



UNIVERSITY OF AMSTERDAM

UvA-DARE (Digital Academic Repository)

The construction and operationalisation of NGO accountability: Directing Dutch governmentally funded NGOs towards quality improvement

Boomsma, R.S.

[Link to publication](#)

Citation for published version (APA):

Boomsma, R. S. (2013). The construction and operationalisation of NGO accountability: Directing Dutch governmentally funded NGOs towards quality improvement

General rights

It is not permitted to download or to forward/distribute the text or part of it without the consent of the author(s) and/or copyright holder(s), other than for strictly personal, individual use, unless the work is under an open content license (like Creative Commons).

Disclaimer/Complaints regulations

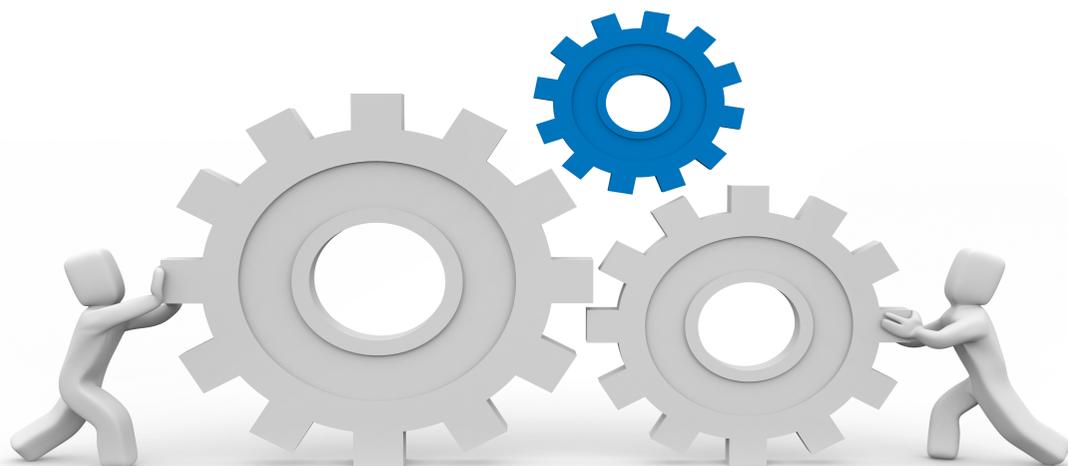
If you believe that digital publication of certain material infringes any of your rights or (privacy) interests, please let the Library know, stating your reasons. In case of a legitimate complaint, the Library will make the material inaccessible and/or remove it from the website. Please Ask the Library: <http://uba.uva.nl/en/contact>, or a letter to: Library of the University of Amsterdam, Secretariat, Singel 425, 1012 WP Amsterdam, The Netherlands. You will be contacted as soon as possible.

UvA-DARE is a service provided by the library of the University of Amsterdam (<http://dare.uva.nl>)

Download date: 24 Apr 2017

The construction and operationalisation of NGO accountability:

**Directing Dutch governmentally funded NGOs towards
quality improvement**



Roel S. Boomsma

The construction and operationalisation of NGO accountability:

**Directing Dutch governmentally funded NGOs towards
quality improvement**

ACADEMISCH PROEFSCHRIFT

ter verkrijging van de graad van doctor aan de Universiteit van Amsterdam
op gezag van de Rector Magnificus
prof. dr. D.C. van den Boom
ten overstaan van een door het college voor promoties
ingestelde commissie,
in het openbaar te verdedigen in de Agnietenkapel
op dinsdag 2 juli 2013, te 16:00 uur

door

Roel Sieger Boomsma

geboren te Venhuizen

Promotiecommissie

Promotor: Prof. dr. B.G.D. O'Dwyer

Overige leden: Prof. dr. J.E.M. Kolk
Prof. dr. J. Unerman
Prof. dr. E.G.J. Vosselman
Dr. T.R. Johansen

Faculteit der Economie en Bedrijfskunde

ISBN: 978-94-6191-772-0

Cover Image: Pixmac

Printing: Ipskamp Drukkers, Enschede, The Netherlands

TABLE OF CONTENTS

LIST OF FIGURES	VI
LIST OF TABLES	VII
LIST OF ACRONYMS	VIII
ABSTRACT	IX
CHAPTER 1: INTRODUCTION	1
1.1 Introduction	1
1.2 Research questions and objectives	2
1.3 Theory	3
1.4 Research methods	5
1.5 Research contributions	6
1.5.1 Empirical contributions to the NGO accountability field	6
1.5.2 Theoretical contributions to governmentality studies	7
1.6 Thesis structure	9
CHAPTER 2: NGO ACCOUNTABILITY	13
2.1 Introduction	13
2.2 Conceptions of accountability	13
2.3 Forms of accountability	15
2.3.1 Distinctions between forms of accountability with a focus on resource use and values	15
2.3.2 Hybrid forms of accountability	19
2.3.3 Summary of accountability literature review	20
2.4 The nature of NGO Accountability	20
2.4.1 Defining and classifying NGOs	21
2.4.2 Motives for NGO accountability.....	22
2.4.3 Forms of NGO accountability – Upward, downward and internal	23
2.4.4 Tensions between different forms of accountability	25
2.4.5 Donor dominance in NGO accountability	26
2.4.6 Operationalisation of NGO accountability – The accountability technologies (mechanisms) adopted ..	28
2.5 Chapter summary	37

CHAPTER 3: THEORETICAL FRAMEWORK: GOVERNMENTALITY	39
3.1 Introduction	39
3.2 Introducing governmentality	40
3.2.1 Control through discipline	40
3.2.2 Analysing governmentality	42
3.3 Theoretical framework	44
3.3.1 Introduction	44
3.3.2 Problematisation – Constructing problematic conduct	46
3.3.3 Rationalities of government - Making problems thinkable	47
3.3.4 Programmes of government – Linking rationalities with frameworks for intervention	49
3.3.5 Technologies of government - Intervention	52
3.4 Chapter summary	56
CHAPTER 4: RESEARCH METHODOLOGY AND METHODS	57
4.1 Introduction	57
4.2 Research methodology	57
4.3 Research methods and the role of theory	59
4.3.1 The role of theory in qualitative research	60
4.3.2 Qualitative research methods – Documentary analysis	61
4.3.3 Qualitative research methods – Interviews	62
4.4 The research process of this study	63
4.4.1 Background to the research	63
4.4.2 Research questions	64
4.4.3 Data collection: Documents on the construction of accountability	64
4.4.4 Data collection: Interviews	66
4.4.5 Data analysis	69
4.5 Chapter summary	73
CHAPTER 5: CASE CONTEXT AND INTRODUCTION TO FINDINGS	75
5.1 Introduction	75
5.2 A brief introduction to international development cooperation	75
5.3 A brief history of Dutch development cooperation	77
5.4 Introduction to the Dutch NGOs included in this study	79
5.4.1 Oxfam Novib.....	79
5.4.2 ICCO	80
5.4.3 Cordaid.....	80
5.4.4 Hivos	80
5.5 Brief overview of the research findings (chapters 6 to 9)	81
5.6 Chapter summary	84

CHAPTER 6: THE PROBLEMATISATION OF INSIGHT AND CONTROL: THE CONSTRUCTION OF QUALITY IMPROVEMENT AS A RATIONALE OF GOVERNMENT **85**

6.1 Introduction	85
6.2 Emergence of the co-financing program	85
6.2.1 Background to the commencement of the co-financing program.....	86
6.2.2 Transferring responsibility for the selection and approval of project proposals to NGOs.....	88
6.3 Problematising insight into and control of co-financing NGOs	90
6.3.1 Evaluating Dutch development cooperation.....	91
6.3.2 Concerns about donor centrism.....	93
6.4 Working towards quality improvement as a rationale of government	95
6.4.1 Constructing the rationale of quality improvement.....	95
6.4.2 Programme of government aimed at realising quality improvement.....	99
6.4.3 Lack of available technologies of government.....	101
6.5 Making programmatic aims more explicit and developing accountability technologies	102
6.5.1 Introducing explicit programmatic aims.....	103
6.5.2 Introducing enhanced accountability technologies.....	104
6.6 Chapter summary	105

CHAPTER 7: THE 1980s AND 1990s: PROGRAMMATIC SHIFTS AND THE INTRODUCTION OF EX-POST ACCOUNTABILITY TECHNOLOGIES **107**

7.1 Introduction	107
7.2 Moving from project to programme financing	107
7.2.1 The distinction between project and programme financing.....	107
7.2.2 The desire to move to programme financing.....	108
7.2.3 A new programmatic aim: retrospective oversight on a policy level.....	108
7.2.4 Technological changes enabling retrospective oversight.....	110
7.2.5 Reflecting on the programmatic and technological changes in the 1980s.....	113
7.3 Entering the 1990s - Increased public scrutiny of development cooperation	114
7.3.1 Further debates on the role of co-financing NGOs.....	114
7.3.2 Unpacking the rationale of quality improvement: Structural poverty reduction and sustainable longer term development.....	115
7.3.3 New programmatic aims: A revised framework of action aimed at achieving quality improvement...	116
7.3.4 Addressing the revised programmatic aims – NGO reorganisations.....	119
7.4 Chapter summary	121

CHAPTER 8: CO-FINANCING PROGRAMS FROM THE LATE 1990s ONWARDS: THE DEVELOPMENT OF TWO KEY PROGRAMMATIC AIMS - COMPETITION FOR FUNDING AND IMPROVED ACCOUNTABILITY 123

8.1 Introduction..... 123

8.2 Moving to MFP-Breed: Addressing the ‘semi-monopoly’ position of co-financing NGOs..... 123

8.2.1 MFP-Breed: Questioning the ‘semi-monopoly’ position of co-financing NGOs..... 124

8.2.2 The MFP-Breed funding scheme: Assessing the functioning of technologies of government..... 125

8.2.3 The MFP-Breed funding scheme: Programmatic and technological changes between 2002 and 2006 126

8.3 The initiation of MFS1: A more systematic approach to the assessment and comparison of NGOs... 127

8.3.1 MFS1: Further unpacking the rationale of quality improvement - Decomposing effectiveness and efficiency..... 128

8.3.2 MFS1: Unpacking programmatic aims in order to operationalise the decomposed rationale of quality improvement 129

8.3.3 MFS1: Linking the programmatic aim of *competition for funding* with ex-ante accountability technologies 130

8.3.4 MFS1: Linking the programmatic aim of *improved accountability* with ex-post accountability technologies 131

8.4 Moving to MFS2: More stringent accountability technologies..... 133

8.4.1 Questioning the achievements of MFS1 134

8.4.2 MFS2: Discussing suggested programmatic and technological changes..... 135

8.4.3 MFS2: Linking the programmatic aim of *competition for funding* with more stringent ex-ante accountability technologies..... 136

8.4.4 MFS2: Linking the programmatic aim of *improved accountability* with more stringent ex-post accountability technologies..... 138

8.5 Chapter summary 142

CHAPTER 9: OPERATIONALISING THE PROGRAMMATIC AIMS OF MFS2: THE IMPACT OF ACCOUNTABILITY TECHNOLOGIES ON NGOS 145

9.1 Introduction..... 145

9.2 NGO support for the programmatic aims of MFS2 145

9.3 The problematic nature of MFS2 accountability technologies 148

9.3.1 Predefined indicators: Barriers as opposed to opportunities for learning..... 149

9.3.2 The problems of aggregation and standardisation 152

9.3.3 Creating ‘fake certainties’ 156

9.3.4 Speculation on the Ministry motives for aggregation and standardisation..... 157

9.3.5 Influencing introduced accountability technologies 158

9.4 Acting as a buffer between MFS2 accountability technologies and counterparts: Focusing on internal accountability needs..... 159

9.4.1 The Case of Hivos – A buffer between MSF2 requirements and counterpart priorities..... 160

9.4.2 The Case of Cordaid – Linking systems in order to address the inappropriate aspects of accountability technologies 165

9.4.3 The Case of ICCO – The threat of mission drift..... 170

9.4.4 Brief summary of the three NGO cases 175

9.5 Chapter summary 177

CHAPTER 10: SUMMARY AND DISCUSSION	179
10.1 Introduction	179
10.2 Summary and interpretation of findings	179
10.2.1 The construction of NGO accountability – Research Question 1	180
10.2.2 Operationalisation of accountability technologies – Research Question 2	182
10.3 Empirical and theoretical implications of findings	183
10.3.1 Competition as a programmatic <i>aim of</i> accountability as opposed to a <i>cause of</i> accountability	184
10.3.2 Criticism <i>constitutive</i> of the government of NGOs	185
10.3.3 Problematic aspects of accountability technologies.....	187
10.3.4 Avoiding the adoption of narrowly focused accountability	188
10.4 Chapter summary	189
CHAPTER 11: CONCLUSION	191
11.1 Overview of the study	191
11.2 Research findings	193
11.3 Research contributions	194
11.3.1 Empirical contributions to the NGO accountability field	195
11.3.2 Theoretical contributions to governmentality studies	196
11.3.3 Practical implications	198
11.4 Limitations and future research	199
REFERENCES	201
APPENDICES	213
Appendix 1: Sample of analysed documents	214
Appendix 2: Guide for interviews with Oxfam Novib (2008).....	216
Appendix 3: Guide for interviews with governmental officials	217
Appendix 4: Guide for interviews with NGO managers (2011).....	218
Appendix 5: Loose codes – Documentary analysis	220
Appendix 6: Loose codes - Interview analysis	223
Appendix 7: List of Ministers of Development Cooperation	227
NEDERLANDSTALIGE SAMENVATTING	229
ACKNOWLEDGMENTS	235
ABOUT THE AUTHOR	237

LIST OF FIGURES

Figure 1.1: Overview of the problematisation process	4
Figure 2.1: Forms of accountability	16
Figure 3.1: Overview of the problematisation process	45
Figure 5.1: Brief overview of the financial links and flows involved in development cooperation	77
Figure 5.2: Overview of the problematisation process in the narrative (Chapters 6 to 8)	82
Figure 9.1: The vicious circle of aid	152

LIST OF TABLES

Table 2.1: NGO accountability forms and technologies	30
Table 4.1: List of interviewees	70
Table 4.2: Extract from Atlast.ti code matrix	72

LIST OF ACRONYMS

CAQDAS	Computer Assisted Qualitative Data Analysis Software
CIVICUS	International Alliance for Civil Society
CMC	Central Mission Commissariat
CORDAID	Catholic Organisation for Relief and Development Aid
HIVOS	Humanistic Institute for Cooperation with Developing Countries
ICCO	Interchurch Organisation for Development Cooperation
IMF	International Monetary Fund
IOB	Independent Policy and Operations Evaluation Department of the Dutch Ministry of Foreign Affairs
MFP	Co-financing program
MFP-Breed	Co-financing program-Broad (2002-2006)
MFS	Co-financing system
MFS1	Co-financing system 1 (2007-2010)
MFS2	Co-financing system 2 (2011-2015)
NGO	Non-governmental organisation
NOVIB	Netherlands Organisation for International Development Cooperation
ODA	Official Development Assistance
UN	United Nations

ABSTRACT

In the mid-1960s, the Dutch government commenced funding non-governmental organisations (NGOs) working in the area of development cooperation (development NGOs) as part of a so-called ‘co-financing scheme’. As this co-financing scheme evolved, the role of accountability in the relationship between the Dutch government and the funded NGOs (‘co-financing NGOs’) became increasingly important as funding levels escalated. This study examines the emergence and evolution of accountability in the relationship between the Dutch Ministry of Foreign Affairs and Dutch development NGOs within the co-financing scheme between 1965 and 2012. It also studies how the extensive governmental accountability requirements introduced in the most recent co-financing scheme have been operationalised within co-financing NGOs; in particular the impact these requirements have had on their focus and mission. A qualitative methodological approach was adopted to examine these processes. This involved an extensive analysis of (mainly) governmental documentary data and in-depth semi-structured interviews with NGO managers.

The study mobilises the concept of governmentality to theoretically frame the empirical analysis. This facilitates the identification of the shifting rationalities (the broader ideals to which government is directed), programmes (the approaches aimed at achieving the ideals in rationalities), and technologies of government (the practical mechanisms used to operationalise the aims embedded in programmes) underpinning the emergence and evolution of NGO accountability within the co-financing scheme. The analysis also reveals that while NGO managers perceived the ideals and aims underpinning accountability in the current co-financing scheme as potentially enabling, the imposition of increasingly inflexible accountability mechanisms threatened to distract their attention from their NGOs’ core missions. Despite this perceived threat, the analysis unveils the processes through which the managers have limited the impact of these mechanisms on their NGOs’ operations and on their mission-driven focus. Drawing on the overall analysis, it is argued that the study makes original empirical and theoretical contributions to both the NGO accounting and accountability and governmentality literatures.

CHAPTER 1: INTRODUCTION

Accountability is one of the most important issues in the political and public debate on international [development] cooperation. The necessity of accountability over the use of public and private resources is not in dispute. [...] The manner in which accountability is taking place is however disputable. (Stuurgroep beleidsdialoog, 2008, p. 5)

1.1 Introduction

Dutch governmental funding of private development non-governmental organisations (NGOs) dates back to 1965, when the Dutch Ministry of Foreign Affairs made funding available for private development initiatives in so-called developing countries. This governmental funding scheme, referred to as the co-financing program¹ (or scheme), initially provided funding to three Dutch development NGOs: Oxfam Novib², Cordaid³ and ICCO. Nowadays the co-financing scheme is open to all Dutch development NGOs. As in other international contexts, the relationship between the Dutch government and governmentally funded development NGOs was initially based on high levels of trust which resulted in a reluctance to scrutinise their work (Adil, 1996; Unerman *et al.*, 2007; Lloyd, 2005). However, in the evolution of the Dutch co-financing scheme from the 1960s to the present day, accountability has become a central feature of debates about Dutch development activities and the role of NGOs therein (Stuurgroep beleidsdialoog, 2008). This is reflective of prior academic work on NGO accountability, which argues that developments such as increased levels of funding (Edwards and Fowler, 2002) and NGO involvement in highly publicised scandals (Jepson, 2005) have resulted in a more sceptical stance towards NGOs and their work amongst politicians and the general public (O'Dwyer, 2007; Doh and Teegen, 2002; Edwards and Hulme, 1996; Fisher, 1997; Vakil, 1997; Christensen and Ebrahim, 2006; Ebrahim, 2005; Ebrahim, 2003b; Ebrahim, 2003a).

¹ Please note that the term 'program' is used instead of 'programme' to refer to the co-financing scheme/program throughout the study. The term 'programme' is used as key concept in the theoretical framework (see section 1.3). This distinction between 'program' and 'programme' is helpful for the purposes of clarity throughout the written document.

² Oxfam Novib was initially named Novib.

³ Cordaid was at this point in time named CMC.

In response to increased international scrutiny emerging in the 1990s, NGOs have started thinking carefully about their accountability to a range of constituencies. Scholars seeking to trace and theorise trends in NGO accountability have empirically examined the emergence and impact of various accountability mechanisms (Dempsey, 2007; Dixon *et al.*, 2006; Goddard and Assad, 2006; Kilby, 2006; O'Dwyer and Unerman, 2007; Ossewaarde *et al.*, 2008; O'Dwyer and Unerman, 2008) as well as considering the extent to which NGOs should be held accountable for their actions (Unerman and O'Dwyer, 2006b). Within development NGOs, dealing with this increased attention to accountability has often been found to be complex due to competing demands from multiple constituencies such as donors, local partner NGOs in developing countries (known as counterparts), beneficiaries, and staff (Dixon *et al.*, 2006; Ebrahim, 2009). Despite increased attention being paid to issues of NGO accountability in the academic literature, there has been: 1. relatively little in-depth consideration of how and why current NGO accountability practices have evolved over time and, 2. limited attention afforded to the effect of increasingly stringent and demanding NGO accountability requirements on the ability of NGOs to work towards their organisational missions (but see, O'Dwyer and Unerman, 2008). This study addresses both of these issues.

1.2 Research questions and objectives

The aims of this study are to enhance and deepen our understanding of: 1. the conceptualisation of accountability in the relationship between the Dutch Ministry of Foreign Affairs and Dutch development NGOs and, 2. the operationalisation of proposed accountability solutions on a practical level within governmentally funded Dutch development NGOs. The study seeks to construct what Foucault (1976) refers to as a 'genealogy' of NGO accountability, by building a chronology analysing the emergence and evolution of NGO accountability within the Dutch co-financing scheme for private development organisations. This genealogy draws mainly on governmental documents supplemented with external reports and is interpreted using a theoretical framework drawing on Miller and Rose's (1990; Rose and Miller, 1992) interpretation of Foucault's concept of governmentality (outlined in the next section (1.3)). Additionally, this study conducts an in-depth examination of how NGO managers perceived the operationalisation of accountability mechanisms (referred to as 'accountability technologies') introduced in the most recent Dutch governmental funding scheme. This aims to assess whether and, if so, how

governmental accountability requirements have influenced NGO operations. Based on these aims, the study seeks to answer the following two research questions:

1. How has accountability been constructed in the relationship between Dutch development NGOs and their primary governmental funder over the period from the mid-1960s to 2012?
2. How do NGO managers perceive the operationalisation of accountability technologies in the current Dutch governmental funding scheme for NGOs?

