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NGO Accountability in Uganda: Analyzing the Reasons, Challenges and Remedial Postulates

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Abstract:

NGOs have continued to become focal points as key contributors to social-economic transformation of communities in areas where they operate. This belief is seen to have led to boundless 'trust' vested in them by stakeholders. Despite this trust, there are sustained grumbles on the way NGOs use donor-given resources. Although this has been partly blamed on donor's reluctance in establishing authenticity of some organizations before funds are advanced and also less effort made to find out the way such resources are used, it has also been seen to be a result of lack of strictness by those implementing national regulations, which gives room for freedom in formation and operation of NGOs, the consequence being deviation from set goals. This situation has led to continued questioning by stakeholders – beneficiaries (on whose cause resources are given and obtained), donors who give resources and other stakeholders - of the nature of operation of NGOs and why they can't hold-on to their mandate. The first part of this paper gives the meaning of accountability and the contextual framework in which NGOs operate-set their goals and objectives vis a vis the key forces/demands by different stakeholders. It further examines the reasons for continued call for accountability/why accountability is vital, and the challenges which explicate on 'why' accountability has not succeeded. It is crowned with remedial postulates/ strategies whose adoption, it is hoped will help counter these challenges and enhance NGO performance.

Keywords: Stakeholder pressure; Accountability; Monitoring and Evaluation; NGO Performance

1. Introduction

Uganda, like many other parts of the world, has since 1986 witnessed a rapid proliferation of NGOs,ⁱ both indigenous and international. These NGOs are involved in extending development aid (Larok, 2009) and more other services, mostly aiming at social-economic transformation of communities (Bendell, 2006:9). The growth in NGO numbers is due to the belief among donors that they are more cost-effective than government in providing basic social services and are better able to reach the poor (Ebrahim, 2003: 813; Antlov, 2005). This belief wins support of the Common Wealth Foundation (2009:15) thus: 'NGOs and Civil Society Organisationsⁱⁱ have become major providers of essential services, influential advocates for marginalized groups and knowledgeable advisors on public policy'. This is a clear indication that no single NGO engages in a single set of activities. This mode of operation is seen to have created room for those in charge in most cases to engage in satisfying their personal interests and to create asymmetries, mostly in reporting (Ronelle and Trudy, 2002:1). This has led to critical concerns: Who authenticates NGO operations and activities they engage in? Whose concern is/should be NGO operations? To whom do they or should they account? Such concerns and many others have led to continued pressure on NGOs world over and in Uganda particularly, to become more open and transparent in their operations.

The demand for NGO accountability concurs with Hugo Slim's (2002) assertion, '*in any piece of work, an NGO will need to account to different groups of people as stakeholders, including targeted rights-holders, the various duty-bearers and those secondary and tertiary stakeholders beyond the primary stakeholders who operate as interested or critical observers, mainly on the way the resources received have been used*'. In Uganda particularly, the demand for NGO accountability has reached its pinnacle as a result of NGOs/Civil Society's active and open involvement in the crusade against abuse of public resources (Corruption) by those holding public offices, mostly for the last decade. This has led to counteract indictments wedged against NGOs for not properly disclosing their operations: source of their funding and how donor funds are used- where the funds are put/invested, who decides so, who monitors and evaluates the operation of these NGOs and what measures are taken to ensure that they operate in line with their objective/goal specifications, as stated while making attempts to get those funds.

Although a number of international development aid agencies (Action Aid, USAID) have operated with perfect strictness, ensuring up-ward accountability and transparency among receiver organizations, one major problem has remained, NGOs less attempts, if any, have been made to account to communities and other local stakeholders (down-ward accountability). This means in one way or the other, NGO accountability has remained unsatisfactory (Edwards and Hulme, 1995: 222, in Jacobs & Wilford, p.2), despite the continued call for openness and transparency. This paper uses a contextual approach to give an account of this.

1.1. Defining Accountability

Accountability is a term whose understanding and application has embraced a vast number of connotations and interpretations (Lee, 2004:3). Hugo (2002: 12) defines NGO accountability as: “the process by which an NGO holds itself openly responsible for what it believes, what it does and what it does not do in a way which shows it involving all concerned parties and actively responding to what it learns.” Jordan (n.d.) looks at it as the obligation to report on one’s activities to a set of legitimate authorities.

Edwards and Hulme (1996) look at accountability as ‘the means by which individuals and organizations report to a recognized authority/authorities and are held responsible for their action and look at it as an area that embraces a number of features: statement of goals (whether in adherence to certain rules or achievement of identified performance levels); transparency of decision making and relationships; honest reporting of what resources have been used and what has been achieved; an appraisal process for the overseeing of authority (ies) to judge whether results are satisfactory; and concrete mechanisms for holding to account (i.e. rewarding or penalizing) those responsible for performance.

