2009) Subversive Citizens. Power, Agency and Resistance in Public Services. Bristol: The Policy Press
[19] Skidmore, P. et al (2006) Community Participation. Who Benefits?. York: Joseph Rowntree Foundation

In the context described above, calls for the accountability of third sector organisations are made amid concerns that the sector is either co-opted by governments' and donors' agendas or lack the mechanisms to demonstrate legitimacy and effectiveness in their work.

Accountability here refers to "the processes through which an organisation makes a commitment to respond to and **balance** the needs of stakeholders in its decision-making processes and activities, and delivers against this commitment"[20]. In this approach, organisations institutionalize mechanisms (policies and systems) to enable stakeholders to hold them accountable for their actions and claims.

In the case of civil society organisations this concept puts especial emphasis on how organisations strengthen their accountability to users and beneficiaries by setting meaningful participation mechanisms. Participation requires the active engagement of stakeholders in decision making beyond mere consultation. This approach looks for the empowerment of the user in its relationship with third sector organisations and expects that participatory processes are tied in closely to systems of power, influence and decision making[21].

SELF-REGULATION INITIATIVES IN THE UK

The use of self-regulation initiatives is well established in the UK. Third sector organisations have increasingly used self-regulation tools as a way to improve and benchmark their organisational effectiveness in the delivery of services. Indeed, the emphasis on quality, advocated by governments since the 80s, made quality of service approaches become a common reference for third sector organisations[22]. In the last years, these initiatives have also served as a way of strengthening accountability by setting the principles and standards by which third sector organisations abide and the mechanisms by which they could be held to account.

Keeping this in mind, we wanted to explore how different self-regulation initiatives in the UK look at issues that are considered important for quality and effectiveness and within these, how they look at the involvement of users.

This section offers a look at the landscape of self-regulation initiatives in the UK. For this purpose, we have reviewed 31 UK initiatives that represent a wide array of schemes that aim to encourage compliance with good practice principles and standards in social service delivery[23]. Most of the schemes identified in this group were launched in the last five years and include codes of conduct or ethics, certification schemes, awards and self-assessment tools.

Unlike in the international development sector, where most civil society self-regulation initiatives involve codes of conduct or ethics[24]; most self-regulation initiatives in the UK are certification schemes. They are run by private, non-profit or government bodies. Their objective is to provide a quality assurance mark either for a specific activity (eg. mentoring, help lines service) or for the

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[20] Blagescu, M. et al. (2005) Pathways to Accountability. The GAP Framework One World Trust p.20
http://www.oneworldtrust.org/index.php?option=com_content&view=article&id=70&Itemid=72
[21] Ibid. p. 23
[22] Miller, C. (1993) Producing Welfare. A Modern Agenda
[23] We have based our analysis on a revision of the documents and publications of the principles, standards and criteria used by each initiative.
[24] Lingan, J., Lloyd, et al. (2009) Responding to NGO Development Effectiveness Initiatives. One World Trust/World Vision Briefing Paper No. 122; Lingan, J., Cavender, A., and Palmer, T., (2010) Responding to Development Effectiveness in Southern Countries. One World Trust/World Vision Briefing Paper No. 126

overall running of an organisation. The mark is awarded after the organisation is assessed according to a set of benchmarks. The assessment is usually based on a desk and field revision of evidence.

An example of a scheme focusing on a specific activity is the Approved Provider Standards for Mentoring and Befriending. This scheme assesses third sector organisations against twelve quality areas: clear rationale and purpose, effective management structure, a process for the identification and referral of users that identify their needs and suitability, rigorous recruitment of staff, adequate training, supervision and support, regular monitoring and evaluation). Certification schemes involving the overall performance of an organisation include the Quality Accreditation for Community Foundations, the Practical Quality Assurance System for Small Organisations Quality Mark, the Youth Mark and the Assured Quality for Youth Projects for organisations working with young people).
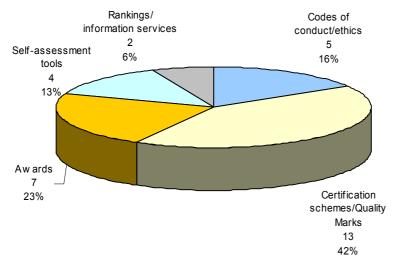
FIGURE 1: DISTRIBUTION OF SELF-REGULATION INITIATIVES BY TYPE

The reviewed initiatives also include seven award type schemes. We list them as self-regulation initiatives because participation in them is voluntary and they are based on best practice criteria that aim to raise the standards of third sector organisations. The organisation organising the scheme is in charge of setting a panel who reviews the evidence submitted by applicants. Most awards reward best practices to organisations qualifying in different categories such as fundraising, marketing and communication, accountability, transparency, human resources, among others. Some awards such as the Guardian Charity Awards focus on small and medium charities. Others, such as the Charities Online Financial Report Award is focused on the quality of financial reports published on organisations' websites.