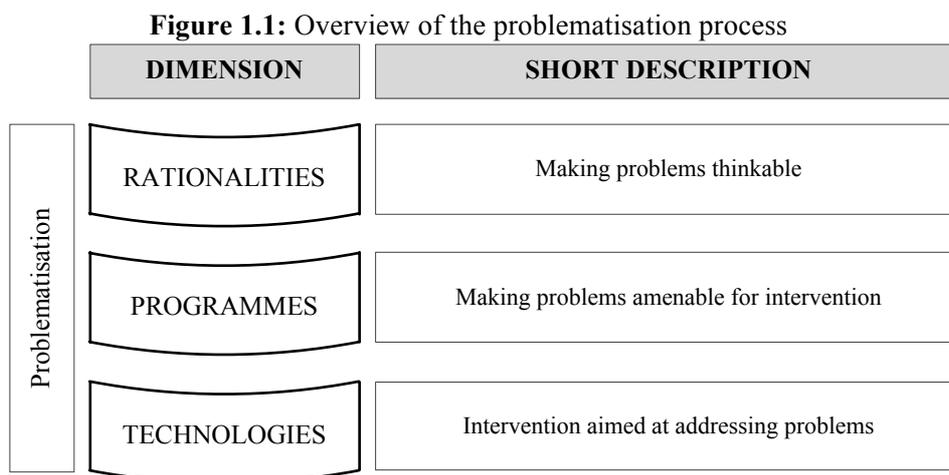
1.3 Theory

The theoretical framework mobilised in this study draws on the concept of governmentality (Foucault, 1979; Miller and Rose, 1990; Rose and Miller, 1992); a broad concept used to outline a means of analysing contemporary political power. Governmentality refers to any calculated activity employed by authorities or agencies that seeks to shape human behaviour or conduct in order to achieve certain ends (Boyce and Davids, 2004; Dean, 2010). This study specifically draws on the interpretation of governmentality by Miller and Rose (2008a; 1990) and Rose and Miller (1992) which has had a significant influence on the interdisciplinary accounting and accountability literature (see, for example, Miller and O’Leary, 1993; Miller and Napier, 1993; Radcliffe, 1998, 1999; Neu, 2000a, 2000b; Crawford, 2010).

Miller and Rose (1990; Rose and Miller, 1992) set out an approach to the analysis of political power in terms of ‘problematics of government’ or ‘problematizations’⁴. This involves examining how problematic conduct is revealed and subsequently made thinkable through discourse to make it possible to intervene and address the problematic conduct (Miller and Rose, 1990; Rose and Miller, 1992; Miller and Rose, 2008). Within a problematisation process something in current conduct is considered problematic if the behaviour and actions of individuals or organisations appears to require a change. Miller and Rose (1990; Rose and

⁴ The notion of problematisation was not explicitly at the centre of Foucault’s work, but it was brought forward by later work on governmentality drawing on Foucault’s writings and seminars (Radcliffe, 1995; Radcliffe, 1998; Castel, 1991). While Foucault did refer to problematisation indirectly in ‘A History of the Present’ (Foucault, 1976), the notion was made more explicit by Miller and Rose (Miller and Rose, 2008a).

Miller, 1992) argue that problems do not merely represent themselves in thought, they have to be agreed upon, framed and made amenable to intervention; in short, problems have to be made thinkable (and visible) in such a way as to be practicable or operable. The problematisation of conduct is a recurring feature in political debate, whereby practice is compared with underlying assumptions and individuals or groups find practice wanting (Rose and Miller, 1992; Radcliffe, 1995). In order to analyse problematisations, Miller and Rose (1990; Rose and Miller, 1992) teased out three distinct but interrelated dimensions of a problematisation process: *rationalities of government* (the ideals to which government should be directed); *programmes of government* (the programmatic approaches aimed at configuring behaviour in ways aimed at achieving the ideals embedded in rationalities); and *technologies of government* (the practical mechanisms used to operationalise the aims embedded in programmes) (see Figure 1.1).



Rationales of government represent styles of thinking, ways of rendering reality thinkable to make it calculable and programmable. Rationalities deal with general ideals and in order to become more specific, they are matched with programmes of government. Programmes of government describe in detail how rationalities might be accomplished, i.e. programmes provide the intellectual machinery that facilitate the implementation of abstract political rationalities or idealised representations of the world in practice (Miller and Rose, 1990). Programmatic approaches are embodied in reports, proposals, plans and legislation and encompass the ideals of experts, specialists, individuals, committees and other organisations.

They set out frameworks for action (Radcliffe, 1998). Technologies of government are used in order to describe the effort to match rationalities and programmes with action. Technologies are therefore the more practical part of everyday practice. Examples include features of organisational practice such as forms of notation, computation and calculation, systems of data storage and analysis, and methods of standardisation and verification (Miller and Rose, 1990; Rose and Miller, 1992; Radcliffe, 1998; Radcliffe, 1999). These three dimensions of governmentality are mobilised in this study as they facilitate the uncovering of the underlying ideals driving NGO accountability (rationalities), shifts in approaches to NGO accountability (programmes), and the operationalisation of NGO accountability mechanisms (technologies).

1.4 Research methods

The study adopts a qualitative methodological approach and mobilises qualitative research methods in order to investigate the (shifting) objectives and approaches to accountability and the NGO managers' perspectives of the operationalisation of accountability technologies. First, this involved a longitudinal content analysis of 283 (mainly) governmental documents in order to construct a chronology of the emergence and evolution of accountability within the governmental co-financing scheme. Second, this encompassed an analysis of 22 semi-structured in-depth interviews with 16 NGO managers in four NGOs receiving governmental funding through the co-financing scheme (these are referred to as 'co-financing NGOs' throughout the remainder of the study) and two governmental officials. Some managers were interviewed multiple times due to their key role in developing the accountability approach of their organisation. The analysis of the documentary data aimed to produce a rich insight into the shifts in approaches to accountability in the co-financing scheme that have occurred over time, while the analysis of the interview material seeks to provide a rich and context-specific understanding of the operationalisation of the most recent governmental accountability requirements *within* NGOs.

A qualitative approach was adopted given the focus of the study on 'how' (and (implicitly) 'why') questions within processes emerging in a 'real life' context (Silverman, 2000; Flick, 2006; Patton, 2002; Denzin and Lincoln, 1994; Morgan and Smircich, 1980; Given, 2008). This approach is particularly motivated by the specific focus of the study on the

conceptualisation of accountability in (political) *discourse* over an extended time period and on NGO managers' *perceptions* of the operationalisation of accountability within their own NGOs.

While there are currently a range of co-financing NGOs, the core focus in this study is on the so-called 'traditional' co-financing NGOs who have, with one exception, been participating in the co-financing program since its inception. This is because these organisations still receive about 75 per cent of the budget available for the co-financing program and represent the largest Dutch governmentally funded development NGOs. This choice of NGOs also facilitates linking aspects of the analysis of NGO managers' perceptions to the 'genealogy' of accountability. This linkage is further facilitated as the four NGOs studied have been subject to the various changes in the approaches to accountability embedded in the history of the co-financing program.

1.5 Research contributions

Several contributions arise from this research. The first part of this section will discuss the proposed empirical contributions to the NGO accountability literature, while the second part will discuss the proposed theoretical contributions to the literature drawing on the concept of governmentality.

1.5.1 Empirical contributions to the NGO accountability field

First, few studies on NGO accountability have specifically focused on the broader political context in which accountability demands have arisen (Ebrahim, 2009). This study contributes by examining the construction of accountability in the relationship between NGOs and a governmental funder over an extended period of time, thereby providing a more in-depth understanding of shifts in an NGO-funder accountability relationship and the extent to which NGOs feel influenced by accountability requirements introduced by (governmental) funders. This focus specifically addresses calls in the accounting literature for research of this nature (O'Dwyer and Unerman, 2007).

Second, few studies have focused on better understanding the effects of proposed accountability solutions on the behaviour of NGOs (Ebrahim, 2009). This research makes an empirical contribution by investigating NGO managers' perceptions of introduced accountability approaches and the perceived effect of more inflexible accountability requirements on the vision and mission of their organisations. In doing so, it addresses calls for empirical scrutiny of 'supposed accountability solutions' (Ebrahim, 2009, p.900) in order to better understand the effects of various approaches to accountability on the behaviour of NGOs and the extent to which increased demands for NGO accountability have 'actually led to *better* accountability' (Ebrahim, 2009, p. 900, emphasis added).

Third, this study examines a specific context in which NGOs became increasingly dependent on demonstrating their ability to deliver (quantitatively) measurable results in an effective and efficient manner in order to maintain funding and secure their existence. It demonstrates how NGOs managed the potential conflict between securing governmental funding and working towards their organisational missions by trying to influence governmental accountability requirements or adapting them into organisational approaches to accountability considered to be more in line with their organisational missions. This contributes to the NGO accountability literature, since it provides an enhanced understanding of the increasing necessity for NGOs to manage potential conflicts between accountability for values and mission and accountability aimed at maintaining (governmental) funding (Chenhall *et al.*, 2010). It also provides a more in-depth insight into the relationship between the (perceived) benefits (such as increased control and efficiency) and costs (such as 'misused' funds and mission drift), of introduced accountability technologies (Rahaman *et al.*, 2010).

1.5.2 Theoretical contributions to governmentality studies

In addition to the empirical contributions outlined above, this study also provides some theoretical contributions to the governmentality literature.

First, within the literature on governmentality, no prior work has specifically used a governmentality framing to analyse the emergence of NGO accountability over an extended time period. This study is unique in that it provides a 'genealogy' of NGO accountability by tracking the development of accountability in the relationship between the Dutch Ministry of

Foreign Affairs and Dutch development NGOs. In analysing the problematisation of NGO accountability over time, the study unveils the broader ideals underpinning the emergence of concerns for NGO accountability (rationalities of government), the more specific approaches to NGO accountability (programmes of government), and the implementation of NGO accountability mechanisms (accountability technologies) (see section 1.3). While prior studies in accounting have used a similar theoretical framing (Radcliffe, 1998; Radcliffe, 1999), the majority of these studies focus almost exclusively on the technological aspects of accounting by conceptualising and analysing accounting as a technology of government while rarely examining the rationalities and programmes underpinning these technologies in any depth (Rahaman *et al.*, 2010; Dean and Graham, 2004; Neu and Heincke, 2004; Neu, 2000a; 2000b).

Second, this study also focuses on the *enactment* of accountability technologies within NGOs. This is important, since it has been argued that it makes no sense to study abstract rationalities, programmes and technologies (section 1.3) without analysing how technologies are operationalised in practice (Petersen, 2003; Garland, 1997). This study addresses this issue by examining how managers from different Dutch co-financing NGOs experienced increasingly inflexible accountability technologies introduced in the most recent Dutch co-financing scheme (MFS2). Additionally, it analyses the *consequences* of the operationalisation of apparent accountability solutions within the NGOs studied. The findings provide a better understanding of what Miller and Rose (1990; Rose and Miller, 1992) term the continuously failing nature of government, which implies that constructed programmatic aims (and technologies) are always confronted with alternative, better, ways to direct individuals and groups towards desirable ends. The findings demonstrate the difficulties of ‘programming’ the world by unveiling a discrepancy between the ideals of the Ministry of Foreign Affairs as translated in their preferred accountability technologies and the effects and outcomes of these technologies at the organisational level of NGOs.

Third, by examining how Dutch development NGOs adapted to and sometimes resisted attempts to govern them, this study addresses O’Malley *et al.*’s (1997) complaint that ‘necessary’ elements of resistance and criticism are often absent from studies of governmentality. The analysis of the operationalisation of accountability technologies within the NGOs studied demonstrates how they developed strategies to allow them to comply with accountability demands without significantly altering their activities and behaviour. The

findings thereby provide more insight into elements of resistance and criticism, an area which is largely underdeveloped in work examining governmentality.

This study also offers some practical insights for a wide range of (development) NGOs and their (governmental) funders. It provides them with a better understanding of the effects of accountability policies and shows that whilst ideals underlying accountability approaches can involve working towards more meaningful accountability, the translation of these ideals into increasingly narrow, functional and inflexible requirements can incentivise NGOs to seek to report short term and clearly demonstrable results. This approach may prevent NGOs from learning from their failures, and could thereby lead to less effective and efficient development cooperation.

1.6 Thesis structure

The structure of the following ten chapters is as follows:

Chapter 2 is structured into three sections. The first section provides an overview of the possible conceptualisations of accountability and discusses key definitions in the literature. The second section discusses the different *forms* of accountability identified in prior literature. These are grouped under forms of accountability with a focus on: resource use; values; and a combination of the two (hybrid forms). The third section conducts a review of key topics that have been addressed in research on NGO accountability. This is focused around four main themes: defining and classifying NGOs; motives for NGO accountability; complexities of NGO accountability; and the operationalisation of NGO accountability.

Chapter 3 presents the theoretical framework adopted in the study and is divided into two main sections. First, an introduction to the concept of governmentality is provided which discusses the origin of the concept and some key underlying assumptions. The second section focuses on the governmentality framework as interpreted and mobilised in this study (see section 1.3). This draws on the work of Miller and Rose (1990; Rose and Miller, 1992) and the interrelated analytical dimensions of rationalities, programmes and technologies of government which underpin the problematisation process central to the concept of

governmentality. The prior use of this framework is illustrated by discussing studies of accounting and accountability which have mobilised key elements of the framework.

Chapter 4 discusses the research methodology and methods adopted in the study (see section 1.4) and is structured in three sections. The first section discusses the ontological and epistemological assumptions that underlie quantitative and qualitative research methodologies and explains how and why a qualitative research methodology was adopted in this study. The second section discusses the role of theory in qualitative research and outlines the two qualitative research methods - interviews and documentary analysis - adopted in this study. The third section focuses on the background to the research conducted, the research questions, and the process of collecting, displaying and interpreting the data gathered.

Chapter 5 provides a brief overview of the case context and an introduction to the findings. It provides a brief introduction to development cooperation and the Dutch NGOs included in the study. It also provides an overview of the empirical findings chapters (chapters 6 to 9).

The empirical findings of the study aimed at answering the two research questions (section 1.2) are presented in chapters 6 to 9. The findings presented in chapters 6 to 8 seek to answer the first research question and are based on the extensive documentary analysis. The findings in chapter 9 aim to answer the second research question and are based on the in-depth interviews with NGO managers (see section 1.4). Chapter 6 firstly describes the emergence of the governmental co-financing program based on the assessment and approval of NGO project proposals in the mid-1960s. It then focuses on how and why insight into and control of co-financing NGOs was constructed as a specific problem that required resolution. The chapter subsequently reveals how quality improvement, underpinned by broad, underspecified notions of efficiency and effectiveness, emerged in the late 1960s as an underlying ideal (rationale) to which NGOs should be directed in order to address the perceived problem of insight and control. The initial (implicit) programmatic aims (embedded in programmes) and associated accountability technologies adopted in order to accomplish the quality improvement ideal are then discussed. Finally, the chapter unveils how more explicit programmatic aims and enhanced accountability technologies emerged as a result of shifting perceptions of development cooperation in the late 1970s.

Chapter 7 focuses on the evolution of the co-financing scheme from the early 1980s to the mid-1990s. It is structured into two sections. The first section focuses on how the emergence of concerns about too much concentration of development cooperation within the Dutch government and increasing anxiety about insight into and control of the co-financing NGOs led to a shift from financing individual NGO projects to financing overall NGO programmes (combinations of projects). This section also reveals how a revised programme of government and new accountability technologies emerged as a result of this shift. The second section analyses how increased public scrutiny of development cooperation in general and NGO activities in particular emerged in the 1990s and led to a (further) reorientation of the programmatic aims underlying the co-financing scheme which are shown to have had direct implications for the co-financing NGOs' internal organisational structures.

Chapter 8 examines the evolution of the co-financing scheme from the late 1990s onwards and is divided into three sections. The first section discusses the changes evident in the shift to the so-called MFP-Breed (2002-2006) funding scheme which resulted from concerns about the 'semi-monopoly' position of the co-financing NGOs. In this co-financing scheme, two revised programmatic aims were articulated: competition for funding and improved accountability. The second section examines how these two programmatic aims were reconceptualised in the subsequent funding scheme, MFS1 (2007-2010), and were attached to accountability technologies emphasising the importance of monitoring and evaluation. The final section examines how the accountability technologies introduced in the MFS1 funding scheme were made much more stringent in the most recent funding scheme, MFS 2 (2011-2015).

Having discussed the construction of accountability over an extended period (the mid-1960s to 2012) in chapters 6 to 8, chapter 9 focuses on the in-depth interviews with NGO managers. It provides an in-depth analysis of the managers' perceptions of the operationalisation of accountability technologies introduced in the most recent funding scheme, MSF2. The chapter is structured into three sections. The first section illustrates how the programmatic aims underpinning MSF2 were initially positively perceived by the managers. The second section unveils the problems posed for the co-financing NGOs by the accountability technologies mobilised to realise the programmatic aims. The third section reveals how three of the co-financing NGOs have separately addressed some of the key problems identified and

how they have strived to limit the impact these imposed accountability technologies have had on their internal operations.

Chapter 10 summarises the findings and discusses their empirical and theoretical implications. Chapter 11 concludes the study and revisits the proposed contributions in section 1.5 above before offering some suggestions for future research.

CHAPTER 2: NGO ACCOUNTABILITY

2.1 Introduction

This chapter reviews prior literature on (NGO) accountability. As the focus of this study is on the conceptualisation of accountability *and* the operationalisation of accountability technologies within NGOs, prior literature addressing these topics is reviewed. The chapter is structured in four sections. The first section discusses a variety of possible conceptualisations of accountability in order to portray the fluid and potentially contested nature of accountability. The second section reviews key forms of accountability developed in prior academic literature. The third section introduces key topics that have been addressed in research on NGO accountability in order to place this study in context. This review of these key topics in the NGO accountability literature is organised around four main themes: defining and classifying NGOs; motives for NGO accountability; complexities of NGO accountability; and the operationalisation of NGO accountability.

2.2 Conceptions of accountability

Within academic literature different interpretations of accountability exist and it is often considered a fluid concept with several possible meanings (Gray *et al.*, 2006). Accountability in its simplest sense can be understood as ‘the giving and demanding of reasons for conduct’ (Roberts and Scapens, 1985, p. 447). How accountability is defined can change over time and depends on current ideologies, motifs and the language adopted (Sinclair, 1995). Although the need for accountability is recognised in academic literature and practice, i.e. it is often described as a ‘golden concept that no one can be against’ (Iyoha and Oyerinde, 2010, p. 362), it is far from resolved how to define the concept and no single best definition of accountability exists. Various definitions appear in the academic literature and some examples are provided below;

Accountability is about the conduct and performance of an individual, group or organisation, and the criteria used for assessing this. (Day and Klein, 1987, p. 5)

[Accountability can be described as] the right to receive information and the duty to supply it. (Gray, 1992, p. 413)

The means by which individuals and organisations report to a recognised authority (or authorities) and are held responsible for their actions. (Edwards and Hulme, 1996, p. 967)

Accountability [...] involves the production of internally consistent – but not necessarily truthful – accounts of how resources have been used by an organisation, as well as the decisions, rules, and actions that led to them. (Hannan and Freeman, 1989, p. 73-74, cited in Ebrahim, 2005, p. 59)

Despite the lack of consensus on the definition of accountability, most authors agree that it entails two dimensions, i.e. being held to account and holding to account (Mulgan, 2000), and involves at least two parties, i.e. an account giver and an account demander (Brown and Moore, 2001). An accountability relationship is created between parties when an individual or organisation recognises that a promise to do something has been made and a responsibility to aim to fulfil that promise has been accepted (Adil, 1996; Brown and Moore, 2001). This relationship can be concrete, as described in the quotation below:

Accountability is thought of as a concrete relationship between two or more parties. One party is accountable to another for the execution of some duty promised by the former. (Brown and Moore, 2001, p. 571)

Accountability relations can also be more abstract, for example, when an individual (or organisation) considers themselves accountable for the achievement of moral values (Brown and Moore, 2001). In addition to these general conceptions, accountability also has discipline specific meanings. Auditors, for example, perceive it as a financial or numerical matter, while legal scholars see it as part of a legal arrangement where parties can be held accountable for delivering agreed upon services or products (Iyoha and Oyerinde, 2010; Sinclair, 1995). And even within disciplines there seems to be a lack of agreement on what it means to be accountable (Cooper and Owen, 2007).

Although the definitions provided above are aimed at helping to better understand accountability, some authors argue that the more we attempt to define the concept, the murkier or vaguer it becomes (Sinclair, 1995). The concept seems to reside in a ‘bottomless swamp’ (Dahl, 1957, cited in Sinclair, 1995, p. 221), endlessly under development. Combined with the changing nature of accountability, this can lead to situations where it is

seen as an ‘ever expanding concept’ requiring constant clarification and categorisation (Mulgan, 2000). In addition to a range of definitions, numerous authors provide categorisations of accountability that aim to clarify the concept in specific contexts. These are discussed in the next section.