Basing on the definitions above, the framework in Fig. 1 below gives an illustration of how different stakeholders interface in NGO accountability.

1.2. Setting the Framework

On basis of the definition of accountability propounded by Edwards and Hulme (1996), it is clearly observed that the environment in which NGOs operate (set their goals and objectives and strive to achieve/attain them) is one which involves multiple stakeholders, with differing interests. These interests represent what is required of NGOs, (modes of operation and performance required). They hence combine to shape the nature of most NGOs. To comply, NGOs are compelled to devise means- mechanisms and processes- which have to be used to satisfy stakeholders’ expectations/interests. It shows responsibility for the concerned NGOs’ actions and gives reflection on adherence to vision, mission, goals, objectives and strategies as formulated. This paper bases on this framework and shows the context in which NGO goals and objectives are set and attempts to achieve them made amidst varying demands by different stakeholders.

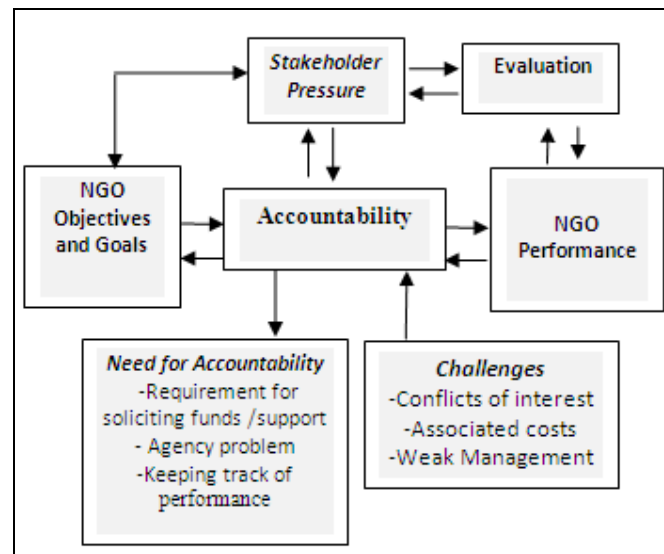


Figure 1: NGO Accountability Model

Source: Author's Conceptualization

As illustrated in Fig. 1, NGOs existence is driven by specified purpose which is explained in terms of goals and objectives. The process of setting/formulating NGO goals and objectives and strategies for achieving them must be a participatory one, involving a number of stakeholders, key of whom are community members and funders who validate such objectives by approving them through funding. This means NGOs are required to operate in line with stipulations reached with these stakeholders, a clear indication that accountability is not discretionary (Ebrahim, 2003). Although the framework supposedly indicates direct involvement of stakeholders in goal and objective setting, it actually is rarely the case. To be realistic, asymmetries-the agency problem and some stakeholder exclusion has its roots in objectives selection and goal setting, and are carried to the operational level (Ebrahim, 2003). These asymmetries, mostly at the operational level, are what compel stakeholders, some of whom are major resource providers, to pressurize NGOs to be transparent and account for the resources used. However, accounting to stakeholders tends to face a number of challenges which in most cases are put forward as reasons for non-compliance with accountability demands.

1.3. Methodology

The paper was written through analyzing, studying and reviewing secondary documents on: accountability and NGOs performance, national development and NGO operational and regulatory documents. Data was also gathered through discussions with experts in the NGO Forum. Consultations were also made with directors of NGOs and in academics at Makerere University and Centre for Basic Research (CBR).

2. Reasons for NGO Accountability

According to Andrew (1997) and on basis of our earlier argument, NGOs' involvement in an array of activities at times may imply use of resources from numerous sources. These may include donations in cash and kind, non-restricted grants, rotary contributions and government tax subsidies and exemptions (Bendell, 2006: 12; Income Tax Act, Cap. 340 (s.2 (bb)(i)).ⁱⁱⁱ Receipt and use of such resources further implies an obligation to account to many stakeholders including constituencies of beneficiaries (communities), donors (local and international), the government and management itself. To ensure this, a number of mechanisms are used: disclosure statements- financial accountability (Ebrahim, 2003:816); performance assessments/ evaluations- internal and external (Chandra, 1999); participation (Michael, William, Meckling 1996); Self regulations/assessments (Fowler, 1996; Commonwealth Foundation, 2009: 11-14); Social auditing/ social accountability and Quality assurance (Mutungi, 2010). What is worthy of noting is the fact that none of these mechanisms is free of cost. This partly explains why attempts to ensure transparency have presented unprecedented challenges to NGOs, at times leading to evasion of the responsibility to account; and a reason for continued attempts to use different mechanisms or one mechanism and not the other. In addition, because of the reason of costs and notwithstanding the role accountability plays towards performance of NGOs, there are varying and conflicting views when it comes to its justification.