In the review we were also able to identify five codes of conduct used by third sector organisations. Three of these set principles of fundraising practices: the Fundraising Standards Board Self-Regulation Scheme, the Code of Charity Retailing and the Good Fundraising Code. Only the first two have a compliance mechanism where there is the possibility to receive complaints from the public and could apply sanctions to any organisation that breach the principles of the code (eg. expulsion or suspension of membership).

The other two codes of conduct, set good practice principles in governance: the Good Governance Code for the Voluntary and advocacy: The Advocacy Charter. None of them has a compliance

mechanism; although the latter works on the basis of 'comply or explain': organisations using the code have to provide explanation on why they cannot comply with any part of the code; and both of them encourage members to have a system where users can file complaints and give feedback.

Examples of self-assessment tools are the ImpACT Toolkit, EFQM Excellence Model for Public and Voluntary Sector, Quality Framework of the Association of Charitable Foundations, and Quality First of the Centre for Voluntary Action. These tools provide a framework for organisations to assess their work but do not have a verification mechanism. It is also worth noticing that some certification schemes also provide a self-assessment tool that can be used by organisations without having to apply to the quality mark. For example, the Practical Quality Assurance System for Small Organisations Quality Mark, the Assured Quality for Youth Projects, the Customer Service Excellence Mark, and the Quality Mark for Advocacy.

Finally, there are several information services which seek to enhance the transparency in the sector by sharing information about third sector organisations with the general public and across the sector. Two such services have been identified: the Guidestar UK online platform which involves the disclosure of information that charities[25] submit to the Charity Commission (annual reports and financial statements); and the Intelligent Giving Charity Chooser, a database of financial and contact information for 1,300 charities and ratings of transparency and quality of reporting for the largest 500 charities in England and Wales. Both services work on the basis of already publicly available and mostly self reported data such as the statutory reports of organisations to the regulator (the Charity Commission and Companies House) and the annual report or review of activities. The information provided by these services, however, do not offer information on the impact of organisations or how they relate to users.

IN WHICH AREAS OF WORK DO SELF-REGULATION INITIATIVES FOCUS?

As we have mentioned earlier, a third sector organisation should be made accountable for its capacity to deliver quality services and meaningfully engage users. Self-regulation can support these processes by providing a roadmap for reform towards meetings principles and standards that represent best practice in these two areas.

In order to explore the priorities set by self-regulation initiatives, we have coded the content of the different initiatives[26] according to the issues they focus on. They are related to organisations' operations, for example, fundraising, human resources, governance, etc. and whether they provide standards for the involvement of users.

In general, most of the reviewed initiatives have principles or standards dealing with how users are going to be involved in service delivery. Exceptions are the initiatives that strictly focus on human resources (eg. investing in volunteers standards), fundraising and financial reporting (eg. information services). In the second place, standards for human resources are also important for all initiatives, followed by financial and governance issues. Only two initiatives set principles or standards for engaging in advocacy. Considering that many third sector organisations engage in advocacy on

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[25] Registered Charities in England and Wales with Annual Incomes of more than £25,000
[26] We do not consider awards as many of them have segmented criteria/or we could not find enough information on their specific standards.

behalf of a constituency, it is interesting that there are not many initiatives setting standards for advocacy practices[27].