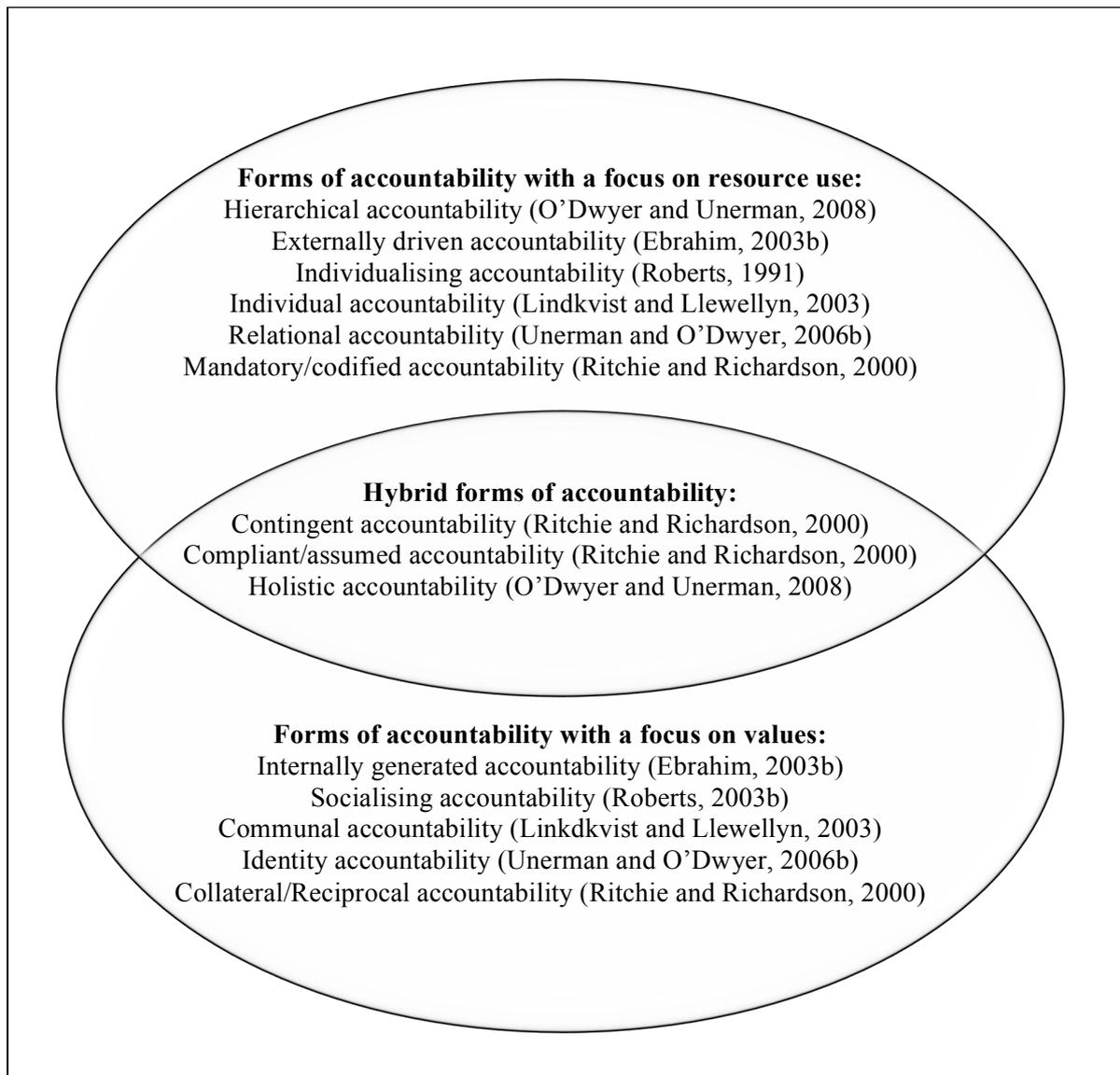
2.3 Forms of accountability

A number of forms of accountability are provided in academic accountability literature aimed at better describing and understanding accountability demands, pressures, motivations and practices within a variety of contexts. This section discusses the forms or categorisations of accountability most referred to in the literature. Figure 2.1 provides an overview of the forms of accountability reviewed in this section. The different forms are grouped under forms of accountability with a focus on resource use, a focus on values or a mixture of the two (hybrid forms). The form of accountability that often receives most attention in practice focuses on resource use. This form is, for example, present in the relationship between a corporation and its shareholders or in the relationship between a NGO and its primary funder. Accountability for values involves the internally felt motivation of an organisation (through its members) to be accountable for broader values, such as its impact on the environment or on a broader group of stakeholders. Hybrid forms of accountability present a mixture of accountability for resource use and values.

2.3.1 Distinctions between forms of accountability with a focus on resource use and values

Several authors provide distinctions between accountability for resource use and accountability for values. This section will discuss the distinctions between externally driven and internally generated accountability (Ebrahim, 2003b), individualising and socialising accountability (Roberts, 1991), individual and communal accountability (Lindkvist and Llewellyn, 2003), relational and identity accountability (Unerman and O'Dwyer, 2006b), and mandatory/codified and collateral/reciprocal accountability (Ritchie and Richardson, 2000) in order to illustrate how these distinctions are unpacked in the literature.

Figure 2.1: **Forms of accountability**



Ebrahim (2003b, p. 813) distinguishes between externally driven and internally generated accountability. Externally driven accountability involves the means through which organisations and individuals are held externally to account for their actions and resources used for performing actions. This form of accountability operates top-down in that an external party imposes accountability requirements upon an individual or organisation. Internally generated accountability is described as the means by which individuals or organisations 'take internal responsibility for continuously shaping, and scrutinising organisational mission, goals, and performance' (Ebrahim, 2003b) and thus focuses on values, as put forward in organisational missions and goals, rather than on resource use.

Roberts (1991) introduces a distinction between individualising and socialising forms of accountability. Individualising accountability focuses on how one will be seen and involves a continuous attempt to ‘stand as if outside oneself in order to anticipate the expectations of others’ (Roberts, 1991, p. 359-360; Lindkvist and Llewellyn, 2003). Individualising accountability is considered to be created and maintained around hierarchical accountability, and although it is grounded in social practices, its solitary and isolated character is emphasised. Socialising accountability acknowledges an interdependence of self and others and it is based on the assumptions of relative absence of power asymmetries and face-to-face negotiation of organisational significant events (Roberts, 1991). This form of accountability flourishes in the informal spaces of organisations and suggests that as people potentially encounter others more directly during their work, it is through these encounters that relationships are built that are based on mutual understanding, friendship, loyalty, reciprocal obligation, a sense of individual differences and mutual dependence. Socialising forms of accountability can serve to humanise the experience of work and ‘cushion the individual from the impersonal harshness of hierarchy especially at lower levels of the organisation’ (Roberts, 1991, p. 364).

Although the categorisation provided by Roberts (Roberts, 1991) helps in explaining accountability relations in certain national contexts, such as Great Britain, Lindkvist and Llewellyn (2003) argue that for other contexts the categorisation can be too dichotomous as it separates ‘system world’ and ‘life world’ issues too sharply by only identifying two forms of accountability. This separation assumes that the two forms are taking place in separate locations (work processes take place in the formal regions, while interactions take place in the informal regions), which operate in different ways. The authors argue that the formal and informal are more intertwined and occur simultaneously, with the emphasis shifting continuously. Lindkvist and Llewellyn (2003) argue that individuals do not adapt hierarchical rules in a solitary, silent and non-reflective manner; they ‘are able to relate in a conscious and reflective manner to a broad range of situations’ (Lindkvist and Llewellyn, 2003, p. 257). Instead of solely recognising the individualising sense of accountability systems, it is suggested that these systems can also promote, what they call, a communal sense of accountability. Additionally, they argue that the equation of hierarchical accountability with individualising accountability emphasises that accountability systems are a dividing, partitioning and differentiating practice, where individuals do not recognise their interdependence with others in their organisation, an argument which, according to them, does

not hold in all cultural and/or organisational contexts. Apart from an individualising sense of accountability, accountability systems within hierarchies can also create a sense of community. There is a possibility that within certain cultural contexts people are more inclined to take into account their fellow workers, making it natural to 'have a communal responsibility for results, even when these are set by people at higher (hierarchical) levels' (Lindkvist and Llewellyn, 2003, p. 264).

Lindkvist and Llewellyn (2003) provide an adjusted typology or categorisation of accountability introducing two additional forms. In addition to the individualising, referred to as 'individual responsibility/accountability for results', and socialising, referred to as 'communal responsibility/accountability for values' senses of accountability, the authors introduce 'individual responsibility/accountability for values' and 'communal responsibility/accountability for results'. Individual responsibility/accountability emphasises that apart from a communal/socialising sense of accountability for values, individuals can also 'have a sense of standing alone, guided by their own value system, looking inward to their own consciences' (Lindkvist and Llewellyn, 2003, p. 269). The communal accountability for results recognises that there also exists the possibility of people having a communal sense to attain organisational results (Lindkvist and Llewellyn, 2003).

Unerman and O'Dwyer (2006b) distinguish relational accountability from identity accountability. Relational accountability refers to people being required to explain and take responsibility for action through giving and demand reasons for conduct, while identity accountability focuses on issues of accountability that are internal to individuals and organisations, such as integrity and mission. Aspects of relational accountability can be compared to individualising or hierarchical accountability as defined by Roberts (1991), since this form of accountability can be perceived as a mechanism of control aimed at making visible what used to be invisible by providing information about actions to affected stakeholders. Unerman and O'Dwyer (2006b) however put more emphasis on the importance of stakeholder identification, which is considered crucial for this form of accountability, since it needs to be determined who is affected by certain actions in order to identify duties of accountability (Unerman and O'Dwyer, 2006b).

The other form of accountability introduced by Unerman and O'Dwyer (2006b), identity accountability, is based on an ethical or value based dimension acknowledging that 'one's

actions make a difference to both self and others' (Unerman and O'Dwyer, 2006b, p. 356). Identity accountability is somewhat related to the concept of socialising forms of accountability discussed by Roberts (1991), since it acknowledges the interdependence of self and others. It does, however, not assume the absence of power asymmetries and does not necessarily revolve around face-to-face negotiation of organisationally significant events (Roberts, 1991). It involves a felt accountability to certain stakeholders, while also excluding certain stakeholders to whom the organisation or individuals do not consider themselves accountable (Unerman and O'Dwyer, 2006b, p. 356).

Apart from the broader forms of accountability discussed above, other researchers provide more detailed typologies of forms of accountability. Ritchie and Richardson (2000) for example introduce mandatory/codified accountability to describe accountability that is strongly based on formal rules and highly prescribed or imposed. Collateral/reciprocal accountability on the other hand is described as a form of accountability which involves situated relationships and revolves around individuals, groups and situations rather than formal rules and regulations (Ritchie and Richardson, 2000). In addition to the dichotomy of accountability with a focus on resource use and accountability with a focus on values discussed above, several academic studies describe forms of accountability that are a mixture of both, i.e. so called hybrid forms of accountability.

2.3.2 Hybrid forms of accountability

Hybrid forms of accountability involve forms of accountability that combine a focus on resource use and values. O'Dwyer and Unerman (2008) introduced the concept of holistic accountability which combines accountability with a short-term, quantitative focus and orientation towards powerful stakeholders who control access to resources, which they refer to as hierarchical accountability, with accountability for impacts of individuals or organisations on a broader group of stakeholders. Holistic accountability has a longer term focus, taking into consideration organisational mission and the impact of working towards this mission on stakeholders directly or indirectly involved in organisational activities (O'Dwyer and Unerman, 2008). Ritchie and Richardson (2000) provide two more specific forms of accountability that involve a mixture of resource use and values, i.e. contingent/bounded and compliant/assumed accountability. Contingent/bounded forms of

accountability involve a combination of formal rules and regulation and situated relationships, which results in what they call a multifaceted form of accountability (Ritchie and Richardson, 2000). Compliant/assumed accountability involves no formal rules or relational commitment, and therefore involves a variety of diverging forms in practice. It can be related to a mandatory/codified type of accountability, discussed in the previous section, to the extent that it potentially forms the hidden side of this form of accountability as cover for its deficiencies (Ritchie and Richardson, 2000).

2.3.3 Summary of accountability literature review

Section 2.2 and 2.3 provided a review of academic literature that discusses different conceptions and forms of accountability. The purpose of these sections was to provide an insight into the fluid and potentially contested nature of accountability. Section 2.2 discussed several conceptualisations of accountability, ranging from simple to more detailed definitions. Despite their differences in the level of detail provided, these conceptualisations have in common that they identify two core dimensions of accountability, i.e. holding to account and being held to account, and the involvement of at least two parties, i.e. an account giving and an account demanding party. Section 2.3 elaborated on the various forms of accountability constructed in the prior literature. This section showed that, in general, accountability can be categorised into forms that focus on resource use, values or a mix of the two (hybrid forms of accountability). Since accountability can be interpreted differently in different contexts, the next section discusses accountability in the specific context of NGOs (NGO accountability), the focus of this study.

2.4 The nature of NGO Accountability

The rise of NGOs as important actors in international business can be traced to the 1980s. In the 1980s international companies were pressured to divest from South Africa, resulting in the withdrawal of a large amount of US and British companies. In this period, NGOs gained credence as legitimate actors in international business (Doh and Teegen, 2002). This increased international popularity and decreasing satisfaction with conventional politics led to NGOs moving from being ‘ladles in the soup kitchen to a force for transformation in global

politics' (Edwards and Fowler, 2002, p. 1; Doh and Teegen, 2002). A myth of infallibility emerged around NGOs and a reluctance to scrutinise their work developed (Adil, 1996; Lloyd, 2005; O'Dwyer, 2007). However, since the early 1990s NGOs have faced increasing scrutiny regarding their accountability, governance, legitimacy and wider social impacts (Lloyd, 2005; O'Dwyer, 2007). Before further discussing the consequences of increased scrutiny of the accountability of NGOs, the following section will first review literature that aims to define and classify NGOs. Since there is little consensus on the definition and classification of NGOs and a broad variety of organisations, ranging from development organisations to labour unions, can thus be classified as being an NGO, this will help in explaining the focus of this study on development NGOs and the complexities they face regarding their accountability.

2.4.1 Defining and classifying NGOs

Since NGOs vary in terms of size, topical coverage and scope (Doh and Teegen, 2002) there is little consensus on how to define and classify them (O'Dwyer and Unerman, 2007). The term 'embraces a range of institutions with little in common beyond the label NGO' (O'Dwyer and Unerman, 2007, p. 448) and some argue that NGOs can be best defined by what they are not (Gray *et al.*, 2006). Although the variation of NGOs' size, orientation and scope combined with the representation of a diverse range of interests, such as development cooperation, human rights and economic development, eludes definition (Doh and Teegen, 2002), various authors and institutions provide possible definitions of NGOs.

A subset of civic organisation, defined by the fact that they are formally registered with government, receive a significant proportion of their income from voluntary contributions (usually alongside grants from government), and are governed by a board of trustees rather than the elected representatives of a constituency. If civil society were an iceberg, then NGOs would be among the more noticeable of the peaks above the waterline, leaving the great bulk of community groups, informal associations, political parties and social networks sitting silently (but not passively) below. (Edwards, 2000, p. 7-8)

Any non-profit, voluntary citizens' group which is organised on a local, national or international level. Task-orientated and driven by people with a common interest, NGOs perform a variety of services and humanitarian functions, bring citizens' concerns to Governments, monitor policies and encourage political participation at the community level. They provide

analysis and expertise, serve as early warning mechanisms and help monitor and implement international agreements. Some are organised around specific issues, such as human rights, the environment or health. (Definition of the United Nations, cited in Gray *et al.*, 2006, p. 324)

Vakil (1997, p. 2060) defines NGOs as ‘self-governing, private, not-for-profit organisations that are geared to improving the quality of life of disadvantages people’. The author however notes that this definition is tentative and needs to be tested in multi-national contexts in order to assure it distinguishes NGOs from other organisations (Vakil, 1997). To overcome the definitional problem, Vakil (1997) suggests that NGOs can be broadly distinguished by their essential organisational attributes, i.e. orientation (the types of activities they engage in, i.e. welfare, development, development education, networking, research, and advocacy) and level of operation (international, national or local community level) (Vakil, 1997). This study is focused on NGOs with a development orientation who are based in the Dutch context but operate at an international level.

2.4.2 Motives for NGO accountability

Prior literature provides several arguments that explain the aforementioned demands for more explicit demonstrations of NGO accountability. The rapid growth in the number of NGOs and increased influence in international business and governments exposed NGOs to increased demands for accountability (Edwards and Fowler, 2002; O’Dwyer, 2007; Fisher, 1997; Ebrahim, 2005; Ebrahim, 2003a; Brown and Moore, 2001). This growth in numbers stems from a belief amongst donors that NGOs are better able to reach the poor and marginalised, that they are key players in democratisation processes and are more cost-effective than governments in providing social services (Ebrahim, 2003a). According to Ebrahim (2003a) this belief was mainly built on trust in NGOs since there is a lack of sufficient empirical evidence to support it.

NGOs became important participants in the negotiation between governments and multinational corporations, and in defining institutional environments in different jurisdictions (Doh and Teegen, 2002). Increased power, influence and presence of NGOs in various fields (O’Dwyer, 2007; Doh and Teegen, 2002; Brown and Moore, 2001), increased levels of funding (Edwards and Fowler, 2002), increased competition amongst NGOs for

funding (O'Dwyer and Unerman, 2008), enhanced development profiles (Vakil, 1997; Ebrahim, 2005; 2003a; 2003b; Zadek, 1998) and involvement in publicised scandals (Jepson, 2005; O'Dwyer, 2007) triggered demands for more NGO accountability. NGO scandals, such as the disastrous response of NGOs to the Rwanda crisis in 1996 (Callamard, 2004) and a lack of transparency in funding provided to NGOs in order provide aid to victims of the Tsunami in Asia in 2004, led to increased scrutiny of NGOs and public discussion about NGO accountability (O'Dwyer, 2007). These issues harmed the credibility of NGOs and caused the public view to move from NGOs being considered infallible (Adil, 1996; Lloyd, 2005) to a more sceptical perception of NGOs and their work.

Due to the aforementioned calls for more accountability, NGOs during the 1990s started recognising that being open and transparent, engaging stakeholders, evaluating and learning, and responding to complaints was crucial for their accountability (Lloyd *et al.*, 2008). The increased (public) attention and complexity surrounding NGO accountability triggered academic research in the area (Jepson, 2005). This will be further discussed in the following sections.

2.4.3 Forms of NGO accountability – Upward, downward and internal

The majority of academic studies on NGO accountability draw attention to aspects that make NGO accountability complex, such as the multiplicity of stakeholders (Adil, 1996; Edwards and Hulme, 1996; Brown and Moore, 2001), NGO board structures (Tandon, 1996) and conflicting accountability pressures (O'Dwyer and Unerman, 2008; Avina, 1993). NGOs face multiple constituencies to whom they can be considered upwardly, internally or downwardly accountable. Stakeholders to whom NGOs can be considered upwardly accountable include patrons⁵, such as donors, foundations, governments and partner NGOs (Adil, 1996; Lloyd, 2005; Fowler, 1995). NGOs can be regarded downwardly accountable to local counterparts/beneficiaries, although prior literature argues that there is a lack of substantive forms of downward accountability in NGO practice (O'Dwyer and Unerman, 2010). Finally, NGOs can also be considered internally accountable to themselves (Lloyd, 2005). Najam

⁵ A patronage relationship exists when failure to fulfil an implied or stated responsibility can result in withdrawal of financial (or non-financial) support. This patronage relationship explains the clear lines of responsibility in NGO-funder relationships combined with strong accountability enforcing mechanisms such as cancellation of grants, decreasing support of members, revoked accreditations, or reconsideration of collective arrangements (Adil, 1996)

(1996) states that this form of accountability manifests itself at various levels, such as being accountable to mission, vision, staff, members, coalition partners, larger constituency and to the NGO community. When NGOs increase in size, the necessity of internal accountability increases in order to ensure that all staff work towards the organisation's mission or 'original dream' (Adil, 1996, p. 348).

Accountability to patrons, i.e. upward accountability, involves a donor asserting financial control by demanding accountability for the provided money in combination with policy control by demanding accountability for the designated purpose (Adil, 1996; Ebrahim, 2005). Financial control and policy control are interrelated, since funds are provided by the donor in order to serve certain policy goals. Funds are often only provided if the pursuit of particular policy goals can be demonstrated or at least argued for (Najam, 1996). Practice shows that policy accountability is in many cases hard to operationalise; therefore financial accountability often becomes a de facto means of achieving policy accountability, i.e. to ensure that the donor's policy goals are being pursued by the NGOs and to hold NGOs accountable for whether and how donor money is spent. Upward accountability towards patrons often involves forms of accountability focusing on resource use (see Section 2.3), such as hierarchical accountability (O'Dwyer and Unerman, 2008) or externally driven accountability (Ebrahim, 2003b).