The reasons for NGO accountability are three fold: a) Accountability as a requirement for soliciting or obtaining donor funds and support from other stakeholders. b) Accountability as a result of perceived imbalance- caused by *agency problem*- leading to external pressure imposed on NGOs by different stakeholders to provide feedback information (Ronelle and Trudy, 2002:1); and an attempt to forestall potentially restrictive government regulations^{iv} to sustain existence. This means accountability helps to redeem the NGO sector's image from perceived scandals by public and exaggerated performance claims (Ebrahim, 2003; Fowler, 1996). c) Accountability as a tool for helping NGO project/programme implementers to keep track of performance, thus ensuring efficiency and effectiveness in their operations.

2.1. Requirement for soliciting or obtaining donor funds and support from other stakeholders

This is the most key and cross-cutting reason why NGOs account. It is the donor's interest that the funds given to NGOs be put to the right use (Bendell, 2006). Donors and other stakeholders' support to NGOs entirely depends on their ability to meet and satisfy their demands. This means, since some of these stakeholders and funders are not always part of the implementing team, continuous internal reviews are vital. These may be weekly, monthly, bi-annual or annual. For such reviews to be of use, they must lead to reports, giving a clear and objective reflection of their effort- what has been or not done and why. This mostly includes a reflection of physical and tangible results of a given project/programme such as number of schools or hospitals constructed and people/community members transformed through accessing NGO services. Funders and other stakeholders therefore rely on such reports as evidence of work accomplished, and work as contingency for further funding and support. In addition, reports help funders to fulfill their obligation of explaining to those from who they got funds initially how they were distributed and used. This in essence implies a chain of accountability. This means reports by NGOs are marketing tools (Ronelle and Trudy (2002:8). It further implies that it is key that donor-fund recipients must take a lead in defining performance-based accountability frameworks which work for the satisfaction of their funders. Although most scholars and NGO implementers have argued that accountability and its practices impose a costly obligation, it must be noted that it is only when the funders (and other stakeholders) know the use to which their funds have been put that they will gain the courage to advance more.

2.2. The second reason why NGOs are forced to account is the Agency problem.^v

NGOs and funders have mistakenly continued to be taken as partners in operation. However, it is naïve to expect a partnership relationship, with equal rights, duties and responsibilities and obligations, since NGOs management are *agents* to those who give funds (and other stakeholders). The agency problem implies that they (NGO management) tend to be more interested in satisfying their own interests rather than their expressed objectives (Ganesh, 2003) cited in Bendell (2006:12). They mostly do this by concealing information on how resources have been used. This means the need for NGO accountability mostly to donors is centered on asymmetries in resources mostly information (Ebrahim 2003). To deal with this, donors and other stakeholders have to institute measures to be complied with (Andrew, 1997), to give an objective position of how donor funds have been used. The challenge with this is that most NGOs receive funding from multiple sources. Although some of the funding mechanisms impose an unstated but real requirement that organizations work in ways consistent with the donor's policies, the requirement is not complied with, multiple funding creates room for defrauding these requirements. At times, it has been used as an excuse by those running NGOs as accounting to multiple funders consumes a lot of time and other resources, which would have been used to produce beneficial change. All this has almost pre-empted the importance of the accountability.

2.3. Keeping track of performance and progress

Unlike the above reasons that are externally driven, the aim to keep track of performance is internally driven, but feeds into what has been discussed above. Hence, accounting in this regard is undertaken to maintain internal order and to keep clean the image of NGOs. NGOs as earlier noted have today expanded the scope of their engagements. The main driving factors *inter alia* include

increased demand for NGO services and the belief in their capacity to deliver what the governments and other private profit-oriented organizations can not deliver. This belief does not however in any way exonerate NGOs from accounting to their stakeholders. In fact, engagement in wider scope makes it imperative to give an account of whatever is being done so as to build trust in them. The question of how it is done is what this point struggles to make clear.

NGOs account to two groups- internal and external. Internally, NGO management is required to conduct reviews/ continuous evaluations/ assessments (Chandra,1999; Cammack, 2007; Charnovitz, 1997) to gauge the progress towards their goals and objectives (Ebrahim, 2003). These assessments are used to give feedback to management and employees (internal accountability). On the other hand, external evaluations, whose prime aim is to establish the impact created, are conducted at specified intervals, either on donor's orders towards the end of a grant or programme phase, on mid term basis, or on basis of the milestone set during planning (Gittinger,1982). External evaluations are mainly carried out to assess whether and to what extent the programme goals and objectives have been adhered to, to determine whether to continue the funding or not (Chandra, 1999; Glasson et al, 1994). Evaluations, whether internal or external must involve community/beneficiaries (down-ward accountability). However, as discussed in this paper, accounting to community has not been appropriately done. To be specific, evaluations- short, mid or long term are carried out with the aim of finding the extent to which the organization has achieved short term objectives (activities and outputs) in its interventions or medium and long –term objectives (purpose/outcome/impact) such as improvements in client/community incomes, change in life styles, health, literacy levels, or natural resource base. A combination of the above (internal and external evaluations) helps to reduce or do away with cases of NGO indiscipline- mismanagement of donor funds, poor governance, but above all helps organizations to operate in the most efficient and effective manner, in line with community and funder expectations.