According to type of self-regulation, most certification schemes require evidence of user engagement as an important part of service delivery (see next section). Another important focus of these schemes is on human resources standards. They assess the quality of staff training, work environment and safety. Some schemes also provide standards for good governance and in a lesser degree on financial management and advocacy as we mentioned.
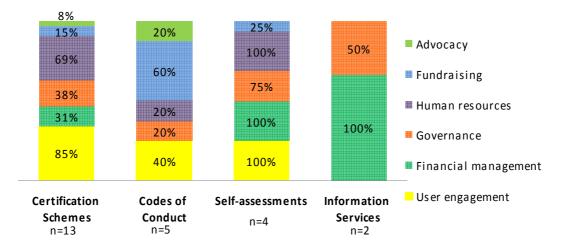
FIGURE 2: DISTRIBUTION OF SELF-REGULATION INITIATIVES BY FOCUS

Three of the five codes of conduct are concentrated in fundraising practices. These codes do not involve user engagement as their main focus is on the relationship with donors and the public (as a potential donor). The Fundraising Standards Board Self-Regulatory Scheme, for example, has very detailed principles for each activity involving fundraising. They have worked at least 25 codes concerning rules for volunteers fundraising, transparency and accountability, data protection, direct mail, among others.

The self-assessment tools reviewed here focus on the overall operational performance of organisations and especially consider user engagement, financial management, human resources, and governance. Finally information services focus on promoting transparency by facilitating the accessibility to information of a wide sector. They do not have any mechanism to validate information with users and base their information on publicly available documents related to organisational budgets and financial performance.

USER INVOLVEMENT IN SELF-REGULATION INITIATIVES

One of the main concerns when talking about accountability in the sector is the potential space for cooptation of third sector organisations by a government's or donor's agenda more interested in
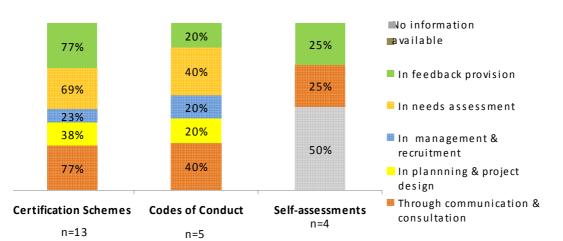
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[27] For further reading in: Hammer, M. et al (2010) Addressing Accountability in NGO Advocacy. Practice, Principles and prospects of self-regulation. One World Trust, briefing paper No. 125
http://www.oneworldtrust.org/csoproject/images/documents/Self_regulation_of_advocacy_among_NGOs_OWT_125_March_2010_-_final.pdf

favouring technical forms of legitimacy (quantifiable targets, cost effectiveness; and user satisfaction) than empowering users (political legitimacy)[28].

Some criticisms also highlight the fact that managerialist approaches, that have very much pervaded the sector, view users as consumers. Therefore, participation is limited to consultations with the aim of identifying users' needs and feedback in order to enhance the responsiveness of service providers. However it still reinforces a top-down relationship in which users basically supply information to service providers but do not have any control on what or how these services are to be delivered[29]. This approach would not encourage the empowerment of users because they are not engaged in the actual decision making of service provision and consequently can not be fully accountable to users.

Our assessment of this group of self-regulation initiatives highlights that almost all the initiatives analysed have some or several elements of user involvement. However, when these elements are broken down into the areas in which users encouraged to participate we have the following results.

FIGURE 3: USER INVOLVEMENT REALISED IN SELF-REGULATION INITIATIVES

Across all initiatives, we find that initiatives mainly focus on how organisations should improve communication channels with their users through consultations and communication strategies. This is followed by involvement of users in needs assessments and feedback provision. A minority of initiatives require that organisations engage users in planning and project design and in management and recruitment. These areas of participation have the potentiality to provide more control of users in service delivery and thus encourage better accountability.

EXAMPLES OF INITIATIVES WITH STRONG USER INVOLVEMENT

Amongst the many initiatives which include stakeholder participation amongst their goals, there are several notable examples of good practice. The case studies below stand out for their commitment to ensuring that participants genuinely benefit from involvement through developing new skills, and being meaningfully involved in decision making.

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[28] Taylor, M and Warburton, D. (2003) Legitimacy and the Role of UK Third Sector Organisations in the Policy Process. Voluntas: International Journal of Voluntary and Nonprofit Organisations Vol. 14, No. 3

[29] Cornwall, A. and Gaventa, J. (2001) From users and choosers to makers and shapers: repositioning participation in social policy. Institute of Development Studies Briefing Paper 127; and Munday, B. (2007) Report in user involvement in social services. Council of Europe.