Downward accountability to clients, i.e. constituencies to whom NGOs provide services, resources or goods, is often not operationalised within NGOs (Adil, 1996; Ebrahim, 2005). There is a lack of mechanisms available for impoverished communities to hold NGOs accountable (Adil, 1996) and beneficiaries often do not actively demand accountability (O'Dwyer and Unerman, 2008). The dominant coercive accountability mechanisms introduced by donors often lead to downward accountability being ignored. While some NGOs recognise the demand for more downward accountability, mechanisms to enact this form of accountability are often not evident (O'Dwyer & Unerman, 2008). Efforts of NGOs to address calls for more accountability to clients mainly involve forms of participation. Participation, however, often remains undefined, is often misused, is often confused with decentralisation, and can mean nothing more than allowing local communities to agree with what NGOs intend to do (Adil, 1996). It can often be symbolic, i.e. a 'feel-good exercise' or 'a sham ritual of choosing local functionaries and allowing the already chosen objectives to be restated in the local vernacular' (Adil, 1996, p. 346), due to the fact that objectives (as

presented in funding agreements) of programs and projects are decided upon long before potential participating communities are known. Recently, the issue has received more attention both in practice and academic literature (see O'Dwyer and Unerman, 2010). Forms of accountability that focus on values or hybrid forms of accountability (section 2.3.1 and 2.3.2), such as communal accountability (Lindkvist and Llewellyn, 2003), internally generated accountability (Ebrahim, 2003b) or holistic accountability (O'Dwyer and Unerman, 2008), often include attention to downward accountability (See Section 2.3).

Forms of accountability that focus on values or hybrid forms of accountability can also involve being accountable to one's own aspirations and goals (Adil, 1996; Ebrahim, 2005). This so-called internal accountability involves NGOs being accountable to their vision, stated mission, staff, supporters and members, coalition partners, and the NGO community at large (Adil, 1996). It can involve a moral accountability to 'the cause', whereby expectations of others, such as powerful patrons, are important only if they can be aligned with this primary duty (Brown and Moore, 2001). Whilst internal accountability is crucial for NGOs in order to build and maintain public trust (O'Dwyer and Unerman, 2008, p. 809), the prioritisation of upward accountability often results in NGOs being willing to adjust their goals regarding accountability to themselves in order to adhere to donor demands (Adil, 1996). The next section elaborates on such tensions between the different accountability demands from stakeholders to whom NGOs can be considered upwardly, downwardly or internally accountable.

2.4.4 Tensions between different forms of accountability

Tensions faced by NGOs regarding their upward, downward and internal accountability can lead to conflicting perspectives on how NGOs should operate and account for impacts on their constituencies and the society in general (Fowler, 1995). Governmental funders and other donors often encourage NGOs to pursue a primarily instrumental accountability orientation; these patrons thus determine the language of justification practiced within NGOs (Sinclair, 1995; Roberts, 2001). This instrumental orientation often leads to upward accountability being prioritised within NGOs at the cost of downward accountability to the beneficiaries/clients which NGOs are supposed to serve, since upward accountability is considered less problematic and more achievable (Ebrahim, 2005; O'Dwyer and Unerman,

2008; Roberts, 1991; Roberts, 2001). Additionally, the prioritisation of donor accountability demands can potentially shift attention away from internal accountability and lead to mission drift, whereby NGOs' achievement of key longer term missions are subverted due to impatience for results amongst powerful patrons (Adil, 1996; O'Dwyer and Unerman, 2008; Unerman and O'Dwyer, 2006a). Some NGOs have even altered their mission statements in order to comply with donor desires to maintain funding and secure their survival (Adil, 1996; O'Dwyer, 2007; Dillon, 2004). This often results in accounting for short term impacts and resource use at the cost of more strategic forms of accountability, which take into consideration longer term impacts on other organisations and the society at large (Adil, 1996; O'Dwyer, 2007; O'Dwyer and Unerman, 2008). O'Dwyer and Unerman (2008) argue that in order to improve NGO accountability, funders need to allow space for more sophisticated forms of accountability, such as holistic accountability (See section 2.3).

The three forms of accountability discussed above may be said to form a system of accountability, wherein the dominant emphasis is mainly on upward accountability (Ebrahim, 2005). In addition to pressures from a variety of constituencies to be accountable, assessment of performance and results further complicates NGO accountability, as there is no widely agreed measure of organisational performance for NGOs. Unlike business and governments, NGOs cannot be evaluated in terms of political support or financial returns (Adil, 1996). As O'Dwyer and Unerman (2008) note, it is often hard to demonstrate NGO influence and measuring success is often impractical due to the second and third order (unexpected) effects often involved in NGO activities.

2.4.5 Donor dominance in NGO accountability

The maintenance of legitimacy in the view of main donors is an overriding concern within NGOs. Due to the overemphasis on donor accountability demands and downplaying of other forms of accountability, NGO accountability systems are often primarily geared at providing a financial account to suit powerful donor demands (Jepson, 2005; O'Dwyer, 2007). In holding NGOs to account, donors often introduce business practices in order to improve efficiency, i.e. donors want to ensure they get 'bang for their buck' (O'Dwyer and Unerman, 2008). The expansion of performance measures and reporting by regulators and donors can potentially lead to increased bureaucracy, i.e. 'bureaucratic drag' (Jepson, 2005, p. 517), and

may have little effect on NGO efficiency and impact. Some authors advocate for the implementation of these business practices (Bradley *et al.*, 2003; Walsh and Lenihan, 2006), while others question whether these business practices fit within the complexities of NGO practice (Goddard and Assad, 2006).

It is also often argued that the complexities faced by NGOs are likely to confound the simple duplication and application of business practices (Goddard and Assad, 2006). The prevailing 'auditing culture', involving the adoption of performance targets and strive to enhance efficiency often fails to improve accountability and transparency (Jepson, 2005). Although the adoption of business-like practices potentially reduces the time available for NGO service delivery (Jepson, 2005), the majority of NGOs still apply them due to donor dependence, which has significant implications for the forms of accountability practiced within the NGO sector (Ebrahim, 2005, cited in O'Dwyer and Unerman, 2007). Instrumental forms of accountability, such as quantitative monitoring and evaluation systems, are prevailing to suit donor demands and assure/maintain funding. Leaving aside the apparent struggles of some NGOs with donor pressures and the prioritisation of upward accountability, a plethora of accountability mechanisms (or technologies) have evolved in the international NGO arena since the 1990s (O'Dwyer, 2007).

If organisations change their strategy or activities, this requires a change of their conception of accountability and how they operationalise this accountability. This implies there is no single accountability structure that is suitable for all (non-governmental) organisations. A dynamic exists whereby an NGOs' mission should define the accountability system and the accountability system should in its turn shape its organisational mission and strategy (Jepson, 2005). Ideally, NGOs should remain attentive to their core organisational mission whatever pressure they may face to account for performance to powerful donor. This, however, requires strategies to manage the tensions between the different forms of accountability (O'Dwyer and Unerman, 2008). In practice this remains difficult as it is not easy for NGOs to challenge their donors. When challenging their donors, NGOs run the risk of alienating important sources of financial support and lose their capacity to provide resources or services to clients/beneficiaries (Brown and Moore, 2001). Brown and Moore (2001), however, note that many NGOs still take this risk and challenge their donors, since they consider this essential to pursue their organisational mission.

Summarising, NGOs can be considered accountable to a broad range of constituencies, ranging from powerful donors to beneficiaries. Finding a balance or mix between mechanisms/technologies that respond to upward, downward and internal accountability imperatives, while also leading to positive organisational changes is crucial but challenging for NGOs (Ebrahim, 2005).

2.4.6 Operationalisation of NGO accountability – The accountability technologies (mechanisms) adopted

As discussed in the previous sections, various concerns about NGO accountability have been raised in academic research. These concerns often involve broad-level discussions regarding to whom and how NGOs can be considered accountable. Should NGOs be considered accountable to governments, to donors, to project partners, to their board of directors, to their board of trustees, or to society at large (Adil, 1996)? Section 2.2 and 2.3 illustrated the extent of different definitions and forms of accountability presented in academic papers, some being narrowly focused while others define accountability more broadly. This sub-section reviews the variety of NGO accountability technologies used in practice. Discussing existing categorisations and technologies of NGO accountability addresses what frequently remains missing from much of the debate revolving around NGO accountability, i.e. *how* accountability is operationalised within NGOs.

Ebrahim (2003a) analyses five broad accountability mechanisms or instruments that are applied in NGOs settings, i.e. reports and disclosure statements, performance assessments and evaluations, participation, self-regulation, and social audits, along three accountability dimensions, i.e. upward-downward, internal-external, and functional-strategic (Ebrahim, 2003a). He divides accountability mechanisms (or technologies) into ‘tools’ and ‘processes’ (Ebrahim, 2003a, p. 815). Tools refer to discrete techniques used to achieve accountability and are characterised by appliance over a limited period of time, documented tangibly, and can be repeated. Examples of tools are financial reports, financial disclosures and performance evaluations performed at specific points in time (Ebrahim, 2003a). Processes are instruments that are more broad and multifaceted, i.e. they often embrace *a set of* tools. Processes are less time-bound, less tangible, and emphasise a course of action rather than distinct end-results. Examples of process mechanisms are participation and self-regulation

(Ebrahim, 2003a). Ebrahim (2003a) notes that there are examples of mechanisms, such as social auditing, that straddle the tool-process dichotomy. Social auditing is an instrument through which organisations can assess, report and improve social performance and ethical behaviour (Ebrahim, 2003a). Social auditing combines various tools, such as disclosures and evaluations, with processes, such as participation of stakeholders, which makes it potentially valuable as a more encompassing accountability technology. The accountability technologies described and categorised by Ebrahim (2003a) are combined with technologies identified by Ebrahim (2006), O'Dwyer (2007) and Agyemang *et al.* (2009) and summarised in Table 2.1. The next section will further discuss these accountability technologies.

2.4.6.1 Accountability technologies

Upward accountability towards funders and donors in the form of disclosure statements/reports and performance assessment/evaluation is often prioritised in international NGO practice (O'Dwyer, 2007; Ebrahim, 2003a; O'Dwyer and Unerman, 2007; Unerman and O'Dwyer, 2006b; O'Dwyer and Unerman, 2008). However, a growing recognition that relying solely on formal upward accountability technologies does not always lead to the most effective deployment of development cooperation funding in terms of its broader goal of alleviating as many people as possible out of poverty, has resulted in the development and operationalisation of forms of internal and downward accountability within NGOs (O'Dwyer and Unerman, 2010). This section provides a brief discussion of the most frequently used accountability technologies with an upward, internal or downward focus. It should, however, be emphasised that accountability technologies can have multiple purposes, such as complying with funding requirements *and* enhancing public confidence and support.

Table 2.1: NGO accountability forms and technologies

NGO accountability form	Accountability to whom	Accountability inducement	Accountability technologies
Upward accountability	Donors	Legal requirement	Annual report (tool)
	Funders	Tax obligation	Interim report
	Oversight agencies	Funding requirement	Performance assessment (tool)
	Tax authority	Learning	Performance evaluation (tool)
		Public confidence/support	Performance monitoring (tool)
			Audits (tool)
			Funding proposal (tool)
			Project planning (tool)
Internal accountability	Staff and board	Organisational values	Staff meeting (process)
	Mission	Funding requirement	Self-regulation through (NGO) networks (process)
	Volunteers	Staff confidence/support	Self-regulation through certification (process)
	Community partners	Community confidence/support	Participatory review reports (tool)
		Learning	Informal reporting and communication (tool)
			Training (process)
			Social auditing (tool and process)
			Newsletter (tool)
Downward accountability	Clients (local NGOs)	Organisational values	Community consultation and dialogues (process)
	Beneficiaries	Funding requirement	Participatory review report (tool)
		Public confidence/support	Informal reporting and communication (tool)
		Community confidence/support	Training of clients and beneficiaries (process)
		Learning	Social auditing (tool and process)
			Reports and documents in native languages (tool)
			Focus groups (process)
			Transparency with news media (tool)
			Participation of clients and beneficiaries in decision making (process)

Adapted from: Ebrahim (2003a, p. 825), O'Dwyer (2007, p. 292) and Agyemang *et al.* (2009, p. 13)

The most commonly used technologies of NGO accountability include formal reports and disclosures, such as annual reports, and performance assessments, such as performance monitoring and evaluation. Formal reports are aimed at making basic (mainly financial) data on operations available to the public, donors or oversight bodies and performance assessment are aimed at making the performance of NGOs measurable and comparable. Ebrahim (2003a) distinguishes between internal and external performance evaluations. Internal evaluations involve assessment of progress towards objectives of externally funded programs or internal organisational goals and missions and are performed by NGO staff. External evaluations are conducted by donors and typically involve assessment of whether program goals and objectives have been achieved. Performance assessments can focus on short-term results, i.e. on outputs or activities, or on medium- and long-term results, i.e. impacts or outcomes (Ebrahim, 2003a).

Formal reports and performance assessment are often linked to punitive threats, such as revocation of funds or loss of tax exemption status and therefore leave limited potential for accountability to NGO mission, values and performance (Ebrahim, 2003a). In working with upward accountability technologies, funders tend to overemphasise the assessment of outputs and/or activities, since this allows for easy measurement of short-term quantitative results (Ebrahim, 2005; Ebrahim, 2003a). This focus on short-term output and efficiency criteria can be counterproductive in the long run by drawing resources away from services and lead to NGOs working against their organisational mission due to their losing sight of long-range goals such as social development and change (Ebrahim, 2005; O'Dwyer and Unerman, 2008). Funders and donors often do not consider the overwhelming nature of complex evaluation requirements on organisations, with the risk of NGOs solely developing evaluation systems to satisfy funding requirements, while these systems are perceived by NGOs as irrelevant for (internal) decision making processes (Ebrahim, 2003a).

Solely relying on upward accountability mechanisms aimed at satisfying funder and donor requirements can potentially encourage NGOs to exaggerate successes, discourage them to reveal and closely scrutinise their mistakes (Ebrahim, 2005; Smillie, 1996), and eventually lead to difficult to measure activities, such as lobbying, being ignored (O'Dwyer and Unerman, 2008). NGOs have therefore started to take into consideration organisational values and the views of clients (local NGOs) and beneficiaries in their approach to accountability. Such internal and downward forms of NGO accountability include

technologies such as participatory reviews, self-regulation through NGO networks or certification, and social audits (Ebrahim, 2003a; Agyemang *et al.*, 2009). These accountability technologies are briefly discussed in the following paragraphs to provide a broad understanding of available technologies (see the publication by Agyemang *et al.* (2009) for a more extensive discussion).

Participatory reviews are held by either Northern NGOs or local executing NGOs with beneficiaries after or during the implementation of projects. Such reviews can vary in their form and focus, i.e. they can involve informal meetings between Northern NGOs and local (executing) NGOs or be more sophisticated involving formal meetings between all parties involved in the execution of projects, such as representatives from Northern NGOs, local NGOs and beneficiaries (Agyemang *et al.*, 2009) 2009) . While this accountability technology gives voice to a broader group of stakeholders, some authors argue that participation is mainly symbolic, since local communities cannot impose conditionalities upon donors and NGOs.

Self-regulation is an accountability technology that involves efforts to develop standards or codes of conduct by NGOs themselves or the NGO community, partly in order to address the damaged image of the NGO sector after public scandals or exaggerated performance claims, and partly to prevent restrictive governmental and/or donor regulation (Ebrahim, 2003a). In addition, to enhance public (and staff) confidence in NGOs, self-regulation in the form of certification for compliance with certain standards or codes of conduct often requires NGOs to take into consideration the views of beneficiaries and local NGOs and include them in decision making processes. Another accountability technology that enables internal and downward accountability is social auditing. Social auditing is a process of assessing reports and improving social performance and ethical behaviour primarily through stakeholder dialogue (Ebrahim, 2003a). The focus is on assessing the impact of NGO activities on the lives of beneficiaries. This information on how beneficiaries perceive NGO activities can then be used by Northern NGOs in the development of future activities (Agyemang *et al.*, 2009). Several NGO accountability initiatives have been initiated that promote internal and downward forms of accountability by providing guidelines, frameworks or workshops. However, the core focus of this study is on the formal upward accountability of Dutch

development NGOs towards their governmental funder, these initiatives are discussed further here⁶.

The previous sections reviewed the various accountability technologies used in NGO settings. The next section discusses the key findings from prior work on the operationalisation of NGO accountability technologies given this is one of the focuses of this study.

2.4.6.2 The operationalisation of NGO accountability technologies

There are few studies examining the effect of the operationalisation of accountability technologies on the behaviour of NGOs (Ebrahim, 2009, p. 900). This section will summarise key findings from the few academic studies that have addressed the enactment of accountability technologies within NGO settings. Five studies focusing on the operationalisation of NGO accountability are discussed. These are: O'Dwyer and Unerman's (2007) investigation of the development of a NGO funding scheme which encourages the embracement of more social forms of accountability; O'Dwyer and Unerman's (2008) study on the operationalisation of more holistic forms of accountability within Amnesty Ireland; O'Dwyer and Unerman's (2010) examination of the promotion of downward forms of accountability; the study by Chenhall *et al.* (2010) on social capital and management control systems within NGOs; and Everett and Friesen's (2010) study on humanitarian accountability.

2.4.6.2a Operationalising more holistic forms of accountability

O'Dwyer and Unerman (2007) describe a process within an Irish NGO context where a group of NGOs and their governmental funder developed a funding scheme which aimed at encouraging NGOs to embrace more holistic forms of accountability. The adjusted funding scheme involved a re-orientation towards downward accountability and a re-conceptualisation of the accountability relationship between NGOs and funders, i.e. from a primary financial accountability orientation towards one of mutual accountability and partnership (O'Dwyer and Unerman, 2007). Their study illustrated that although there was a favourable attitude towards developing holistic accountability mechanisms, hierarchical

⁶ For more information on and examples of NGO accountability initiatives, see O'Dwyer (2007).

forms of accountability focusing on a narrow range of powerful stakeholders dominated accountability practice within NGOs. The authors identified an inability to translate a programmatic aim involving a sense of partnership into operational reality, due to a lack of resources and expertise within the responsible department within the government, and the failure to include the central ideals of the more socially oriented approach to accountability within the assessment of NGO achievements of set objectives for development cooperation. This resulted in a situation where NGOs re-labelled their operations in their reporting to the government, without changing the nature of operations, thereby maintaining the hierarchical accountability relationship, with an emphasis on control and justification rather than partnership and learning, between the NGOs and their governmental funder. Additionally, NGOs, despite being offered flexibility in developing downward accountability technologies, were unable to develop measures of outcome and impact for their social performance. As a result of this inability to develop specific downward accountability technologies, rigid accountability technologies focusing on the verification of results remained prevalent in practice. O'Dwyer and Unerman (2007) argued that an increased attention to governmental accountability to the general public led to increased pressure on governmental funding of NGOs, forcing the responsible government department to deliver tangible NGO results to the Ministry of Foreign Affairs in order to illustrate successes. This potentially turned the relationship between the government and NGOs into a numbers game aimed at ensuring the survival of governmental funding of NGOs (O'Dwyer and Unerman, 2007).

O'Dwyer and Unerman (2010) focused on perceptions of the operationalisation of more holistic accountability, especially attention to downward accountability, by a Northern highly government funded NGOs in their relationship with local development NGOs and beneficiaries. As part of a rights-based approach, involving a focus on defining people's rights as laid down in international conventions and empowering them to claim these rights (O'Dwyer and Unerman, 2010), the government funder, Irish Aid, started promoting downward accountability. This approach required funded NGOs to design accountability technologies emphasising participatory, partnership approaches to development aimed at enabling beneficiaries to have a meaningful role in NGO development projects that affected them. The perceptions of NGO officials revealed a top down attitude towards local NGO partners (termed counterparts) and beneficiaries, since no evidence was found of partnership relationships involving a shared sense of purpose, mutual respect and the willingness to negotiate (which is central in the rights-based approach). There was, however, evidence of a

prevailing attitude amongst NGO managers suggesting that Irish NGOs saw partnerships as a politically correct approach, involving lopsided friendships that embraced little of the depth of accountability or the level of formality that was seen as central for substantive downward accountability (Kilby, 2006; O'Dwyer and Unerman, 2010). The findings of O'Dwyer and Unerman (2010) suggest that while commitments to more holistic accountability were considered central within Irish Aid, these efforts were often not operationalised in practice by delivering power to beneficiaries or to locally based NGOs to influence the focus and activities of the Northern donor NGOs.

2.4.6.2b The effects of hierarchical accountability dominance – The threat of mission drift

In a study on accountability within a specific NGO, i.e. Amnesty Ireland, O'Dwyer and Unerman (2008) illustrated how concerns for the NGO's viability and relevance, and the absence of knowledge about or a desire to experiment with more holistic forms of accountability amongst senior managers, resulted in a shift from internal (more holistic) accountability forms towards the implementation of hierarchical accountability technologies. The authors illustrate that while an ideal of developing more holistic accountability technologies was present amongst some NGO managers, hierarchical accountability technologies started dominating, potentially leading to counterproductive affects such as muting elements of the organisational mission and eventually drifting its focus away from potential beneficiaries (O'Dwyer and Unerman, 2008). Based on their findings, O'Dwyer and Unerman (2008) provide several lessons that can be learned from the operationalisation of accountability within Amnesty. These involved: a need for NGO managers to remain attentive to their organisational mission despite the pressure they may feel to narrowly account for their performance towards funders; developing strategies aimed at managing potential tensions between rigid form of hierarchical accountability and achievement or organisational mission; and realising that if accountability technologies are mainly used for control and justification, rather than for learning, mission drift might become more likely since NGOs became more distant from their beneficiaries.