3. Challenges to NGO Accountability in Uganda

There are a number of factors whose existence has presented key bottlenecks to NGOs in their attempt to account to different stakeholders. These include:-

3.1. Lack of stringent government regulations

There appears to be little government involvement in the NGO world, mostly as far as the legal side is concerned. We have already seen that for most NGOs, accounting has remained discretionary. In fact, Ronell and Trudy affirm that the non-profit sector has traditionally been subjected to less stringent regulations than the 'for-profit' and the public sector. Comparison of the NGO sector with the public sector in terms of regulation shows a big difference, their argument further goes. This is due to the comparatively weak, informal and arbitrary nature of the sanctioning power of consumers and beneficiaries of NGO services (pp. 5-6). It is the government's responsibility to facilitate and support formulating by-laws and laws governing operations of all bodies, sensitizing its citizenry on the importance and empowering them for application of the same. Whereas one may raise defense that laws are in existence, the question is whether there are mechanisms to facilitate their application and operation or whether the community members, who are consumers of NGO services are aware of and know their importance. For example one would wonder how more than 70 percent of 8000 registered NGOs can remain un-operational and do not get any community criticism and/or de-registration. Must we assume that such organizations do not lobby for and receive donor funds? If they do, to whom do they account? Although it is difficult for government to impose regulatory measures on NGOs since at times NGOs influence appears to affect government's decision-making as Bendell (2006) contends, it is key to understand the government's indispensable obligation of regulating all institutions in its territorial jurisdiction so that there is avoidance of taking a meek position towards some of the players in nation building, to stop them from going astray.

3.2. Conflicts of interest between management, funders and external evaluators

As avowed earlier in this paper, NGOs have a vast number of players with diverging interests. These include those involved in managing organizations (internal stakeholders) on one hand and those expecting results on the other hand, including funders, spectrum of beneficiaries, politicians, among others. Whereas there is a general tendency to believe in satisfaction of funders as a key success factor, community interests (unaltered focus on objectives, minimized costs and maximized service delivery) cannot be substituted for anything. These in most cases coincide with funder interests, however with stifled conflict with management interests. To bring the focus on accountability, these conflicts are often on measurement and relevance. Disagreements always ensue between management and external parties interested in NGO performance when it comes to decision on what to measure and the basis on which to do so. Most particularly, misunderstandings are on whether to assess and measure the tangible results such as numbers of schools or hospitals constructed or trees planted. It is a common phenomenon with donors' appraisals to focus more on measurable results since they are short term, easily measurable and quantifiable than the ambiguous and less tangible changes. Although measures have been put in place to reconcile the two sides by employing tools which address both interests, one of them being the use of participatory tools like the logical frame in design and evaluation, its tendency toward simplification and quantification makes it inadequate for complex interventions due to its emphasis on short-term accountability targets, hence tending to accountancy than accountability.

On the side of relevance of evaluation, management of many NGOs has, basing on several reasons, become skeptical about its need and purpose. Most NGOs' culture tend to emphasize action over analysis and believe in gaining legitimacy through extending social services on a large scale than in conducting time consuming appraisals, preferred by donors. Evaluation, according to Fowler (1996) need not follow the tendency of focusing on projects at the expense of the organization itself since it becomes meaningful when conducted to assess progress towards organizational objectives.

3.3. High costs associated with accountability

In responding to calls for transparency by NGOs, complaints have often been raised that the meager resources at the disposal of these organizations: finance, human and material, are stretched too thin by continued evaluations and reporting requirements (Ebrahim, 2003). As Zadek and Gatward (1996) cited in Ronelle and Trudy (2002:7) contend, the reluctance to be transparent is clear from the lack of resources devoted to such activities. And that donors fail to recognize that complex and continuous evaluation requirements tend to overwhelm organizations and act as barricades to the achievement of NGO set objectives. There are questions one will need to answer here: Should funders always provide additional budgets for evaluations and reporting? Will it be less costly if NGOs operate without such evaluations? Or should they be allowed to determine the time and scope of evaluation to undertake? Upholding these would breed trouble, accordingly because it will give still more freedom to NGOs. Of importance in this regard is the fact that the size of organizations, the time scope and resource capacities should always be put into consideration, in determining the scale of an appraisal. Onerous reporting requirements lead to development of monitoring and evaluation systems that, while satisfying donor requirements, tend to be costly to the organizations.