INVOLVEMENT OF USERS IN IDENTIFYING PRIORITIES FOR GRANT MAKING

Firstly, we present the case of the Community Foundations Network (CFN) a membership organisation representing 57 community foundations and trusts in England and Wales. The CFN runs since 2006 a quality accreditation scheme that was conceived and agreed by its membership as a development tool to build capacities, provide a benchmark for members and be recognised as a quality tool for donors. Although community foundations most of the time relate more directly to community organisations (grantees) than to individual users, the standards require community foundations to provide evidence on how their grants are meeting the needs of communities. It could include its own needs assessment study and the involvement of users in steering groups, board meetings and others. Another important initiative coordinated by the CFN is the Fair Share Trust scheme (see box 1). It illustrates how community foundations can provide spaces to engage and empower users in deciding what are their needs and how they can make a difference in their communities through active collaboration.

TEXTBOX 5: ENCOURAGING PARTICIPATION BY GRANT MAKING ORGANISATIONS: COMMUNITY FOUNDATIONS NETWORK AND THE FAIR SHARE TRUST

The Fair Share Trust was established in 2003 to distribute £50million of National Lottery money, over the course of ten years. The funds are to be distributed to disadvantaged neighbourhoods in the U.K. which are deemed to have received less than their fair share of lottery funding. In each Fair Share Neighbourhood, advisory panels have been established to advice on how the funding should be spent. The panels are composed of local people, who identified priority areas in need of funding within their community, and potential recipients of funding. The approach for identifying recipients varies between each neighbourhood, as it reflects local circumstances.

The participation of local people in the Fair Share Trust advisory panels has considerable benefits for the Trust, members of the panel, and the communities. The Fair Share Trust gains from the involvement of local people in the distribution of funding: a local perspective means that funding is targeted to where the community needs it most; furthermore, the members of the panel are engaged, and committed to helping their communities. There are also tangible benefits for participants of the advisory panels. Often, for members of the panels, it is the first time they been involved in a decision making process for their local area: participation empowers them to develop and build on existing skills for their community's benefit. FST also reports that the presence of local people on the advisory panels creates a sense in the community that the funding truly belongs to them, which in turn improves community ownership of the funded projects.

In order to share the experiences that FST has gained from this high level of participation, each region is invited to publish 'lessons learned' on the FST website. These provide useful insights into common problems and solutions experienced by the advisory panels, such as requesting annual updates from recipients of funding, and taking consideration of external factors when deciding to up- or downgrade project funding. In addition documents on themes of Communications, Working with Communities, Panels, and Sustainability, are also available on the website.

EMPOWERING USERS IN ADVOCACY: BUILDING SKILLS AND PROVIDING SPACES FOR PARTICIPATION

An example of an initiative whose aim is the empowerment of users is the Advocacy Quality Mark. It was launched in 2008 by Action 4 Advocacy and is aimed at organisations that conduct one to one advocacy. Action 4 Advocacy is an organisation that works on the development of effective advocacy services for vulnerable and disempowered people. It describes its purposes as follows

> *"The advocacy scheme will support self-advocacy and empowerment through its work. People who use the scheme should have a say in the level of involvement and style of advocacy support they want. Schemes will ensure that people, who want to, can influence and be involved in the running and management of the scheme".*

This scheme is an interesting example of how an SRI encourages organisations to have a proactive approach in involving hard–to-reach groups in the provision of services and in providing spaces for community participation beyond users. Organisations are also encouraged to provide the option for users to participate in the management committee if they wish so, and offer training for users to engage in these processes. Furthermore, most of the standards are assessed taking the feedback of users as evidence, which is a good way to ensure transparency and accountability of organisations applying for the mark.

INVOLVING YOUNG PEOPLE IN ASSESSING THE QUALITY OF SERVICE PROVISION

Young programmes provide an important reference of good practice in user involvement. The following example not only sets standards for how organisations should involve young people but directly involves young people in the assessment of the quality mark. Y-Gen, an organisation based in London works with young people and provides support to organisations on improving the quality of the services delivered to young people. The level of participation and responsibility enjoyed by the young assessors provides an important platform to build capacities and empower young participants.

TEXTBOX 6: EMPOWERMENT OF USERS IN ADVOCACY: ADVOCACY QUALITY MARK (ACTION 4 ADVOCACY)

The standards are based on the Advocacy Charter (2002) and involve a three stage process consisting in a self assessment, desktop assessment and site assessment. The scheme provides standards for each principle of the Advocacy Charter and strongly applies a user centred approach that clearly aims at the empowerment of users. Standards to ensure user involvement include:

- **Putting people first:** Standard requires evidence on how people using the service are shaping the way the service is provided. This includes how users choose their advocates, give feedback of the service and its impact.