Chenhall *et al.* (2010) examined the role of management control systems in the struggle of NGOs to balance between securing sufficient economic capital, i.e. funding, and maintaining

their core values and mission. The authors enrolled the concept of *social capital*⁷ in order to understand the operationalisation of management control systems and the development of social connections between and within organisations. The authors demonstrated how formal management control systems can have both positive and negative effects on the ability of NGOs to work towards achieving their core mission. Management control systems were found to be positive in that they enhanced bonding and bridging between managing economic resources while preserving cultural capital, i.e. an organisations core values and work processes based on humanitarian ideals, thereby operating as a more holistic accountability technology. However, the authors also found that when different elements of the management control system were in conflict, this could potentially harm NGO attempts to develop social capital and prevent them from balancing their core values and mission with attracting funding. The operationalisation of formal accountability technologies, such as budgets within the management control system, was found to be unsuccessful if such technologies primarily involved hierarchical accountability aimed at securing funding, rather than improving the effectiveness of NGO service delivery. NGOs were found to resist the use of more formal, hierarchical, accountability technologies, since the underlying logic was perceived to be in conflict with NGO core ideals and mission (Chenhall *et al.*, 2010).

2.4.6.2c The effects of hierarchical accountability dominance – Disconnecting NGOs from the general public

Everett and Friesen (2010) examined the operationalisation of accountability in humanitarian organisations, i.e. organisations involved in activities such as disaster relief and emergency assistance. While the focus of this PhD study is on NGOs focusing on longer term development cooperation rather than NGOs providing emergency aid, some key findings are relevant. In examining accountability in this specific setting, Everett and Friesen (2010, p. 469) illustrated how organisations ‘jeopardise their efforts to make themselves morally accountable by adhering to certain [hierarchical accountability] scripts’. The adoption of such hierarchical forms of accountability for resource use is required by donors. Despite the fact that some form of accountability is necessary, the current operationalisation through hierarchical, upward focused accountability technologies was perceived as ‘something of a

⁷ Social capital was used as a framework for examining the nature of social connections by focusing on bridging, i.e. structural networks built on shared values, and bonding, ‘interpersonal relations that predispose individuals towards mutually beneficial collective action’ (Chenhall *et al.*, 2010, p. 737).

feint, a counterfeit, a ruse' (Everett and Friesen, 2010). The demand for upward accountability was countered by calls from humanitarian NGOs for more holistic, downward focused accountability. These calls have resulted in the use of guidelines for accountability developed by initiatives that draw attention to the need for broader forms of accountability. While several initiatives suggested indicators that could be of use in operationalising downward forms of accountability, Everett and Friesen (2010) wondered whether the use of such indicators would actually lead to better accountability or just management by different numbers. Another aspect touched upon by Everett and Friesen (2010) was the potential disconnect between public expectations of NGOs and their operational reality. They argue that due to public cynicism and a lack of compassion for NGOs (a point they do not support), funders and donors are not forced to adequately attend to or understand the operational reality and the needs and problems of NGOs, and therefore rely upon hierarchical accountability technologies. Suggested (but vague) solutions, according to the authors, would include developing more intelligent forms of accountability, which are not primarily aimed at implementing technologies based on cynicism and fear that will 'guarantee' outcomes but take into consideration issues like charity and trust in developing accountability technologies.

2.5 Chapter summary

This chapter was organised into three sections that together provide an overview of the broad (NGO) accountability literature in order to place this study in context. The first section reviewed a variety of possible conceptualisations of accountability provided by the (NGO) accountability literature and illustrated the fluid nature of the concept. Section two discussed key forms of accountability, organised into forms of accountability that focus on resource, values, or a mixture of the two, developed in prior academic literature. The third section reviewed key topics addressed in the NGO accountability literature, organised around four main themes: defining and classifying NGOs; motives for NGO accountability, complexities of NGO accountability; and the operationalisation of NGO accountability.

CHAPTER 3: THEORETICAL FRAMEWORK: GOVERNMENTALITY

3.1 Introduction

The theoretical framework mobilised in this study draws on governmentality, a concept introduced by Michel Foucault (1979) and further developed by various writers in disciplines such as sociology and accounting⁸. Governmentality was introduced by Foucault (1979) in order to describe a mentality that, he argued, had become the foundation for all modern forms of political thought and action (Rose *et al.*, 2006). This mentality views government as ‘an activity that undertakes to conduct individuals throughout their lives by placing them under the authority of a guide responsible for what they do and for what happens to them’ (Foucault, 1997, p. 68 in Rose *et al.*, 2006). It relates to any calculated activity employed by authorities or agencies that seek to shape human behaviour or conduct in order to achieve certain ends (Boyce and Davids, 2004; Dean, 2010). The concept of governmentality is enrolled in this research in order to understand how NGO accountability has been constructed over time within the Dutch governmental co-financing scheme. Accountability within this scheme is perceived as part of an attempt by the Dutch Ministry of Foreign Affairs to shape and direct NGO behaviour in order to achieve certain overarching objectives.

This study draws on the concept of governmentality as specifically interpreted by Miller and Rose (1990; Rose and Miller, 1992). Miller and Rose (1990; Rose and Miller, 1992) combined some of the terminology and concepts developed by Foucault with ideas and concepts borrowed from elsewhere and some of their own (Miller and Rose, 2008a). This resulted in a distinctive terminology and theorisation involving the analysis of what are considered the three dimensions of governmentality: *rationalities of government* (the ideals to which government should be directed); *programmes of government* (the programmatic approaches aimed at configuring behaviour in ways aimed at achieving the ideals in rationalities); and *technologies of government* (the practical mechanisms used to operationalise the aims embedded in programmes). These three dimensions of

⁸ Michel Foucault (1926-1984) was a French historian and philosopher who had a wide influence across many academic fields, including sociology, philosophy, criminology and accounting (Power, 2011). He was Professor of the History Systems of Thought at the Collège de France from 1969 until his death in 1984 (Miller and Rose, 2008).

governmentality are mobilised in this study as they enable the uncovering of the underlying ideals driving NGO accountability (rationalities), shifts in approaches to NGO accountability (programmes) and the operationalisation of NGO accountability mechanisms (technologies).

The concept of governmentality and (aspects of) the framing developed by Miller and Rose (1990; Rose and Miller, 1992) became a reference point for ‘governmentality studies’ from the 1990s onwards (Miller and Rose, 2008a). It also became influential in the interdisciplinary accounting literature, involving studies on accounting expertise (Miller and O’Leary, 1993), efficiency auditing (Radcliffe, 1998; 1999), the role of accounting in colonialism (Neu, 2000a; 2000b), genealogies of calculation (Miller and Napier, 1993), the role of accounting in fighting corruption (Everett *et al.*, 2007), the role of accounting in pension schemes (Himick, 2009; Graham), and the role of accounting in the dissolution of a nation state (Crawford, 2010). Drawing on Miller and Rose’s (1990; Rose and Miller, 1992) governmentality framing facilitates the linking of the broader ideals underlying NGO accountability, as constructed in the early stages of the Dutch governmental development cooperation funding scheme studied, with the evolution of different aims for and approaches to NGO accountability throughout the history of this scheme.

The remainder of this chapter is structured in two sections. The first section provides an introduction to the concept of governmentality and the related mode of analysis introduced by Foucault. The second section introduces the governmentality framework as mobilised within this study, drawing mainly on the work of Miller and Rose (1990; Rose and Miller, 1992). The use of the framework in certain studies in the accounting literature is also illustrated.

3.2 Introducing governmentality

3.2.1 Control through discipline

Foucault (1978) introduced the concept of governmentality as a way of analysing the shifting ambitions and concerns of authorities, such as the state, that sought to govern the lives of individuals and organisations through the use of diverse mechanisms, such as accounting. These mechanisms are aimed at directing behaviour (Rose *et al.*, 2006; O’Malley *et al.*, 1997) and allow the linking of actions and judgements of governed persons or organisations back to

political objectives (Foucault, 1979). The notion of governmentality was introduced in Foucault's lectures on control in 1978 and 1979 at the Collège de France, but was influenced by his prior work on power and control within prisons published in 'Discipline and Punish: The Birth of the Prison' (Foucault, 1975).

'Discipline and Punish' (Foucault, 1975) is a so-called genealogical study of the dynamics of power, with a specific focus on the development of the modern way of treating criminals, i.e. imprisonment rather than torture and death. Genealogical studies are aimed at showing that a specific way of thinking results from contingent turns of history and is not the outcome of rationally inevitable trends (Miller and Rose, 2008a). In 'Discipline and Punish', Foucault argues that a new mode of punishment based on the modern prison became the model for controlling modern Western societies (Foucault, 1976). In his analysis, Foucault investigated how techniques and institutions were converged to create a new modern system of disciplinary power. Disciplinary power is described as a form of power aimed at producing docile bodies, i.e. individuals, groups or organisations that can be subjected, transformed and improved through strict regimes of disciplinary actions. Three techniques of control are at the core of disciplinary power: hierarchical observation; normalising judgment; and examination. *Hierarchical observation* involves achieving control over people by continuously observing them. Since it is considered impossible for one person to observe everything, a hierarchically ordered relay of observers is introduced, through whom observation data passes from lower to higher levels. *Normalising judgment* aims at correcting deviant behaviour by reforming behaviour according to society's standards or norms. *Examination* aims at controlling behaviour by combining hierarchical observation with normalising judgement. Foucault (1976) perceives the prison as an example of discipline through examination, since individuals are turned into docile bodies that can be continuously observed and are subject to transformation of their behaviour.

Foucault's lectures on governmentality in 1978 and 1979 represent an extension of his work on discipline. These lectures, i.e. 'Security, territory and population (Foucault *et al.*, 1991; Foucault, 1997) and 'The birth of biopolitics' (Foucault *et al.*, 1991; Foucault, 1997), delivered at the Collège de France, focused mainly on government in the political domain (Foucault *et al.*, 1991). Government in these lectures was referred to as 'the conduct of conduct', which implies a form of activity that aims to lead, shape, guide or affect the conduct of individuals or groups (Dean, 2010; Miller and Rose, 2008; Foucault *et al.*, 1991;

Foucault, 1997). This notion of ‘conduct of conduct’ was defined more specifically by Dean (2010):

Government is any more or less calculated and rational activity, undertaken by a multiplicity of authorities and agencies, employing a variety of techniques and forms of knowledge, that seeks to shape conduct by working through the desires, aspirations, interests and belief of various actors, for definite but shifting ends and with a diverse set of relatively unpredictable consequences, effects and outcomes. (Dean, 2010, p. 18)

This definition implies that government involves an attempt to deliberate on and direct human conduct, i.e. human conduct is perceived as amenable for regulation, controlling, shaping, and turning to specific ends (Dean, 2010). In analysing government in the political domain, Foucault argued that a certain *mentality* of government, i.e. governmentality, had become the basis of all modern forms of political thought and action (Rose *et al.*, 2006; Foucault *et al.*, 1991; Foucault, 1997; Foucault, 1979). This mentality of government was defined as ‘the ensemble formed by the institutions, procedures, analyses and reflections, the calculations and tactics, that allow the exercise of this very specific, albeit complex form of power’ (Foucault, 1979, p. 20).

Governmentality builds on the idea that through disciplinary power, individuals can be constructed into measurable, manageable and transformable subjects (Brivot and Gendron, 2011). Through disciplinary techniques of control, such as the aforementioned hierarchical observation, normalising judgement, and examination, subjects are individualised and rendered visible in a way that allows the comparison of their performance or behaviour to norms or standards (Brivot and Gendron, 2011). The individual can be seen as being both a *product* of the norm, since fear of being seen as abnormal results in efforts to alter identity, and a *target* of normalisation. Disciplinary techniques allow authorities, such as the state, to intervene at a distance by making visible certain representations of behaviour (Brivot and Gendron, 2011; Neu and Graham, 2006).

3.2.2 Analysing governmentality

The previous section introduced the concept of governmentality as discussed in Foucault’s writing and lectures in the late 1970s. His aim was to present an alternative way of thinking

about the power relations within contemporary societies (Dean, 2010). Foucault's comments on governmentality, although relatively brief in nature, have been used extensively in a broad variety of research areas, such as criminology, sociology, political science, medical history, and accounting. Since the present is different from the time when the notion of governmentality was developed, the challenge for researchers drawing on governmentality is to adopt its *ethos of analysis*, rather than to turn Foucault's writings into a rigid set of instruments for analysis (Dean, 2010). While the concepts used by Foucault are therefore considered important, the ethos of investigation or mode of analysis is prioritised (Miller and Rose, 2008a). This mode of analysis involves starting from the conceptualisation of a practice at a specific point in time, such as NGO accountability as currently conceptualised in the Dutch government co-financing scheme, and tracing the 'problematization' process that led to this specific conceptualisation, which involves investigating how problems related to NGO accountability were constructed, made visible and addressed. This is the key focus of this study.

With the translation of Foucault's work on governmentality into English, its ethos of analysis received an increasing amount of attention. This came especially from a group of British social theorists who adopted the notion of governmentality in their analysis of psy-sciences (philosophy of science, history of science, and sociology of science) and economic life (1990; Rose and Miller, 1992; Foucault *et al.*, 1991; Miller and O'Leary, 1987; Miller and Rose, 1988; Miller, 1986; Gordon, 1991). They further developed Foucault's writings on governmentality and made key elements more specific. These studies illustrated the usefulness of governmentality in analysing practices of government due to its ability to assist in the examination and interpretation of detailed empirical data (Rose *et al.*, 2006).

In the area of accounting, governmentality has received prominent attention from Miller and O'Leary (1987), Miller and Rose (1990), Rose and Miller (1992) and Rose (1991). Their work on governmentality has been highly influential in the interdisciplinary accounting and accountability literature as a way of framing and analysing accounting as a technology of government. This has influenced the emergence of studies on the ability of accounting technologies to direct individuals and groups towards certain broad ideals, for example in colonisation processes (Neu, 2000a; 2000b) and in the enactment of efficiency auditing (Radcliffe, 1995; Radcliffe, 1998).

As noted earlier, Miller and Rose (1990; Rose and Miller, 1992) adopted some of the concepts sketched out by Foucault and combined them with ideas and concepts they developed themselves or borrowed from elsewhere (Miller and Rose, 2008). They developed a specific framing that forms the basis of the theoretical framework mobilised in this study. The remainder of this chapter introduces this theoretical framework.

3.3 Theoretical framework

3.3.1 Introduction

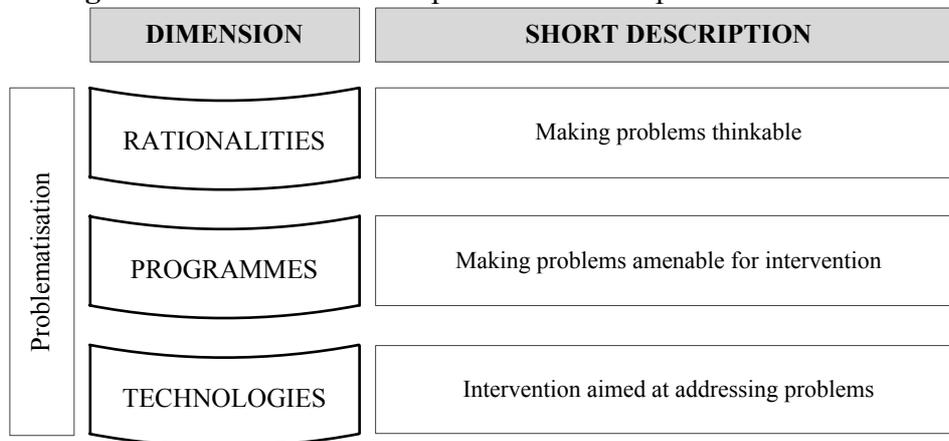
In the late 1980s, Miller and Rose started systematising the mode of analysis introduced by Foucault in their studies on governing economic life (Miller and Rose, 1990) and the problematics of government (Rose and Miller, 1992). Miller and Rose (1990; Rose and Miller, 1992) combined Foucault's writing on governmentality with concepts and approaches from Michel Callon and Bruno Latour on the *conditions for intervention or action at a distance*, the work of Burchell *et al.* (1980) and Hopwood (1987) on *calculative practices* and how these influence the manner in which we govern the lives of others and ourselves in the 'economy', and the work of Porter (1995) on how and why we have come to place so much *trust in numbers* (Miller and Rose, 2008a). Miller and Rose (Miller and Rose, 2008a) did not aim to create a general theory of governmentality; they sought to develop a set of conceptual tools to facilitate the analysis of their empirical findings in areas such as the history of applied psychology and the genealogy of accounting and management (Miller and Rose, 2008a, p. 10).

Within governmentality, human conduct is perceived as being susceptible to regulation, controlling, shaping, and turning to specific objectives (Dean, 2010). Miller and Rose (1990) refer to this as the *programmatic* character of governmentality, which builds on the assumption that 'reality', i.e. the behaviour and activities of individuals, groups or organisations, is programmable and can be directed towards certain desirable ends through explicit programmes. Miller and Rose (1990) argue that in analysing the modern mentality of government as defined by Foucault, particular attention needs to be paid to the role accorded to so-called 'indirect mechanisms of rule'. Such mechanisms are aimed at shaping the conduct of diverse actors without destroying their formally autonomous character and are

considered crucial in the mentality of government prevailing in modern (advanced) liberal societies (Miller and Rose, 2008, p. 33). Miller and Rose borrowed the notion of ‘action at a distance’⁹ from Latour and Callon in order to conceptualise the mechanisms that have sought to enable forms of indirect rule or *government at a distance*.

Miller and Rose (1990; Rose and Miller, 1992) set out an approach to the analysis of political power in terms of ‘problematics of government’ or ‘problematizations’¹⁰. This approach assumes that problems are not pre-given or lying and waiting to be revealed; instead problems have to be constructed and made visible. In order to analyse problematisations, Miller and Rose (1990; Rose and Miller, 1992) teased out three distinct but interrelated aspects of a problematisation process: *rationalities of government; programmes of government; and technologies of government*. These three analytical levels form the framework for the empirical analysis undertaken in this study (see Figure 3.1 below). The following sections elaborate on this problematisation process, the three analytical levels underpinning this process, and the interactions between them.

Figure 3.1: Overview of the problematisation process



⁹ Latour (1987, p. 219) and Callon (1986) have used the notion of ‘action at a distance’ in order to answer the question ‘how is it possible to act on events, places and people that are unfamiliar and a long way away’.

¹⁰ The notion of problematisation was not explicitly at the centre of Foucault’s work, but it was brought forward by later work on governmentality drawing on Foucault’s writings and seminars (Radcliffe, 1995; Radcliffe, 1998; Castel, 1991). Foucault did refer to problematisations indirectly in ‘A History of the Present’ (Foucault, 1976), but the concept was made more explicit by Miller and Rose (Miller and Rose, 2008a).

3.3.2 Problematisation – Constructing problematic conduct

Following Miller and Rose (1990; Rose and Miller, 1992; 2008), the analysis of contemporary political power, i.e. governmentality, starts with the rendering of *problematisation*. This involves examining how problematic conduct is revealed and subsequently made thinkable through discourse to make an identified problem amenable for intervention (Miller and Rose, 1990; Rose and Miller, 1992; Miller and Rose, 2008). The problematisation of conduct is a recurring feature in political debate, whereby practice is compared with underlying assumptions and individuals or groups find practice wanting (Rose and Miller, 1992; Radcliffe, 1995). Problems are not pre-given, lying and waiting to be revealed; instead, issues and concerns have to be made to appear problematic to various people, in different ways and in different sites. Issues can be made to appear problematic by experts, professionals, pressure groups, politicians, corporate leaders, the media, and others. The process can take place in sites such as the home, the school, the workplace, the street, or any locale that is considered to need governing or is already being governed. The conduct of individuals or organisations is considered to be problematic if it appears to require a change due to its lack of consistency with the objectives of the authority that aims to govern these individuals or organisations. Problematic conduct is not merely represented in thought; it has to be *made thinkable* in such a way as to be practicable or operable (Rose and Miller, 1992; Miller and Rose, 2008b). This process of constructing or making problematic conduct visible is, however, complex and slow (Miller and Rose, 2008b).

Problems can be made visible, for example, in evaluation reports or in political debates. Problems usually become framed within a common language which clarifies the issue to be resolved and makes dialogue on interventions possible. Dialogue is made possible between different groups, even if these groups explain the identified problem differently or propose different (conflicting) solutions. Linking the problem with difficulties in other domains can help in arriving at a level of agreement on the nature of the problematic conduct, since identified common features can provide a basis for a way of explaining or addressing problems (Miller and Rose, 2008b). After agreement has been arrived at and the problem is framed, problematic conduct needs to be linked to intervention. The problem has to be made susceptible to a set of techniques or instruments (technologies) that allow it to be acted upon and potentially transformed into unproblematic conduct (Miller and Rose, 2008b). The process from the construction of a problem to intervention is dynamic and continuous.

Consistent with Miller and Rose (Miller and Rose, 1990; 1992) this study builds upon the suggestion inspired by Foucault (1991; 1997; 1979) that problematisations be explored in terms of an interaction between broadly stated *rationalities*, specific *programmes* for action and instrumental *technologies* for intervention, as graphically shown in Figure 3.1.