3.4. Weak internal management /governance systems of most NGOs

Although a number of challenges are presented by external and environmental factors, most organizations find having accountability mechanisms in place a challenge because of the existing internal weaknesses. These mainly are governance-related (Commonwealth Foundation, 2009: 19). According to the Foundation, governance mainly relates to the processes and structures an NGO/ CSO has in place to ensure its effective and efficient running. On basis of this argument therefore, weak governance implies lack of clear, transparent and participatory decision making processes and inadequate checks and balances, the lack of which puts the mission of the organisation and the interests of key stakeholders at risk. How? Lack of stable structure leads to failure to define roles and responsibilities necessary for execution of NGO activities, while lack strong checks and balances leads to a number of unprofessional behaviour and conduct including mismanagement of resources, employment of known inexperienced personnel (commonly known as technical know-who), and the tendency for management to aim at satisfying their personal interests (Agency problem). Weak management further results into failure to support employees leading to dissatisfaction due to lack of equitable payment, merit promotions, clear communication and conflict resolution mechanism. All this has affected internal performance and deliverance of services to beneficiaries, undermining the fundamental purpose for existence of NGOs. How does it affect accountability? The weaknesses presented above create an environment where there is no direction; every one existing to satisfy his/her own interests, at the expense of community interests for which funds were advanced.

3.5. Failure to separate management/ ownership from NGO operations

Most large NGOs have grown from small initiatives of two, three or five people (Benddle, 2006:14). Accordingly, most small organizations tend to have a strong attachment to ownership and what is done. Managers have in most cases failed to recognize that there is need for separation of management roles from what is done as organisations grow and increase on the scope of their work as separation of powers is the best tenet for increasing organizational performance (Benddle argues. The founders tend to retain their positions or appoint their close relatives as board members and occupiers of other key positions, making NGOs operate on relational ties, a fact that excludes external parties, and reduces the powers of other intending/ would be stakeholders. This further contributes to the problems explained in 3.4 above.

3.6. High dependence on foreign funding and support

Most NGOs/ CSOs in Uganda are highly dependent on foreign sources of funding for their programmes, agendas and activities. Although many have argued that existence of NGOs without such dependence is impossible and that it is of no harm, it needs to be understood that this dependence syndrome undermines the independence and internal decision making capacity of NGOs. In addition, this problem contributes to further weaken any social bases NGOs may have and makes them not accountable to the communities they serve, or any other domestic constituencies, but to the funders who in most cases are in foreign countries. High dependency on foreign funding means NGO implementers tend to attach much value to accounting up-wards, undermining downward accountability. Accounting up-wards as Ronelle and Trudy (2002:3) contend in most cases is affected by a number of factors mostly distances involved which make it prohibitively expensive for donors to visit project sites regularly to observe conditions, outputs and outcomes. The result has been that donors have heavily relied on second-hand information, which at times bears less truth. In addition, too much tendency for up-ward accountability undermines the power and weakens the capacity of the community (as key stakeholders on the ground) to demand for pertinent information on NGO performance- making accountability and transparency discretionary (Bendell 2006:14); dilutes the 'sense of ownership' among members of community and other local stakeholders, affecting sustainability of projects; and creates chance for NGO management to give inaccurate information, mostly in their favour (Ronelle and Trudy, 2002:8), lubricating asymmetry mentioned earlier in this paper. A combination of all these renders inapt the aim for donor funds are given and received.

4. Remedial Postulates

The bottlenecks presented above can be remedied by application of a number of measures: Giving more operational and administrative power and support to the National NGO Board to dissolve and/ or deregister NGOs; balancing stakeholder involvement; building strong internal structures to support voluntary accountability; enhancing measures for participatory monitoring and evaluation of NGO projects; and improving coordination between donor-funded operations and the Government.