- **Empowerment:** the organisation offers the possibility for users to get involved in the advocacy process and the management of the service (eg. through the recruitment panel, management committee, etc.) and offer training opportunities on a range of relevant issues for the user (eg. rights education, assertiveness, etc.).

- **Equal opportunity:** organisation provides evidence of how internal policies encourage diversity and equal opportunity in the use of service by ensuring that minorities and those unable to self-refer can access the service and by training advocates on these issues.

- **Accessibility:** organisation provides evidence that its premises are accessible; that it has outreach strategies to identify new users and hard to reach users, gives opportunities for local community to engage in the organisation as volunteers, trustees, supporters, free of charge service; among others.

- **Accountability:** organisation has to demonstrate that it has set effective evaluation and monitoring systems comprising basic service standards, advocacy process (relationship between user and advocate), advocacy outcomes and empowerment.

- **Complaints handling:** organisation has to demonstrate that it has a complaints policy and gives support to complainants (if resources allow) and learn from them.

A similar initiative encouraging participation and skills building in young people is the **Assured Quality for Youth Projects (AQYP)** run by London Youth**.** The AQYP assess whether an organisation is delivering the services they promised to young people. It has a progressive mark from Bronze, Silver to Platinum. For example, a bronze qualification would require organisations to provide evidence of young people's enjoyment of the activities they participate in and the adequate access to information related to young people issues. A silver mark would require evidence of young people

having some responsibility in the project or programme. Finally, a gold mark will require young peoples' participation in the recruitment board of the organisation. The mark is assessed through field and desk assessment and in the future they are planning the involvement of young people in the assessment to award the mark.

TEXTBOX 7: Y-GEN'S YOUTH MARK: EMPOWERING YOUNG PEOPLE IN ASSESSING QUALITY

Youth Mark is a quality mark for organisations that provide services for young people, such as youth clubs and schools. The assessment for the quality mark is entirely carried out by trained young people.

Young people undergo a two day training course to provide them with the skills to become assessors, such as interviewing, giving constructive feedback, and delivering presentations. As Young Assessors, participants visit the applicant organisations over several days, in groups of three to five, accompanied by a Youth Mark staff member. The Young Assessors have complete responsibility for the assessment process, including interviewing senior members of staff, deciding on the level of accreditation to be awarded, and making recommendations for improvements. By participating in Youth Mark, the Young Assessors gain qualifications and experience which employers and universities value, develop important life skills, and experience a considerable level of responsibility.

Organisations are marked against criteria which have been devised by young people and are awarded one of three standards. The first standard certifies that the organisation takes consideration of young peoples' needs (bronze). The second standard certifies that the organisation delivers high quality services (silver), and the third standard that the organisation involves young people in designing and delivering the services (gold).

These standards include assessment of the following aspects of the organisation: premises, policies, marketing and communication, planning, accessibility, equality and diversity, relationship between staff and young people, performance measurements, meeting young people's needs and young people involvement in the design and delivery of services.

Seventeen organisations have obtained the quality mark, most of them at the bronze level and have worked on an action plan with the young people they work with to implement recommendations for improvement.

As in the first case, this progressive assessment could very well encourage organisations to increasingly build up a more participatory approach to service delivery and the way users are engaged.

CONCLUSIONS

There is an increasing activity in the development and humanitarian sector in setting up mechanisms of accountability through self-regulation. These initiatives are driven by current debates on what development effectiveness mean for the work of civil society organisations and the increasing scrutiny these organisations have faced in the last years. The international development and humanitarian sectors have implemented in recent years different accountability initiatives and compliance mechanisms that provide a varied array of experiences to learn from[30]. The different experiences can provide examples that can be applied and tailored by many other organisations.

In the UK, the expansion into social service delivery and a greater visibility in the public sphere have also increased the scrutiny and demands for accountability of third sector organisations. In order to respond to these demands, organisations have been using self-regulation tools as a way to provide stakeholders with a signal of their commitment to good practices and a benchmark of their activities to enhance better quality. Concerns remain however, on whether these efforts are exclusively aimed at responding to a government or donor's agenda prioritising functional accountability (focused on

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[30] The One World Trust database of CSO self-regulation provides information on more than 350 of these initiatives from around the world. **http://www.oneworldtrust.org/csoproject/**

service quality and quantifiable targets), instead of accountability to users (focused on the empowerment of users and the impact of social services on their lives).