3.3.3 Rationalities of government - Making problems thinkable

In political debate, politicians compare practice, i.e. the current behaviour or activities of individuals or groups to be governed, against their assumptions and can find practice wanting (Rose and Miller, 1992). These political debates often lead to the creation of idealised representations of the world which are voiced in moral or ethical imperatives, such as the ‘elimination of poverty’ or ‘making government efficient’ (Radcliffe, 1995p, p. 30). These ideals to which government should be directed are referred to as (political) rationalities (Miller and Rose, 1990; 1992). Rose and Miller (1992) identified three characteristics of political rationalities: moral form; epistemological character; and articulation in a distinctive idiom.

Rationalities have *moral form* in that they consider the ideals or principles to which government should be directed, such as justice, freedom, economic efficiency, quality, growth and mutual responsibility. Rationalities also have an *epistemological character*, which means that they are articulated in relation to a conception of the nature of the objects being governed, such as society, a population, a sub-population (such as NGOs), or the economy. More specifically, Rose and Miller (1992, p. 179) argue that rationalities ‘embody some account of the persons over whom government is to be exercised’. Persons over whom government is to be exercised can, for example, be children to be educated or elements of a population to be managed (such as NGOs). Finally, rationalities are articulated in a particular way, i.e. in a *distinctive idiom*. The language used in political discourse is seen to be more than rhetorical; it is a form of intellectual machinery which allows rendering ‘reality’ thinkable in order to make it amenable for intervention (Rose and Miller, 1992).

Rationalities do not normally reside in isolation or in *individual* statements; they are included in a wide range of statements by various individuals and groups and attain power by

acceptance as widely held norms (Radcliffe, 1998). Additionally, multiple rationalities can co-exist, presenting multiple objectives to which government should be directed in order to address constructed problems (Dean, 2010).

3.3.3.1 Rationalities of government in accounting research

A number of papers in accounting have used rationalities of government as a key theoretical concept in order to better understand and analyse empirical settings. (Radcliffe, 1998; Neu and Heincke, 2004; Everett *et al.*, 2007; Johansen, 2008)¹¹. A key example is the work of Radcliffe (1998) which examined the development of efficiency auditing in the Province of Alberta in Canada. He studied the process that allowed efficiency auditing to become expressed, debated and finally accepted as a solution to the problem of inefficient administrative practices and management in the governmental authority in Alberta. By examining the social and political background of debates surrounding efficiency auditing in Alberta in the 1970s, Radcliffe (1998) found that a specific rationality, which he referred to as *audit reform*, was constructed in order to make the problem of inefficiency thinkable. He analysed election campaigns as an exposure of political discourse in which audit reform was constructed as a rationale of government. This construction of the rationale was influenced by debates calling for expanded forms of auditing in other jurisdictions in Canada and used in election campaigns to present an alternative, more efficient way of administrating and managing government within Canada. The analytical dimension of rationalities of government helped Radcliffe (1998) to make sense of broader political developments which eventually led to the implementation of efficiency auditing in Alberta.

As can be deduced from the brief example from Radcliffe (1998) above, rationalities can be rather broad and in order to work towards making them more practical or operational, they need to be matched with specific programmes of government. The next section discusses the analytical level of programmes and illustrates how rationalities are translated into more specific approaches to governing individuals, groups or organisations.

¹¹ Neu and Heincke (2004) examined how financial technologies were used combination with techniques of force in the attempted governance of indigenous people in North America. Johansen investigated an observed conflict between a self-management programme aimed at developing autonomous employees, and a social accounting cycle, aimed at developing a collective employee voice and management accountability, within a Danish savings bank in order to better understand the accountability position of employees. Everett *et al.* (2007) examined the role of accounting in the global fight against corruption and illustrate how two conflicting rationalities of government are operationalised through accounting technologies.

3.3.4 Programmes of government – Linking rationalities with frameworks for intervention

Based on the assumption that governmentality has a programmatic character, Rose and Miller (1992) introduced the analytical level of *programmes of government* in order to discuss the designs or approaches that enable governing authorities to direct or guide individuals, groups or organisations towards a constructed rationality or rationalities. Programmes seek to direct the behaviour and actions of individuals, groups or organisations in ways thought desirable by the governor and thereby link rationalities with frameworks for intervention (Rose and Miller, 1992). Programmatic aims or designs can be proposed by various actors, such as philosophers, political economists, committees of enquiry (for example, committees initiated to examine the functioning of a governmental policy regarding development cooperation) or politicians, and in various ways, such as in governmental reports (for example, NGO funding policy reports), proposals (for example, proposals submitted by lobby groups to change governmental policies), or counterproposals (for example counterproposals submitted by members of Houses of Representatives in response to proposed policy changes).

Programmes are not simply derived or determined from rationalities, rationalities are *translated into* programmes (Rose and Miller, 1992; Miller and Rose, 2008b). This translation involves ‘both a movement from one space to another’ and ‘an expression of a particular concern in another modality’, i.e. the desirable broader ideals, articulated in rationalities, are translated into what can be made possible on a more practical level (Miller and Rose, 2008b). What can be made possible depends on the extent to which problems can be made susceptible to diagnosis, prescription and intervention (Miller and Rose, 2008b). Miller and Rose (1992) illustrate this translation process by discussing how the broader rationalities of personal freedom, initiative and democracy prevailing in the United States of America in the period between the First and Second World War were translated into programmes for governing the administration and management of large corporations (Rose and Miller, 1992) which advocated more hierarchical forms of management (Miller and O’Leary, 1989).

Programmes have three key characteristics. First, they ‘presuppose that the real is programmable’ (Rose and Miller, 1992, p. 183). Second, they ‘lay claim to a specific knowledge of the sphere or problem to be addressed’ (Rose and Miller, 1992, p. 183) and

third, they are eternally optimistic. The first characteristic is derived from the programmatic nature of governmentality discussed above. Programmes are based on the presumption that ‘reality’, i.e. the behaviour and actions of individuals, groups or organisations, is programmable and subject to ‘certain determinants, rules, norms and processes that can be acted upon and improved by authorities’ (Rose and Miller, 1992, p. 183). Objects to be governed are made thinkable in a way that allows making problematic conduct susceptible to ‘diagnosis, prescription and cure by calculating and normalising intervention’ (Rose and Miller, 1992, p. 183).

The second characteristic illustrates the importance of *knowledge* in developing programmes of government that seek to exercise power over the individuals or groups to be governed. It is essential that the governing authority claims to have knowledge of the area to be governed, since it is through knowledge that problems can be represented and addressed in a way which both grasps their ‘truth’, as perceived by the authority that aims to govern, and allows for intervention by making this ‘truth’ or reality calculable (Miller and Rose, 2008b, p. 62). For example, governments in the early stages of development cooperation in the 1960s claimed to have knowledge of how poverty in developing countries could be alleviated. Programmes, i.e. frameworks for action, were developed based on the assumption that providing bilateral aid to developing countries, aimed at stimulating economic growth, would indirectly lead to increased standards of living for entire populations (Hoebink, 2007).

The third characteristic is the eternally optimistic nature of programmes of government which assume that individuals, groups, organisations or other domains can always be governed more effectively. They are also optimistic in the sense that ‘failure of a certain policy is always linked to attempts to devise or propose programmes that w[ill] work better’ in working towards the ideal articulated in rationalities (Miller and Rose, 2008, p. 29). Programmes are thus continuously confronted with alternatives promising to achieve the underlying rationality or rationalities in improved ways.

3.3.4.1 Programmes of government in accounting research

Several papers in accounting drawing on governmentality as a framing use the analytical level of programmes in order to analyse empirical findings (Radcliffe, 1998; 1999; Neu and

Heincke, 2004; Miller and O'Leary, 1987; 1993; Crawford, 2010). To illustrate how the analytical concept of programmes of government can assist in analysing empirical settings, this section again draws on Radcliffe's (1998) work on efficiency auditing.

Section 3.3.3.1 illustrated how Radcliffe (1998) used the notion of rationalities of government to describe how *audit reform* was constructed as a rationality that made the problem of governmental inefficiency thinkable in Alberta, Canada. Radcliffe (1998) subsequently investigated how *efficiency auditing* was framed as a programmatic solution to government inefficiency in order to provide a framework of action for realising the *audit reform* ideal. Based on an extensive documentary analysis, Radcliffe (1998) found that with the inclusion of efficiency auditing in government regulation, it became programmatic, i.e. regulation now described how to address the problem of inefficiency in government management and administration with efficiency auditing (Radcliffe, 1998). Radcliffe (1998) also argued that although it is useful to frame rationalities and programmes as separate analytical levels, they can operate in conjunction in practice. For example, programmes can also influence rationalities, since translating broader ideals into more specific aims can lead to the development of new insights regarding the ideals to which individuals or groups should be directed. Radcliffe (1998), for example, found that the rationality of *audit reform* was also influenced at an early stage by programmes already under development which had previously been presented in proposed regulatory reforms (in this case, the Canadian Taxpayers' Protection Act).

Drawing on the notion of programmes of government, Radcliffe (1998) was able to shed light on how inefficiency was defined in debates on audit reform and how it could be made susceptible to expertise, through efficiency auditing, in order to resolve the problem of inefficiency within the government of Alberta. The programmatic aims seeking to realise *audit reform* through efficiency auditing were reflected in reports of political committees and framed what auditors should focus on to eliminate governmental inefficiency and contribute towards realising the ideal of audit reform.

While programmes make problems amenable to intervention by translating the ideals articulated in rationalities into programmes underpinned by core aims identifying frameworks for action, they also require the introduction of specific mechanisms to render them operable. The concept of technologies of government was introduced in order to describe the effort to

match rationalities and programmes with *action*. This concept is outlined in the following sub-section.

3.3.5 Technologies of government - Intervention

The ideals harnessed in rationalities and the ways of making rationalities amenable to intervention harnessed in programmes can only be achieved to the extent that they are accompanied by appropriate mechanisms of rule, i.e. mechanisms used by authorities to make government operable in practice (Rose and Miller, 1992). Miller and Rose (1990; Rose and Miller, 1992) term these mechanisms *technologies of government*, i.e. ‘the actual mechanisms through which authorities of various sorts have sought to shape, normalise and instrumentalise the conduct, thought, decisions, and aspirations of others [the governed] in order to achieve the objectives they [authorities/governors] consider desirable (Miller and Rose, 1990, p. 8). Technologies are, however, not solely about the implementation of ideals ‘in the real’; they represent a complex assemblage of diverse forces, legal, administrative or financial, that ensure that decisions and actions come to be understood and regulated in relation to criteria set by the governor (Rose and Miller, 1992). The list of technologies could in principle be unlimited, since ‘it is the multitude of procedures, objects and techniques that can provide a technological basis for the enactment of programmes’ (Miller and Rose, 1990, p. 8). Technologies can however include:

[T]echniques of calculation, notation, computation; procedures of examination and assessment; the invention of devices such as tables; the standardisation of systems for training and the inculcation of habits; the inauguration of professional specialism’s and vocabularies; building designs and architectural forms. (Rose and Miller, 1992; Miller and Rose, 2008b)

What these examples of technologies of government have in common is that they all provide ways to map the broader aims of programmes into detailed ways of acting in practice (Radcliffe, 1998; 1999). It would, however, be wrong to interpret the division between programmes and technologies as solid or impermeable. Practices can, for example, be perceived as solely technical and aimed at achieving programmatic aims, but they can also set agendas, delimit the thinkable and structure debate (Radcliffe, 1998). The availability of new technologies due to technological developments can also influence the nature of programmes, since they allow for different ways of directing behaviour. It is important to stress that

technologies of government are not considered to be indefinite interventions or solutions as the problematisation process is continuous. Technologies can, for example, have unexpected, positive and negative, consequences, and these consequences can themselves influence the course of other events and discourses (Radcliffe, 1998). Hence, a technological solution for one programme may be constituted as the problem which starts another (Miller and Rose, 1990) due to unexpected effects or changing rationalities and programmes.

While Miller and Rose (1990; Rose and Miller, 1992) only offer a broad description of what technologies might involve, they do, however, indicate the importance of *numbers* and *expertise* associated with the practice of accounting, which are perceived as important mechanisms designed to shape conduct. Technologies of government centred on *numbers* are important due to their association with objectivity, the trust people place in them (Porter, 1995) and their ‘unmistakable political power’ (Rose, 1999, p. 19). Numbers in the form of graphs, tables and comparisons are often used as a means of governmental action. Miller and Rose (Rose and Miller, 1992) consider numbers and their associated calculations as a central technology in making various programmes of government operable in practice. The political utility of numbers and calculations, according to Rose (Rose, 1999, p. 199), ‘lies in their capacity to connect those exercising political power [authorities] with the persons, processes and problems that they seek to govern’. Numbers can have a dual purpose in governmentality: they can be used to problematise, i.e. make visible problems, and to provide solutions to problems and are therefore considered a key component of many technologies.

Expertise allows the active creation of information which enables the governing of individuals and groups. Expertise is used in order to provide authoritative support to solutions by drawing on the so-called ‘intellectual strata’ of society, such as accountants, auditors, statisticians, managers and other experts (Miller and Rose, 1990). Experts are the accredited individuals who are perceived to embody neutrality, authority and skills, operating to an ethical code. Experts have a dual role in governmentality. On the one hand, they ally themselves with authorities and their constructed problems, translating their concerns about productivity, innovation, accountability etc. into the vocabulary of management, accounting, psychology and so forth. On the other hand, experts also seek to ally themselves with the governed, translating their concerns into a language ‘claiming the power of truth, and offering to teach them the techniques by which they might manage better, earn more, bring up healthier or happier children, and much more besides’ (Miller and Rose, 2008b, p. 68).

In discussing technologies of government, Miller and Rose (1990; Rose and Miller, 1992) point to their importance in enabling government at a distance. Technologies enable the linking of calculations at one place with action at another, through adopting shared vocabularies, theories and explanations while the governor and the governed remain formally independent¹².

3.3.5.1 Accounting as a technology of government

A number of papers in accounting have mobilised the notion of technologies of government (Radcliffe, 1999; Dean and Graham, 2004; Neu and Heincke, 2004; Neu, 2000a; 2000b; Himick, 2009; Graham; Neu *et al.*, 2006; O'Regan, 2010; Walker, 2010). These papers largely interpret accounting practices as technologies of government that allow the translation of rationalities and programmes into practice and facilitate government at a distance (Neu, 2000a; 2000b). The work of Neu (2000a; 2000b) on the role of accounting in governing the indigenous people of Canada is discussed below to illustrate how the notion of technologies of government has been mobilised in the accounting literature.

In examining the role of accounting techniques and calculations in the colonisation and genocide of Canada's first nations, Neu (2000b) relied on a governmentality framing in order to understand how accounting facilitates government or action at a distance. Neu (2000b) examines prior (academic) literature on post-colonial theory, imperialism and genocide in order to contextualise the use of accounting mechanisms. He argues that accounting techniques played a role in translating (neo)-colonial policies into practice with (un)intended outcomes. The notion of technologies of government is used to frame how 'accounting calculations construct a certain image of distant domains, thereby both problematising certain issues and framing possible interventions' (Neu, 2000b, p. 270). Technologies of government such as accounting are perceived as part of an ongoing colonialism/imperialism process

¹² While Miller and Rose (1990; Rose and Miller, 1992) mainly discuss the formal elements of technologies, such as specific procedures and reports, Radcliffe (1999) argues that there are also informal technologies. Radcliffe (1999) addresses these informal technologies in his study of the operationalisation efficiency auditing. Examples of informal technologies are the local discourse and tacit knowledge practitioners accumulate or the ideas and practices that can be observed when practitioners execute their daily jobs. The focus of this study is, however, on the formal (accountability) technologies presented in the governmental co-financing scheme for development NGOs.

where they make it possible for the coloniser to continue to dominate colonised territory and its inhabitants.

Neu (2000b) illustrates the role of accounting as a technology of government in sustaining colonial relations (both direct and indirect). *Direct relations* involved accounting techniques that both encouraged the containment of indigenous people and the appropriation of wealth by the colonising society. The examples offered demonstrate the role of accounting techniques in translating policies of containment and assimilating them into practice. Through encouraging actions consistent with these policies, accounting in the case of containment was, according to Neu (2000b), successful in encouraging reproductive genocide. *Indirect relations* involved governmental funding incentives aimed at encouraging third parties to undertake certain actions which had an impact on indigenous people. Introduced financial incentives within the military, for example, through a bounty on native scalps, were used as an illustration of how accounting techniques encouraged genocide.

Neu's (2000a) other work builds on the notion that accounting facilitates governance at a distance in examining the role of accounting in the process of colonisation in Canada. He argues that accounting discourses and techniques are located within an imperialism logic and are enmeshed within a colonial system of government. He illustrated the ways in which accounting, operating as a technology of government, sought to encourage changed habits and customs amongst indigenous people in accordance with colonial objectives and the wishes of the settler society. Overall, Neu's (2000a) analysis suggests that accounting technologies (and other technologies of government) were used to change the habits, customs and behaviour of indigenous people with as little expenditure as possible. These technologies were often presented as a gift or alternative funding arrangement, but actually represented efforts to bend indigenous people's behaviour to the objectives of the Canadian government (Neu, 2000a). Neu's (2000a) study complements Miller and Rose's (1990; Rose and Miller, 1992) writings on governmentality by illustrating how accounting technologies attempt to encourage governance at a distance in specific contexts.

3.4 Chapter summary

This chapter provided an in-depth discussion of the key theoretical notions mobilised to frame the empirical analysis undertaken in this study. The definition and various understandings of governmentality were firstly discussed and the theoretical framing adopted was outlined. This framing draws on the work of Miller and Rose, who developed three analytical levels that can be used for analysing governmentality: rationalities; programmes; and technologies. *Rationales* of government articulate specific ways of making reality thinkable in such a way that it can be programmed. They deal with general ideals. In order to become more specific and capable of realisation, these ideals are matched with programmes of government. *Programmes* of government describe in detail certain aims which indicate how rationalities might be accomplished. These programmes set out frameworks for action which are embodied in reports, proposals, plans and legislation encompassing the views of experts, specialists, individuals, and committees (Radcliffe, 1998). *Technologies* of government attempt to match rationalities and programmes with *action*. They are highly practical and form part of everyday practice. They include forms of notation, computation and calculation, systems of data storage and analysis, and methods of standardisation and verification (Miller and Rose, 1990; Radcliffe, 1998). For each analytical level, key papers in accounting were discussed in order to illustrate how the three concepts have been previously mobilised in different empirical settings.

CHAPTER 4: RESEARCH METHODOLOGY AND METHODS

4.1 Introduction

This chapter outlines the research methodology and methods applied in this study. The first section discusses the ontological and epistemological assumptions that underlie research methodologies. The second section focuses on the difference between qualitative and quantitative research methods, elaborates on the role of theory in qualitative research, and discusses the two qualitative research methods, i.e. interviews and documentary analysis, adopted in this study. The third section describes the research process of this study, including the background to the research, the research questions, and the process of collecting, displaying and interpreting the data gathered.

4.2 Research methodology

Research methodology refers to the general approach to the investigation of research topics (Silverman, 2000; Ahrens and Chapman, 2006). The adoption of a (general) approach to conducting research is based on a researcher's underlying ontological and epistemological assumptions. These assumptions inform the choices researchers make regarding cases to study, methods of data gathering, forms of data analysis and the use of theory (Silverman, 2000; Ryan *et al.*, 2002). Ontology refers to the researcher's assumptions regarding the nature of reality, while epistemology refers to the manner in which knowledge is gained about that reality (Ryan *et al.*, 2002). Ontological assumptions regarding reality can range from a subjectivist perspective, in which reality is perceived as a projection of human imagination, to an objectivist perspective, in which reality is perceived as a concrete structure (Morgan and Smircich, 1980). Ontological assumptions influence the manner in which knowledge is assumed to be gained about that reality, i.e. the researcher's epistemological assumptions. Perceiving reality as a projection of human imagination (a subjectivistic ontological assumption), for example, encourages an epistemological stance which assumes that knowledge can be gained by studying the processes through which humans concretise their relationship to the(ir) world. Perceiving reality as a concrete structure (an objectivistic ontological assumption) encourages an epistemological stance that assumes that knowledge

can be gained by studying the nature of relationships among the elements that are constitutive of that structure (Morgan and Smircich, 1980).

Research methodologies have been broadly classified into quantitative and qualitative research (Ryan *et al.*, 2002). Quantitative research is mainly focused on investigating numbers and is based on the ontological assumption that ‘empirical reality is objective and external to the subject (and the researcher)’ (Ryan *et al.*, 2002, p. 41). In this reality, humans are considered passive actors that pursue their assumed roles in a rational manner. Within the quantitative research methodology, knowledge is assumed to be gathered through positivistic research, which is based on verification or falsification and seeks to identify relationships between variables in order to construct explanations by combining these relationships into general theories (Ryan *et al.*, 2002). Qualitative research, on the other hand, is mainly focused on examining (the meaning of) words and is based on the ontological assumption that reality is ‘emergent, subjectively created, and objectified through human interaction’ (Chua, 1986, p. 615). Knowledge in qualitative research is assumed to be gathered by ‘study[ing] things in their natural settings, [and] attempting to make sense of, or interpret, phenomena in terms of the meanings people bring to them’ (Denzin and Lincoln, 1994, p. 2).