4.1. According more operational and administrative power and support to the National NGO Board^{vi} to dissolve and/ or de-register non-compliant NGOs

It is a legal requirement for all NGOs to get registered before they start operations. The registering authority needs to be given support to de-register NGOs that are non-compliant. Although such powers are clearly defined in Regulation 17 (3) of the NGO Act, 2006,^{vii} the Board's capacity is affected by shortage of facilitation and support mostly financial, as it relies on foreign donations or fees collected, which are too meager to fully facilitate it in running all its activities all over the country. This definitely implies limited capacity. The Board has also faced stiff criticisms by key NGO/CSO stakeholders, stemming from the fact that it is given excessive powers and jurisdiction mostly on the manner in which it can dissolve an NGO without any meaningful opportunity for appeal. In addition, as they claim, the Board has made the registration process tedious. According to regulation 5 (1), 'an application for NGO registration is required to be accompanied by: 1) a specification of the area of intended operation of the organization 2) field of operation for instance health, education 3) a chart showing the structure of the organization 4) a work plan and budget for the first year of operation of the organization 5) for the case of a local organization, a written recommendation to the board by two sureties, a written recommendation by the chairperson of the executive committee of the sub-county council and the Resident District Commissioner of the area where the organization intends to operate, among others. However, a lot of red tape, influence, corrupt tendencies have changed the face and intentions of the Board, making it possible for unregistered NGOs to come into operation and those recommended to operate to do it outside the agreed scope, the end result being total mismanagement of donor funds. The above requirements and conditions are taken as uncalled for imposed requirements which rather limit NGOs, more especially where an NGO is required to inform and get permission to expand or change its operations. These accordingly are legal requirements. NGOs need to be continually screened, to find out whether they are compliant, failure of which should have legal consequences. As Ronelle and Trudy (2002:1) found out in their study of 300 NGOs in Uganda, the threat of being caught and consequently reprimanded reduces the likelihood of dishonesty about transparency, mostly financial.

4.2. Balancing stakeholder involvement

There is need for striking a balance in application of accountability mechanisms and practices such that all stakeholders are involved. Accordingly, with this balance, NGOs stand to benefit from an increase in trust and commitment from stakeholders, increased organizational performance and learning, and the ability to counter criticisms that NGOs are secretive and undemocratic (Lee, 2004:7). There has been a common tendency where the used disclosure statements and performance reports address stakeholder needs upwards, neglecting those down for example community members for whom the NGO projects are meant to transform. Excluding community members is a grave mistake because they are the key funders, an indispensable source of ground information, and play a key role in as far as sustainability of the project/programme after donor funding has been suspended is concerned. Therefore, community participation in decision making on resource allocation, monitoring and evaluation should be emphasized by all NGOs. They need to be fully involved in generating information at all stages, but mostly in social audits. Social audits help to assess report and regulate the social performance and ethical behavior of NGOs towards the concerned social groups.

Important to note is that the problems which most directly affect the poor are at ground or community level (Poverty Eradication Action Plan^{viii} (2001-2003)). This calls for top- bottom accountability since the only users of the service can observe how a particular official is performing on a daily basis. Therefore, measures are needed to make the deliverers of services accountable to the people they serve. These measures may include but are not limited to: creating, developing and strengthening community level institutions like Community Based Organizations through which the community can discuss their changes with service delivery. Institutions are important to save active community members from victimization by service deliverers and to create a collective voice of forcing for proper service delivery (Poverty Eradication Action Plan, 2001-2003:92); having links between community level organizations and management structures of service delivery to make service deliverers effectively accountable to the community level organs /institutions; and availing technical support to service deliverers to make them what is required of them. However, the question in this regard remains "Who will provide this support?" Responses to this question may be mixed, but to be clear, government interference mostly at local council level serves the purpose. It is important to empower village councils to hold social service deliverers accountable, mostly giving such councils' capacity to certify that a given facility /organization has delivered services up to the required standard /objectives. It is important to note that though reactions to this view are mixed, the general principal that communities should be able to hold service deliverers accountable remains fundamental.

4.3. Building strong internal structures to support voluntary accountability

NGOs have different hierarchies of accountability, all which are seen to serve an equal contributory role in their performance. All individuals in organizations should be understood as internal stakeholders whose efforts and conduct have direct impacts upon organizational performance and legitimacy. Of particular significance in project-oriented NGOs are fieldworkers who directly interact with those served, often poor and in remote areas. Hence, these workers though at the lowest level of the organisation greatly influence service delivery and shape the attitude of beneficiaries (the community) and therefore judgment of accountability of the organisation. If they are for instance underpaid, undervalued, overworked, and unappreciated, they may easily develop negative conducts that can affect the organization. Strongly motivated field workers can stimulate client satisfaction. On the other hand, those engaging in corrupt practices or showing indifference to the poor can undermine NGO legitimacy. All these are factors, predispositions and parameters that can be greatly influenced by the nature of the internal set up of the organization. Workers play a middleman role between the beneficiaries and NGO management. However, management also plays the same role between funders, partner organizations, the government, and the community, but remains the custodian of all wellbeing in the

organization in terms of planning and designing the internal and external structures that create / favour satisfaction and therefore positive judgement of the organisation's endeavors. Accountability is a function of a number of mechanisms, however, it becomes a success if seen to be built on self regulation. NGO efforts toward self-regulation often involve developing codes of conduct or ethics for individuals and/or organizations either within national settings or partnership associations. Difficulties in internal organizational consensus building can lead to minimal standards that counteract the intent to gain legitimacy through self-regulation. In order to breed positive results, the formulation/ setting up of the internal operational structures for self regulation needs to be done on the basis of the following elementary questions: Who is accountable to whom? How? For what outcome?