We argued that accountability has to respond to these two perspectives as part of their responsibility to balance the demands of their stakeholders. In the case of third sector organisations, it is especially important that their legitimacy is also grounded on its accountability to users and beneficiaries. Furthermore, accountability to beneficiaries has to be based on the provision of meaningful spaces for participation and control over what and how services are delivered.

As self-regulation could potentially be an important tool for the accountability of third sector organisations, we have reviewed 31 self-regulation initiatives in the UK. The objective was to explore which issues that are thought to be related to the quality of services, and what kind of user engagement is encouraged though these initiatives. Our revision of different types of self-regulation initiatives tells us that most initiatives incorporate principles or standards related to user engagement. However, very few of these initiatives encourage the participation of users in relevant decision making spaces such as in the planning and designing phase of a project or in the recruitment or management of the organisation. Most initiatives emphasise needs assessment, consultation and communications and feedback gathering as the main spaces for user involvement.

Finally, we have provided some examples of how a diverse group of third sector organisations have created spaces that involve users in different phases of decision making including the assessment of the quality of service delivery. By doing this, we want to contribute to encouraging more initiatives to place empowerment and the accountability of users at the centre of their agendas.

The accountability of non-profit organisations to users and beneficiaries should be place in a central part of their work. As part of civil society these organisations are not only providing a service but strengthening the rights and social inclusion of citizens. The different initiatives in use by the sector should therefore correspond to efforts to empower and make themselves accountable to the people they commit to serve. Examples of how to apply principles into practices abound and it is up to organisations to reflect on and strengthen their own systems to ensure this.

ANNEX

Certification schemes	Organisation
Investing in Volunteers Standard	Investing in Volunteers
Investors in People Standards	Investors in People
Quality Performance Mark	Action 4 Advocacy
Approved Provider Standards for Mentoring and Befriending	Mentoring and Befriending Foundation
Matrix Quality Standard for Information advice and guidance services	ENTO Ltd.
THA's Quality Standard for Helplines	The Helplines Association
Quality Accreditation	Community Foundation Network
Practical Quality Assurance System for Small Organisations Quality Mark (PQASSO)	Charity Evaluation Services
Accreditation for IDVA (Independent Domestic Violence Advisors) services	Co-ordinated Action Against Domestic Abuse (CAADA)
Assured Quality for Youth Projects (AQYP): Quality Mark	London Youth Network
Youth Mark	Y-Gen
Charity Analysis Framework	New Philanthropy Capital
Customer Service Excellence	Cabinet Office
Codes of Conduct	
Fundraising Standards Board Self-Regulatory Scheme	Fundraising Standards Board
Good Fundraising Code	Practical Fundraising Association
Code of Charity Retailing	Association of Charity Shops
Good Governance: A Code for the Voluntary and Community Sector	The National Council for Voluntary Organisations
The Advocacy Charter	Action 4 Advocacy (formerly Advocacy Across London)

Self-assessment	
ImpACT Toolkit	ImpACT Coalition
EFQM Excellence Model for Public and Voluntary Sector	British Quality Foundation
Quality First	The Centre for Voluntary Action
Quality Framework	Association of Charitable Foundations
Rankings/Information services	
Intelligent Giving Charity Chooser	Intelligent Giving/NFC
GuidestarUK	GuideStarUK
Awards	
Third Sector Excellence Awards	Third Sector
The Charity Awards	Charities Aid Foundation
Charities Online Accounts Awards	Charities Aid Foundation
Charity Times Awards	Charity Times Magazine
National Lottery Awards	National Lottery
The Guardian Charity Awards	The Guardian
Charity Retail Awards	Association of Charity Shops

The One World Trust is an independent think tank conducting research into issues of accountability and governance at global and national levels. Founded in 1951, the One World Trust is based in London, and a charity registered in England and Wales (No 1134438).

The collaboration with Goldsmiths University of London builds on the One World Trust's work on self-regulation of NGOs and civil society organisations more widely, and Goldsmiths University's involvement in the ESRC/Cabinet Office and Barrow Cadbury Trust funded "Taking Part" research cluster (see **http://www.lincoln.ac.uk/lbs/esrccluster/** for more information).

The aim of the One World Trust's research in this field is to explore issues and ways how citizens voices and needs can be strengthened through improving engagement with and participation in organisations that serve them or affect them with their policies and decisions.

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