The aim of this study is to explore and better understand the broader (political) context within which NGO accountability demands have arisen by investigating how and why NGO accountability was constructed over an extended period of time (from the mid-1960s to 2012) in The Netherlands. Additionally, it seeks to better understand how NGO managers perceive the operationalisation of proposed accountability solutions within the most recent Dutch NGO governmental funding scheme (MFS2). In order to investigate these topics, a qualitative research methodology was adopted. A qualitative research methodology was chosen for two key reasons. First, the focus of the study is on ‘how’ (and ‘why’) questions within processes emerging in a ‘real life’ context (see section 1.2); a focus that makes a qualitative research methodology the most appropriate methodology to adopt (Silverman, 2000; Flick, 2006; Patton, 2002; Denzin and Lincoln, 1994; Morgan and Smircich, 1980; Given, 2008). Second, a qualitative research methodology was considered especially appropriate due to the specific focus of the study on the conceptualisation of accountability in (political) *discourse* over an extended period and on NGO managers’ *perceptions* of the operationalisation of accountability in their own NGOs. Moreover, this study responds to more calls for empirical studies that adopt a qualitative research methodology in order to study aspects of (NGO)

accountability (Ebrahim, 2005; 2009; Dixon *et al.*, 2006; O'Dwyer and Unerman, 2007; 2008; Ossewaarde *et al.*, 2008; Unerman and O'Dwyer, 2006b; Roberts *et al.*, 2005).

Ontological and epistemological assumptions underlying quantitative and qualitative research methodologies influence how research is conducted, i.e. the research methods adopted to undertake research (Ryan *et al.*, 2002). These methods are further discussed in the following section.

4.3 Research methods and the role of theory

The research methods, based on verification and falsification, adopted in quantitative research mainly comprise of statistical regressions, questionnaires and experiments that seek statistical generalisation in order to explain observations by coding, counting and quantifying phenomena (Gephart, 2004 in Ryan *et al.*, 2002). Quantitative research starts from an objective view of reality and mainly involves research questions such as 'how much' and 'what'. This approach to research is also referred to as 'positivistic' due to its primary use of positive theories concerned with the prediction and explanation of what does or will happen (Ryan *et al.*, 2002, p. 75). Qualitative research, on the other hand, focuses on the (meaning) of words. Research methods used in qualitative research include interviews, observations, documentary analysis and discourse analysis (Silverman, 2000; Flick, 2006; Denzin and Lincoln, 1994). These research methods permit an examination of selected issues in depth with careful attention to detail, context and nuance (Flick, 2006).

Within qualitative research, the methodology and methods adopted to undertake research are often linked to the adopted theoretical framing. The theoretical framework can potentially play a key role in framing and conducting this form of research. It can influence the 'development of purpose statements, research questions, data collection [...] approaches and [data] analysis' (Given, 2008, p. 870). Therefore, before discussing the qualitative research methods adopted in more detail, the following section firstly outlines the role and use of theory in both qualitative research generally and in this specific study.

4.3.1 The role of theory in qualitative research

While methodology refers to the general approach to research and methods refer to the specific research techniques adopted, theory refers to the ‘set of concepts used to define and/or explain some phenomenon’ (Silverman, 2000, p. 77; Bryman and Bell, 2007). Quantitative research seeks to identify relationships between variables in order to construct explanations by combining these relationships into general theories. Theory in such studies is considered independent of observations, to be tested with quantitative data collection in order to arrive at (statistical) generalisation (Ryan *et al.*, 2002). Qualitative research has often been criticised (by quantitative researchers) for not being influenced or guided by theory in developing and conducting research (Given, 2008; Flyvbjerg, 2006). Rather than being absent, however, theory and theoretical frameworks play a different role in the development and conduct of qualitative studies. There is however no consensus on the role of theory in qualitative research and three different understandings can be identified: that theory has no or little relationship to qualitative research (this is often perceived to be a misunderstanding of the role of theory in qualitative research (Flyvbjerg, 2006)); that theory relates to the adopted methodology (and the underlying ontological and epistemological assumptions) in qualitative research; and that theory has a pervasive role that affects all aspects of conducting qualitative research (Given, 2008).

Theory as adopted in this research is linked to all aspects of developing and conducting the study, including the adopted qualitative research methodology and methods, and the development of the research questions, data collection, data analysis, and data interpretation. Theory applied in this manner is often referred to as adopting a ‘theoretical framework’, since it affects almost every aspect of the study (Given, 2008). Theoretical frameworks can be applied as a ‘lens[...] to study phenomena’ (Given, 2008, p. 871) and enable the researcher to focus the study (to overcome being overwhelmed with data), reveal meaning and (critical) understanding, and to situate the research in an academic conversation. Theoretical frameworks are additionally assumed to allow the researcher to frame and better understand findings (Silverman, 2000; Given, 2008).

The theoretical framework adopted in this study, drawing on governmentality as interpreted by Miller and Rose (1990; Rose and Miller, 1992), has a discursive character in that it aims to analyse the conceptualisations, explanations and calculations that inhabit the field of

government of NGOs (Miller and Rose, 2008). The nature of the adopted governmentality framing, as mentioned earlier, influences the adopted research methods, since it requires attention to the meaning attached to concepts such as NGO accountability. Governmentality is built on the idea that individuals and groups can be constructed into measurable, manageable and transformable objects which allows authorities to direct these individuals or groups towards certain (policy) objectives (section 3.2.1). Analysing governmentality involves adopting a certain mode of analysis which involves tracing the conceptualisation of a certain practice, such as NGO accountability, over time and investigating how problems related to NGO accountability were constructed, made visible and addressed. This mode of analysis embedded within the governmentality framing influenced the research methods adopted in this study, since in order to examine the construction of (the meaning of) accountability over an extended period of time, qualitative methods are considered to be the most appropriate. As this research mobilises in-depth interviews and documentary analysis as research methods, these are further discussed in the next sub-section.

4.3.2 Qualitative research methods – Documentary analysis

The first research question, focusing on the construction of accountability over an extended period of time, is approached by conducting an extensive documentary analysis. Documentary analysis involves the analysis of the content of a wide range of (hard and soft copy) documents, such as written material from organisations, official (governmental) publications and reports, letters, and written responses to open-ended surveys (Patton, 2002). Documentary analysis focuses on what is contained within these documents, i.e. the content of the documents, which can be texts, figures and/or tables (Given, 2008). Documents can be analysed through a ‘traditional’ (quantitative) content analysis, which focuses on word and phrase count, or by a more sophisticated, ‘interpretative’ (qualitative) approach which involves focusing on the language used and the context in which the documents emerged. This latter approach, referred to as qualitative or interpretative content analysis, is adopted in this study.

Interpretative content analysis allows the researcher to investigate the construction of the meaning of accountability by using documents and the language used within these documents ‘as a keyhole through which to provide insight into [the evolution of] conception[s]’

(Tregidga and Milne, 2006, p. 220) of accountability and the (accountability) relationship between the government and development NGOs. This form of interpretative content analysis is linked to the mode of analysis embedded in the governmentality framing adopted in this study (see section 3.3). While Foucault was concerned with discourse, he was not an ‘adherent of discourse analysis in the methodological sense’ (Given, 2008, p. 231). In his work on governmentality, Foucault assumed there was an essential link between the content of documents and action or intervention. The content of documents is therefore perceived to reflect aspects of a discursive formation, which allows this researcher to trace how accountability came to be constructed in a manner that enabled the Dutch Ministry of Foreign Affairs to direct co-financing NGO behaviour and actions.

4.3.3 Qualitative research methods – Interviews

In order to address the second research question of this study, which aims to increase our understanding of NGO managers’ perceptions of the operationalisation of accountability in their organisations, (semi-structured) interviews were conducted. Interviewing is probably the most associated method with qualitative research across the social scientific disciplines (Given, 2008; Ryan *et al.*, 2002). Interviews can broadly take three forms: structured; semi-structured; and unstructured. Structured interviews require the researcher to ensure that similar (standardised) questions are asked of all interviewees in order to obtain comparable information which is amenable for quantitative analytical procedures. Unstructured interviews do not involve asking participants predefined and standardised questions, but often start with a vague, rather general question, which provides the researcher with more flexibility in raising and pursuing new issues (Given, 2008; Ryan *et al.*, 2002). Semi-structured interviews are a combination of the two forms, and involve preparing a broad set of questions whilst still allowing sufficient flexibility during (and in between) the interviews. Semi-structured interviews are used in this research and are discussed in more detail below.

Semi-structured interviews allow in-depth examinations of social phenomena due to the combination of using open-ended questions and flexibility by using a *broad* framework for questioning (Patton, 2002; Ryan *et al.*, 2002). Prior to the interview, the researcher produces this broad framework or interview guide in order to assist in maintaining a certain focus within the interview. This guide contains the topics to be explored and some predetermined

but open-ended questions, which allow the researcher to ask questions and probe in order to explore the perceptions of participants (Given, 2008; King, 1999). Probes are used in semi-structured interviews in order to elicit additional or more in-depth information by following up on previous questions. Similar issues are often raised in interviews with different participants; there is however flexibility to introduce new issues and to follow up on issues introduced in the responses provided by interviewees (Ryan *et al.*, 2002). Interviews are considered very suitable for executing qualitative research, since they allow exploring the perceptions of participants in order to grasp their understanding of ‘reality’, which is important for qualitative researchers who wish to investigate the participants’ perceptions of particular phenomena in specific contexts (Miller and Glassner, 1997), such as the operationalisation of accountability in the relationship between the Dutch government and development NGOs. In order to allow in-depth qualitative analysis of interviews, interviews are often (digitally) recorded and turned into textual material, i.e. transcripts. Interview transcripts then become the main data for subsequent analysis which facilitates analysis by allowing for the coding of passages of text which assists the researcher in organising and interpreting the data (Given, 2008; O’Dwyer, 2004). Quotations taken from coded passages of texts are often used as a way of supporting and strengthening a narrative by providing a more in-depth understanding of the views or perceptions of interviewees (Given, 2008).

4.4 The research process of this study

4.4.1 Background to the research

My interest in NGO accountability was triggered whilst attending a seminar on potential research topics for a Bachelor (BSc) thesis in Economics and Business at the University of Amsterdam in 2007. I chose NGO accountability as my research topic and experienced the process of writing my BSc thesis entitled ‘The challenges of stakeholder inclusion in NGO accounting processes: A review of Oxfam Novib’, as highly enjoyable and therefore decided to continue studying NGO accountability for my Master (MSc) thesis in accounting entitled ‘Balancing accountability in Oxfam Novib: The nature of imposed and felt accountability’. Conducting these two studies greatly assisted in developing the ideas which have resulted in the research questions underpinning this study.

4.4.2 Research questions

The findings of my MSc thesis indicated that managers of Oxfam Novib perceived accountability as a balancing process between felt and imposed pressures to be upwardly, internally and downwardly accountable to competing constituencies, such as the Dutch Ministry of Foreign Affairs and beneficiaries. During the first year of my PhD studies I developed a desire to understand why and how pressures faced by NGOs to be upwardly accountable have emerged over time and how NGOs operationalise ‘imposed’ forms of upward accountability within their organisations. Hence, the research questions that emerged as this study progressed were (see also section 1.2):

1. How has accountability been constructed in the relationship between Dutch development NGOs and their primary governmental funder over the period from the mid-1960s to 2012?
2. How do NGO managers perceive the operationalisation of accountability technologies in the current Dutch governmental funding scheme for NGOs?

4.4.3 Data collection: Documents on the construction of accountability

The first step in order to address the (first) research question on the construction of accountability in the relationship between the Dutch Ministry of Foreign Affairs and co-financing NGOs, involved collecting ‘secondary data documents’ (documents archived and published for a different purpose than research by someone other than the researcher) that expressed how accountability was perceived and enacted in the co-financing scheme from its initiation in the mid-1960s to the most recent funding scheme (Given, 2008). Although governmental documentation on the co-financing scheme was relatively easy to obtain, sets of documents were large and a considerable amount of time was devoted to identifying and selecting the documents that were relevant for this study.

The search for documents started by visiting the website of the Dutch Ministry of Foreign Affairs, which contained documents related to the two most recent funding schemes, i.e.

MFS1 (2007-2010) and MFS2 (2010-2012). Since the Ministry's website provided no information on funding schemes prior to 2007, I contacted the information desk of the Ministry of Foreign Affairs, who indicated that such information would be available on the central (online) access point to all information about government organisations of the Netherlands¹³. While this central access point allowed me to select and gather documents published between 1995 and 2012, it contained no information published prior to 1995. After conducting a broader search for governmental documentation on the internet, I discovered 'liigl'¹⁴, a legal search engine which allows searching in multiple databases containing governmental documentation, such as publications from the Dutch House of Representatives, the Ministry of Foreign Affairs, and other governmental bodies. The advantage of using the 'liigl' search engine was that it contained governmental publications from the early 1900s onwards. It thus enabled me to collect relevant documents on accountability in the co-financing program over an extended period of time.

In searching for documents, I mainly used three key words: 'medefinancieringsprogramma' (co-financing program), 'medefinancieringsstelsel' (co-financing system), and 'medefinancieringsorganisatie(s)' (co-financing organisation(s)). After conducting the search, I scanned through all the documents that showed up in the search results in order to assess whether they contained information related to the development of accountability in the co-financing program. Searching for documents in the central access point for governmental information and through liigl, resulted in the identification and collection of 218 relevant documents¹⁵. These documents were combined with information gathered from the website of the Ministry of Foreign Affairs on MFS1 (17 documents) and MFS2 (42 documents)¹⁶, and six (non-public/confidential) documents on the MFS2 funding application process provided by one of the interviewees in the study. A sample of the analysed documents can be found in Appendix 1¹⁷.

¹³ This database can be found and accessed on www.officielebekendmakingen.nl.

¹⁴ See www.liigl.nl for the search engine.

¹⁵ These 218 documents were selected out of an initial set of about 500 documents that resulted from searching for the three key words.

¹⁶ There was some overlap with documents gathered from the website of the Ministry of Foreign Affairs and the documents gathered through liigl and the central access point for governmental information. Therefore these have not been separately added as an appendix, but can however be found on www.minbuza.nl.

¹⁷ The appendix provides a small sample of the analysed documents. The full database of gathered documents is available on request.

4.4.4 Data collection: Interviews

In order or to address the second research question on the operationalisation of accountability within Dutch development NGOs, a total of 22 semi-structured interviews were undertaken, with two governmental officials and 16 different NGO managers (some NGO managers were interviewed multiple times due to their important role in the development of approaches to accountability in their organisation). A list of interviews with more detailed information on the dates and their duration can be found in Table 4.1. The two governmental officials were working within the department of the Ministry of Foreign Affairs responsible for the development and execution of co-financing policies. The selected managers from four different co-financing NGOs, i.e. ICCO, Cordaid, Oxfam Novib and Hivos, were working within departments responsible for dealing with governmental accountability requirements and the development of internal accountability policies. Although an initial aim of this study was to include the perspectives of governmental officials, unfortunately I was not able to interview more than two governmental officials since my contact person within the Ministry of Foreign Affairs did not perceive this as necessary and argued that all relevant information could be found in governmental documents. Interviews conducted took place between 2008 and 2011. The process of (arranging and) conducting the interviews can be broadly structured into three phases, as discussed in the following sub-sections.

4.4.4.1 First phase: Interviews with Oxfam Novib managers (2008)

The first phase of data collection involved interviewing managers from Oxfam Novib in 2008¹⁸. The interviewees within Oxfam Novib were selected by using ‘snowballing’¹⁹, a *purposeful sampling* strategy that involves using initial informants (in this study a senior manager in Oxfam Novib) who identify other participants who meet the eligibility criteria for the study (Flick, 2006; Given, 2008). This form of purposeful sampling was used, since there were no sources available for locating managers within Oxfam Novib that were responsible for dealing with accountability. In addition to the initial contact person, four managers of Oxfam Novib were selected due their involvement with issues of accountability in the

¹⁸ The data collected from interviews within Oxfam Novib was also used for my Master thesis in accounting at the University of Amsterdam, which specifically focused on how Oxfam Novib balanced imposed and felt accountability pressures. However, the interviews were conducted *after* I secured a PhD position at the University of Amsterdam and I was therefore able to include questions with could be used for both my Master thesis research *and* PhD research.

¹⁹ The snowball analogy refers to a snowball increasing in size as it rolls downhill (Given, 2008).

organisation. The interview questions used in this first phase focused on four key issues: motivations for accountability; the relationship between quality and accountability; personal perceptions of accountability; and informal accountability mechanisms. The interview guide developed for these interviews is provided in Appendix 2.

4.4.4.2 Second phase: Informative meetings and interviews with governmental officials (2009-2010)

After this initial phase, two additional meetings/interviews took place with the initial contact person and senior manager of Oxfam Novib in 2009. In these meetings/interviews I was able to explore key issues that emerged after analysing the interviews conducted with Oxfam Novib managers in 2008. During this phase of the data collection process (2009-2010), I also arranged a meeting with two leading Dutch academics working in the Centre for International Development Issues at the Radboud University Nijmegen. These two academics published a number of papers and books on development cooperation in the Netherlands, some publications specifically focusing on the co-financing program, and have been involved in independent evaluations of the co-financing program and policy dialogues preceding the initiation of new government funding schemes. This meeting was helpful for discussing my research questions and design, and assisted in gaining a better understanding of the development cooperation ‘field’ in the Netherlands.

After a preliminary analysis of governmental documentation, the meetings/interviews with the senior manager of Oxfam Novib, and the meeting with the academics from the Radboud University Nijmegen, I conducted two interviews (in 2010) with governmental officials working within the Ministry of Foreign Affairs. Contact with the Ministry of Foreign Affairs was arranged through Partos, the national platform for Dutch civil society organisations working in the international development cooperation sector. Whilst attending a conference organised by Partos in mid-2010, I was informally introduced to a key individual within the Ministry of Foreign Affairs, who granted access and provided the contact details of two senior governmental officials (one of them was assigned as a contact person) within the Ministry of Foreign Affairs responsible for developing and executing policies regarding the co-financing program. These interviews with governmental officials focused on three key areas, i.e. perceptions of accountability in the governmental funding scheme, the

operationalisation of accountability as introduced in the governmental funding scheme, and the development of accountability over time. The interview guide used in these interviews is provided in Appendix 3. Unfortunately, as noted above, it was not possible to conduct further interviews within the Ministry of Foreign Affairs.

4.4.4.3 Third phase: Interviews with ICCO, Hivos and Cordaid managers (2011)

The third phase of the data collection process (2011) involved interviews with managers from ICCO, Cordaid and Hivos. The contact details of key individuals dealing with issues of accountability within these organisations were provided by my contact person within Oxfam Novib. They were approached by phone early 2011 and all responded very positively to the suggested study, resulting in the arrangement of initial meetings with a key individual or key individuals of ICCO, Cordaid and Hivos. In these initial meetings, the nature and focus of the study was outlined and all three NGOs agreed to participate in the study. After introducing and discussing the study, I was also able to interview these managers. At the end of these initial meetings/interviews, the NGO managers selected individuals within their organisations they considered important in developing their organisations' approach to accountability. As a result of these initial meetings, five interviews were conducted within ICCO, three within Hivos, and three within Cordaid. These interviews focused on three main topics, i.e. accountability in their NGOs' relationship with the Ministry of Foreign Affairs, the operationalisation of accountability technologies within their organisation, and the selection of accountability technologies by the Ministry. The interview guide for these interviews is provided in Appendix 4.

4.4.4.4 General approach to interviews

In advance of their interview (and the initial meetings), all interviewees were sent an outline of the study together with a short introduction of the interview focus areas. Interviews ranged from between half an hour and two hours in duration and the majority were digitally recorded, and fully transcribed²⁰. The initial meetings/interviews with managers from

²⁰ Interviews were transcribed either by myself or a (paid) research assistant. There was continuous contact with the transcriber in order to clarify issues coming up during the interview transcription process. Additionally, it should be emphasised that all digitally recorded interviews were listened to subsequent to the interviews and notes were updated for additional comments before transcribing the interviews using *Microsoft Word*. After

Cordaid, Hivos and ICCO were not digitally recorded to provide more comfort to the NGO managers, since the main aim of these meetings was to secure access to the NGOs. Detailed notes were, however, taken during these meetings and proved to be very important in the subsequent analysis.

As discussed in sections 4.4.4.1 to 4.4.4.3, an interview guide was developed prior to the first interview in all three phases, as suggested by Flick (2006), Patton (2002) and Silverman (2000). This interview guide was however developed over time in order to include important issues addressed by interviewees which were considered relevant to address in subsequent interviews. Confidentiality and anonymity was discussed and assured in all interviews and meetings. Interviewees were also offered the opportunity to comment on a draft version of the thesis in order to ensure factual accuracy and reassure that their inclusion in the thesis was according to the confidentiality and anonymity agreements. The final version of the thesis benefited from the feedback given by several interviewees. In general, the interviews were aimed at initiating a discussion about how interviewees perceived accountability personally, within their organisations and in the relation with the Ministry of Foreign Affairs. Each interview started by asking managers to describe their function within the organisation. Then the focus moved towards key elements of the interview guide. After each interview, a review of notes taken during and after the interviews assisted in building up a set of issues for prompting and probing in subsequent interviews.