4.4. *Enhancing measures for participatory monitoring and evaluation of NGO projects*

As noted earlier while introducing this paper, the existence of NGO projects is not an end in itself but must aim at addressing problems/ development challenges identified in communities. For accountability to be effective so as to have these challenges addressed, a number of stakeholder groups must take part in assessing the progress made by NGOs. Important of these *inter alia* include communities/ potential beneficiaries, partner organizations, donors, and the government. The community being the focal point for giving and receiving donor funds in this regard must not be excluded, a mistake many have committed. Community participation is key in the sense that it creates ownership of projects and builds community capacity for management and decision making on key issues. This means accountability must be downward (Bendle, 2006). In addition, recommendations made by stakeholders in downward accountability must not be taken trivially, since this is the main reason most scholars have based on to downplay the importance of monitoring and evaluation, qualifying it as a wastage of time. In addition to ensure success of participatory monitoring, evaluation and reporting on NGO activities, all bodies involved must be made autonomous/ operate with reasonable degree of independence, if they are derive satisfaction out of the work done by those project/programme implementers.

4.5. *Improving coordination between donor-funded operations and the Government*

The human and other resources in donor-supported projects and public sector are devoted to the same end result- community well-being, transformation and national development (Poverty Eradication Action Plan, 2001-2003:92). Therefore, there is need for coordination of efforts among the two sectors. In a sense, government should seek to cooperate with the civil society sector and other development partners, mostly in analyzing the objectives to ensure that they are in line with community needs. The effort has already been made by giving these organizations tax exemption status, so why allow misuse of this status? In order for Government partnership and coordination with NGOs to succeed, a number of suggestions are put forth:

- There is need for Government to hold regular discussions with NGO representatives and management to prioritize service delivery decisions in specific areas and to align the constraints to delivery of such services.
- The Government needs to avail additional incentives for high quality/ high performing NGOs mostly in highly isolated and risky areas for example communications equipment, access to equalization grants to defray some of their operational costs and reduce claims of failure to account because of costs involved. NGOs, as earlier noted, have been forced to engage in areas where the government has failed to make progress such as after-war resettlements in northern Uganda, extending health care and improving quality of lives in the marginalized areas among others. It needs to be noted that most of these are costly, and are part of what the government is supposed to do for its citizenry. There is therefore need for the government to extend support to the NGOs initiatives of transforming communities and improving qualities of lives for its people.
- There is need for Government to provide or contribute to capacity building of NGOs and Civil Society Organisations in general, particularly in areas of monitoring and control of operations to ensure accountability for donor / public funds. This mainly aims at reducing the earlier mentioned internal weaknesses. Capacity building may be done through providing support for training NGO staff and ensuring that staff are equipped with capacity to understand existent laws, than direct government influence.
- There is need to put in place and/or strengthen the NGO coordination office mostly to monitor their formation and operation. In this regard, the concerned bodies need to be empowered to regulate the process through which NGOs are formed such that it is made clear to whom they will account, the mechanisms they will use to follow up their operations and their ability to stick to the required standards during their operation. Article (2) of the NGO Regulation Act states '*Upon registration, the National NGO Board shall issue a certificate of registration to the organization, subject to such conditions or directions generally as it may think fit to insert in the certificate and particularly relating to: a) the operation of the organization; b) where the organization may carry out its activities; c) staffing.*' A look at this article shows that the government pays attention to the existence and operation of NGOs. However, much of the effort ends at promulgation of these Acts and the articles contained therein, but less effort is put for their operationalize. In addition, attempts to follow up the implementation of these laws has always either not been made at all or become futile because of tendencies like corruption and other selfish interests. NGOs have not had independence from influence by some *powerful* government officials, who lead to recruitment of personnel, not on merit, qualification and experience. These employees accordingly end up not accounting to their stake holders like funders and community, but to the people who *fixed* them in the different positions.
- Related to the above, the government should put stringent measures, rules and regulations, and policies which empower stakeholders mostly donors and the community to take legal action against NGO proprietors who do not deliver the social services for which donor support is/ has been given. This is because it is a common phenomenon for individuals to start NGOs using community cause, receive the funding and stand aside to watch as problems for which they received funds claim community lives, as they use aid funds to satisfy their own selfish interests.

5. Conclusion

By way of concluding, it has been made clear that despite continued call and efforts to promote and ensure accountability and transparency among NGOs, a deeper examination of what has been discussed in this paper, and actually what is on ground, shows that accountability and transparency have remained far-fetched dreams. Additionally, our discussion has indicated that despite the continued proliferation in NGO numbers in Uganda and the reported receipt of large sums of donor funds, there is continued reported discrepancy between what is actually done - tangible and intangible results and what is always projected while soliciting funds. The main reasons as per the discussion include failure to institute regulation for NGO formation and operation, and taking stringent action against NGOs that do not comply with/operate in accordance with aim for receiving donor funds; freedom to NGO implementers giving rise to the agency problem; lack of proper assessments and evaluations stemming from conflicts of interest between management and external bodies on importance and relevance such evaluations; high costs associated with accountability; weak internal management systems that result into internal inefficiencies; high dependency on external support which leads to over inclination to up-ward accountability at the expense of accounting to communities (down-ward accountability).

As a last note, with belief in NGOs and credibility for their capacity to undertake what other agencies can not afford, there is generally an escalating tendency by government and other stakeholders with responsibility to wait for NGOs to address most challenges faced. This tendency has resulted into uncontrolled freedom to the extent that starting and running an NGO or a donor funded project today has become business. This is what has bred concealment of sources and misuse of donor funds as the aim has shifted from improving community well-being to satisfying individual selfish interests. Though community transformation and well-being is taken to be a responsibility of every citizen, the government is the custodian of people's lives. It therefore has an obligation of regulating all internal activities, projects and programmes within its territorial jurisdiction. This can be successfully attained by adopting a new strategy which focuses on supporting and strengthening all other sub-units mostly community-based institutions; building capacities of communities such that they have with them the power to judge, monitor, report and sustain some projects once the donor support is suspended. Empowering communities gives them capacity to demand for accountability and in ensuring that the funds received using their name are put to proper use by those implementing donor- funded projects/programmes.

Lastly, but not least, the ineffectiveness of accountability as shown in this paper is a result of the freedom enjoyed by NGOs. Noted is that accounting has continued to be done with much freedom of choice. It is discretionary! However, in consideration of Edwards and Hulme's (1995) argument, improving performance assessment and accountability must not be taken as an 'optional extra', but a central element which all organizations with a mission must pursue to sustain their existence

6. Notes

ⁱ According to the National Forum for NGOs in Uganda, the number of NGOs in the country in 2000 was 3500. In 2003, it grew to 4700 and 5500 by 2005. By the end of 2007, registered NGOs were 7,000. Today, the number is intimated to be 8000. However, few of the registered organizations come into operation. A survey done in 2003 by the Office of the Prime Minister established that about only 20% of NGOs that get registered go into operation (New Vision, 9 August 2009).

ⁱⁱ There is still confusion on the meaning of NGOs and Civil Society Organisations. CSO refers to a spectrum of organizations- not for profit organisations (social enterprises), charities, community and voluntary organisations, housing associations (CBOs) and many others. The point here is that NGOs are part and parcel of the CSO spectrum.

ⁱⁱⁱ Non for Profit Organizations, classified as Religious, Charitable or Educational institutions of a public character are considered 'exempt organizations' as long as their income/assets do not confer private benefit to any person(s). *See*, also s.21 (f). These exemptions include Property Income Tax and Import Duties.

^{iv} Some questions however are still raised on whether government regulations have served their purpose, as most studies have claimed that such regulations end on stating what is required, without any effort made to make them operational.

^v Agency problem: (Principal-Agent problem): The tendency by managers/ agents of organizations to work and aim at fulfilling their own objectives at the expense of the funders/ owners/ principals of organizations.

^{vi} The National NGO Board is a national body formed to regulate the formation and operation of NGOs. As a requirement, any NGO seeking operation must register with the Board. *See*, NGO Registration Act, Section 2(1); NGO Registration (Amendment) Act, Section 4; and Regulation 3 of the NGO Registration Regulations, 2009). Registration is done on the basis of the Board's satisfaction with information presented/served to it by the organization. *See* also, NGO Registration Act s.2 (2). This is opposed to Companies and Trusts which are registered under the Companies Act. *See*, Companies Act Cap.110, 1961.

^{vii} This regulation states: 'an organization may dissolve by order of the Board if the Board has reason to believe that the registered organization has not commenced its activities within twelve months from the time of registration or without justifiable cause for any reason has ceased to exist after that or it is proved to be defrauding the public or its members or both, or it has violated the terms and conditions attached to its permit or operated in contravention of the provisions of the Act; or for any other reason the Board considers necessary in the public interest.

^{viii} The Poverty Eradication Action Plan (PEAP) was adopted in 1997. It worked as the country's policy framework and planning tool and in pursuing the poverty eradication agenda. The PEAP was operational until June 2008 when it was revised leading to the National Development Plan (NDP).

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