4.4.5. Data analysis

4.4.5.1 Introduction to the data analysis process

The analysis of documentary and interview data in this study can be broadly described by three subprocesses, i.e. data reduction, data display and data interpretation (O'Dwyer, 2004). A Computer Assisted Qualitative Data Analysis Software (CAQDAS) package, i.e. Atlas.ti, was used in order to assist in analysing documentary and interview data. Atlas.ti is a CAQDAS package that allows managing, coding and displaying qualitative research data. It

transcription was completed, the recordings were listened to again and transcripts read to ensure complete accuracy of the transcribed interviews.

offers a variety of tools that assisted in exploring data in a systematic way, as will be discussed throughout the following sub-sections.

Table 4.1: List of interviewees

Reference	Organisation	Date	Type/Duration
I1	Oxfam Novib	06-08-2008	Interview (94 min)
I2	Oxfam Novib	29-09-2008	Interview (73 min)
I3	Oxfam Novib	29-09-2008	Interview (37 min)
I4	Oxfam Novib	29-09-2008	Interview (52 min)
I5	Oxfam Novib	29-09-2008	Interview (99 min)
I6	Oxfam Novib	19-08-2008	Interview (68 min.)
I7	Oxfam Novib	26-08-2009	Meeting (90min)
I8	Oxfam Novib	15-12-2009	Interview (100 min)
I9	Ministry of Foreign Affairs	18-11-2010	Interview (47 min)
I10	Ministry of Foreign Affairs	10-11-2010	Interview (90 min)
I11	Cordaid	05-04-2011	Meeting (70 min)
I12	Cordaid	30-06-2011	Interview (110 min)
I13	Cordaid	20-09-2011	Interview (99 min)
I14	ICCO	19-05-2011	Meeting (60 min)
I15	ICCO	21-06-2011	Interview (104 min)
I16	ICCO	27-06-2011	Interview (90 min)
I17	ICCO	28-06-2011	Interview (90 min)
I18	ICCO	10-08-2011	Interview (123 min)
I19	Hivos	30-03-2011	Meeting (60 min)
I20	Hivos	09-06-2011	Interview (88 min)
I21	Hivos	09-06-2011	Interview (60 min)
I22	Hivos	29-06-2011	Interview (82 min)

Note to table: Meetings refer to combined (initial) meetings with interviewees, which were not recorded to provide more comfort to the managers, since in this meeting further access to the organisation was also discussed.

4.4.5.2 Data reduction: Detailed reading and coding

The first step in the analysis of data, data reduction (O'Dwyer, 2004; Huberman and Miles, 1994), involved a detailed reading of documents and interview transcripts, a review of documents and transcripts, listening to digital recordings and reading relevant notes taken during and after each interview. After this initial stage, the collected data was reduced to *relevant* data, based on key themes coming out of the data which were identified by developing intuitive open coding schemes. Open coding schemes were created separately for the analysis of documents and interview transcripts. Since documents were collected in order

to analyse the construction of accountability over an extended period of time by focusing on rationalities (underlying ideals), programmes (frameworks for action) and technologies (mechanisms for intervention), the coding process mainly involved identifying and coding emerging ideals underpinning accountability, (explicit and implicit) aims of accountability, accountability technologies, and key events that influenced the approach to accountability. The purpose of the interviews was to examine the perceptions of NGO managers regarding the operationalisation of introduced accountability technologies. Therefore the coding process for the interview transcripts focused on identifying and coding different perceptions of accountability as well as (aspects of) introduced technologies that were considered important.

The process of coding texts in documents and interview transcripts can be described as a process of classifying units of data to identify passages of text representing some more general phenomena. Data represented by such codes was selected on the basis of the meaning contained in the passages of texts (O'Dwyer, 2004). All sections of documentation or interview transcripts that addressed a key theme or key event in the development and/or operationalisation of accountability were marked by using the coding function in Atlas.ti which allowed for a quick and easy identification and access to themes throughout the analysis. After constructing an initial open coding scheme, all documents and transcripts were read and analysed again, in order to combine codes and add new codes where necessary. This refining process of the codes continued until a final version resulted, which contained 246 loose codes (Appendix 5) for the documentary analysis and 181 loose codes (Appendix 6) for the interview transcript analysis. Subsequently, the documents and transcripts were read again and the coding was challenged against the final version of the code master to ensure consistent coding.

4.4.5.3 Data display and interpretation: Identifying key themes and interpreting findings

The second subprocess developed by O'Dwyer (2004) is data display, which implies attempting to visually display the reduced data through the creation of detailed matrices with key themes and emerging patterns. The benefit of using Atlas.ti was clearly visible during this stage, since Atlas.ti can generate overviews of codes automatically. Since the documentary analysis was mainly aimed at tracing how accountability emerged and evolved

over time, Atlas.ti was mainly used as an organising or structuring device, which for example allowed the organisation of the documents in a chronological order. The coded passages of text made it easier to (later) access the information related to key phenomena and events throughout the analysis.

In conducting the analysis of interviews, two features of Atlas.ti were used more extensively in order to display the data, i.e. the feature which generates a matrix illustrating the number of quotations per code and the feature which provides the distribution of codes/quotations per interview transcript. Table 4.2 below provides an extract from the created matrix.

Table 4.2: Extract from Atlas.ti code matrix

Code / Interviewee	I23	I24	I25	I26
Alternative ways of funding/cooperating	1	2	6	0
Making results quantitative (calculable/reportable)	2	1	0	0
Accountability as important value	0	0	0	3
Unclear assessment criteria/requirements Ministry	3	1	2	0
Ministry more stubborn in MFS2 - less flexibility	9	2	5	0
Tension between accountability and development work (mission drift)	0	4	2	1
Bureaucratic systems	5	0	0	0
Difficult (but important) to measure and communicate results	0	0	2	2
Tendency to aggregate results (Ministry)	9	0	10	0
Creating fake certainties and reality (making calculable)	6	2	7	1
Translating own approach to government demands	21	1	4	0

This matrix and the overviews produced by Atlas.ti were used to link codes to emerging patterns in the data. This encompassed the preparation of mind maps, outlining key themes emerging from the analysis of the open codes. Rather than summarising the open (interview) codes into several main codes (O'Dwyer, 2004), I used Atlas.ti in order to group codes in order to link them to the identified key themes emerging from the analysis. The key themes emerging from the analysis of interview transcripts were: attention to accountability perceived as enabling; operationalisation of accountability perceived as problematic; unclear assessment criteria used by the Ministry; translation of NGOs' internal accountability approach to suit governmental demands; tendency to aggregate results; tension between accountability and autonomy of counterparts; tension between accountability and development work (mission drift); attention to NGOs' internal information requirements;

decreased flexibility of the Ministry in MFS2; focus on making results (quantitatively) measurable; difficulties with measuring and communicating results; creating fake certainties; communication issues with the Ministry of Foreign Affairs; increased bureaucratic nature of accountability, and seeking alternative funding sources.

The final step in the analysis was ‘data interpretation’ (O’Dwyer, 2004), which involved efforts to interpret the reduced data sets, i.e. the overviews and matrices created in the previous steps. In this step, the constructed matrices and overviews were examined in detail, and emerging key themes were further examined and critically assessed. In further developing the key themes, I reviewed all the interview summaries and notes, and mind maps in order to create a detailed description of findings that provided a ‘big picture’ of the analysis. This process involved the selection (and translation²¹) of illustrative quotations, searching for alternative explanations, contextualising the detailed description, and finally the writing up stage. The analysis of documentary evidence, interviews and the academic literature on NGO accountability (Chapter 2) and governmentality (Chapter 3) continued throughout the entire research process in order to relate the findings to prior literature and theory, and to remain alert to contradictions within the gathered data.

4.5 Chapter summary

This chapter was structured into three sections. The first section provided an overview of the different ontological and epistemological assumptions underlying qualitative and quantitative research methodologies. Additionally, it outlined why a qualitative research methodology was considered especially appropriate in this study due to the specific focus of the study on the conceptualisation of accountability in political discourse over an extended period of time and on NGO managers’ perception of the operationalisation of accountability technologies. Section two focused on the differences between quantitative and qualitative research methods and the role of theory in both research methodologies. It also discussed the role of the theoretical framework, i.e. governmentality, and the two qualitative research methods, i.e. documentary analysis and interviews, adopted in this study. The third section outlined the research approach, focusing on the background to the research, the research questions, and the process of collecting, displaying and interpreting data.

²¹ The majority (all except one) of the interviews were conducted in the Dutch language and therefore all quotations to be included in the reported narrative required translation into English.

CHAPTER 5: CASE CONTEXT AND INTRODUCTION TO FINDINGS

5.1 Introduction

The aim of this chapter is to ‘set the scene’ for the narrative in the subsequent findings chapters (6 to 9) by providing a brief historical overview of international development cooperation and Dutch development cooperation. The chapter also provides an introduction to the four co-financing NGOs analysed in this study. Finally, an introduction to the structure of the findings chapters (6 to 9) and an overview of the shifting rationales, programmes and technologies of government unveiled in chapters 6 to 8 is presented to guide the reader through these chapters.

5.2 A brief introduction to international development cooperation

Development cooperation, also referred to as development aid²², foreign aid, or international aid, can be described as the international transfer of capital, goods, or services from a country or international organisation for the benefit of a recipient country or its population (Fowler, 2000). The most common type of development cooperation is official development assistance (ODA), which involves assistance provided to promote development and fight poverty. Development cooperation can be distinguished from humanitarian aid by its focus on alleviating poverty in the long term rather than representing short term responses to humanitarian crises.

The earliest form of development cooperation provided by countries, was military assistance aimed at helping parties at war that were in some way considered to be strategically important. Another form of development cooperation emerged in Europe in the 19th and 20th centuries when large amounts of money were provided to colonised countries, for example, to improve infrastructure, with the ultimate goal of increasing the colony’s economic output. The origin of the structure and scope of modern development cooperation, as we currently

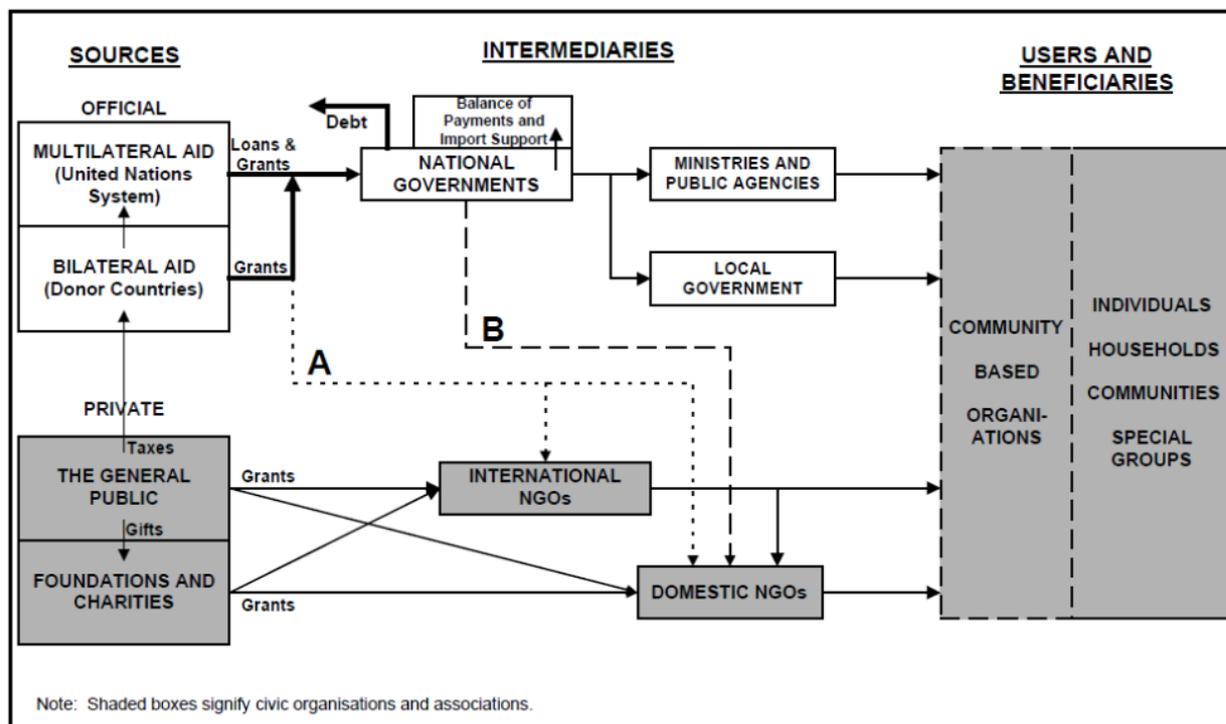
²² Note that the term development aid was replaced with development cooperation in the 1970s in order to emphasise that donor countries and organisations consider the aid receiving countries or organisations as equal partners (Degnbol-Martinussen and Engberg-Pedersen, 2005).

know it, can be traced to two important post-World War II developments, i.e. the implementation of the Marshall Plan²³ and the founding of significant international organisations, such as the United Nations (UN), IMF and World Bank (Rist, 2002). The UN, IMF and World Bank played an important role in allocating international funds and determined the qualifications for receiving aid and assessing the impact of development cooperation.

Development cooperation can be broadly distinguished into two forms, i.e. bilateral and multilateral. Bilateral development cooperation is provided by development agencies of so-called Northern (developed) countries (such as the department responsible for development cooperation within the Dutch Ministry of Foreign Affairs), while multilateral development cooperation is channelled from Northern donor countries through international organisations such as the World Bank and the International Monetary Fund (IMF) (Fowler, 2000; Rist, 2002). Both forms of development cooperation often rely on intermediaries, such as international (Northern) development NGOs or domestic NGOs working in developing countries, in providing the actual assistance to the marginalised and poor in developing countries (Fowler, 2000). Figure 5.1 provides a simplified overview of the financial links and flows in the international development cooperation system. A key focus of this study is on how the Dutch Ministry of Foreign Affairs has sought to hold development NGOs, operating as an intermediaries, accountable for the funds provided through financial link 'A' in Figure 5.1, i.e. the link between donor countries and international (Northern) NGOs.

²³ The Marshall Plan, a plan developed by the United States (U.S.) was initiated in 1948 to rehabilitate and stabilise the economies of 17 European countries²³ by providing money, raw materials and goods worth around 13 billion U.S. dollars from 1948 until 1951 (USAID, 2012).

Figure 5.1: Brief overview of the financial links and flows involved in development cooperation (Taken from Fowler (2000a, p. 4))



Countries have various reasons for providing development cooperation. It can, for example be provided to achieve a country's diplomatic goals, to garner support for its positions in international organisations, to increase its diplomats' access to foreign officials, or as compensation for the right to establish or use a military base in a foreign country. Alternative purposes can include promoting exports of a country, spreading its language, culture or religion, relieving suffering caused by disasters, promoting economic development, helping to establish or strengthen political institutions, or to address transnational problems including terrorism, diseases and destruction or pollution of the environment. Governmental policies addressing development cooperation are often aimed at achieving several of these purposes (Fowler, 2000; Rist, 2002).

5.3 A brief history of Dutch development cooperation

Before 1950 there was little attention to development cooperation in the Netherlands due to the country's prevailing colonial policy. Development cooperation in the Netherlands (and other former colonial powers, such as the United Kingdom and France) emerged with the

decolonisation that took place in the 1950s. However, at this time, development was mainly aimed at ensuring that former colonies were governed in a way that ensured that inhabitants could 'enjoy' freedom without poverty, hunger and insecurity (Beurden and Gerward, 2004; Zevenbergen, 2002). An additional reason was maintaining trading relations with (and some power over) former colonies, which was reflected in the general approach to development cooperation in the Netherlands originally articulated as providing aid through trade (Hoebink, 2007). Prior to 1965, development cooperation in the Netherlands was the responsibility of the Ministry of Economic Affairs, which resulted in a focus on modernisation and industrialisation of developing countries in order to address poverty and economic problems throughout the 1850s. Politicians however started criticising the modernisation and industrialisation approach in the early-1960s. They argued that this approach to development cooperation led to developing countries being impoverished, while developed countries were being enriched (Hoebink, 2007; Zevenbergen, 2002).

With the appointment of a Minister of Development Cooperation in 1965, who was part of the Ministry of Foreign Affairs (rather than Economic Affairs), the focus of Dutch development cooperation shifted from economic development towards economic *and* social development (Hoebink, 2007). Dutch development cooperation throughout the late 1960s and 1970s was characterised by a rapidly increasing budget, due to high levels of support from the general public, whilst there was limited attention to accountability for the effectiveness of development cooperation (Hoebink, 2007; Zevenbergen, 2002). This changed in the late 1970s when, due to a growing awareness amongst politicians that development cooperation efforts should aim for structural, longer term, poverty reduction to be achieved in an efficient and effective manner, increased attention to issues of accountability was deemed necessary. Whilst from 1980s onwards the budget for development cooperation further increased (from 1.75 billion Euro in 1980 to 4.75 billion Euro in 2011 (NOS, 2012)), development cooperation faced a continuously increasing amount of (political and public) scrutiny regarding its efficiency and effectiveness. This resulted in more stringent accountability demands for all forms of development cooperation (Hoebink, 2007; Beurden and Gerward, 2004), including Dutch development cooperation channelled through NGOs.

Dutch governmental support for development NGOs dates back to 1965, the year the analysis in this study commences in chapter 6, when 5 million Guilders (about 2.27 million Euro) was

made available for the co-financing²⁴ of Dutch development NGOs in order to provide assistance to less developed countries (Schulpen, 2007). The emergence and evolution of this ‘co-financing program’ for Dutch development NGOs is the key focus of this study and is analysed in depth in chapters 6 to 8.

5.4 Introduction to the Dutch NGOs included in this study

The four NGOs, i.e. Oxfam Novib, ICCO, Cordaid and Hivos, included in this study together receive between 70 to 80 per cent of the total funding provided to NGOs through the governmental co-financing scheme. These four co-financing NGOs work together with local organisations in developing countries, who are referred to as their counterparts. These counterparts are responsible for the execution of projects in developing countries. A short description of the four co-financing NGOs is provided in the following sub-sections.

5.4.1 Oxfam Novib

Oxfam Novib is involved in projects to support local counterparts, advocacy and campaigning and states that it is ‘fighting for a just world without poverty’ (Oxfam Novib, 2008a). The organisation aims to fight poverty and injustice by working together with people, organisations, businesses and governments (Oxfam Novib, 2008a). It claims to help people in poverty to claim their basic rights by combining forces in the sense of cooperation with counterparts and their networks in developing countries (Oxfam Novib, 2008a). To be as effective as possible, cooperation with other parties, such as businesses and other international NGOs, is becoming increasingly common (Oxfam Novib, 2008a). Oxfam Novib cooperates with local NGO counterparts in developing countries and, in principle, does not send people to these countries (apart from some fieldworkers who departed to manage partner relationships in emergency aid areas²⁵), since Oxfam Novib contend that they are convinced of the power of people to solve their own problems (Oxfam Novib, 2008b). The organisation has three main approaches to work towards its aim of a just distribution of welfare in the world: strategic development financing; policy influencing; and campaigning.

²⁴ Which implied that NGOs were required to combine governmental funding with alternative funding sources.

²⁵ Oxfam Novib however recently decided to implement an adjusted approach which does involve sending people to developing countries.

5.4.2 ICCO

ICCO is a belief based (Protestant) development NGO that supports projects that work towards a world in which people can live in dignity without poverty and injustice, an aim similar to that of Oxfam Novib (ICCO, 2012). Three values are considered in ICCO's organisational activities: compassion; justice; and stewardship. ICCO has introduced six main programmes in order realise its mission focused on alleviating poverty and fighting injustice: fair economic development; conflict resolution and democratisation; basic health care and HIV/aids; basic education; food and nutrition security; and fair climate. These are addressed by conducting activities on five different levels, i.e. financing organisations in developing countries, providing emergency aid, sending field workers to developing countries (to assist counterparts), lobbying, and providing advice (ICCO, 2012).

5.4.3 Cordaid

Cordaid is a development NGO based on the Christian belief and aims to fight poverty and injustice, an objective similar to that of Oxfam Novib and ICCO. As with Oxfam Novib and ICCO, Cordaid believe in the power of people to improve their own lives and therefore work together with counterparts in developing countries. These counterparts mainly comprise organisations defending marginalised groups, such as people in slums, ethnic minorities or children from disadvantaged backgrounds. Together with these local partners, Cordaid claims to work towards a sustainable and better future for disadvantaged people throughout the world. Additionally, in working with counterparts, Cordaid states that it aims to share knowledge and experiences, thereby enabling learning and continuously improving the performance of both Cordaid and its counterparts (Cordaid, 2012).

5.4.4 Hivos

Hivos aims to fight poverty, suppression, and discrimination by supporting people that wish to determine their own future and themselves want to work towards improving their future. In addition to this aim, Hivos states that it acknowledges the power of Dutch citizens and aims to involve them in performing activities, since Hivos believes that change in developing countries requires efforts in the Netherlands. The organisation works on structural poverty reduction with a focus on community building and sustainable economic development (Hivos,

2012). In order to achieve their aims, Hivos is active in the following fields: financial services; business development; sustainability production; human rights and democratising; HIV/AIDS; art and culture; gender; women and development; and ICT and media (Hivos, 2012).

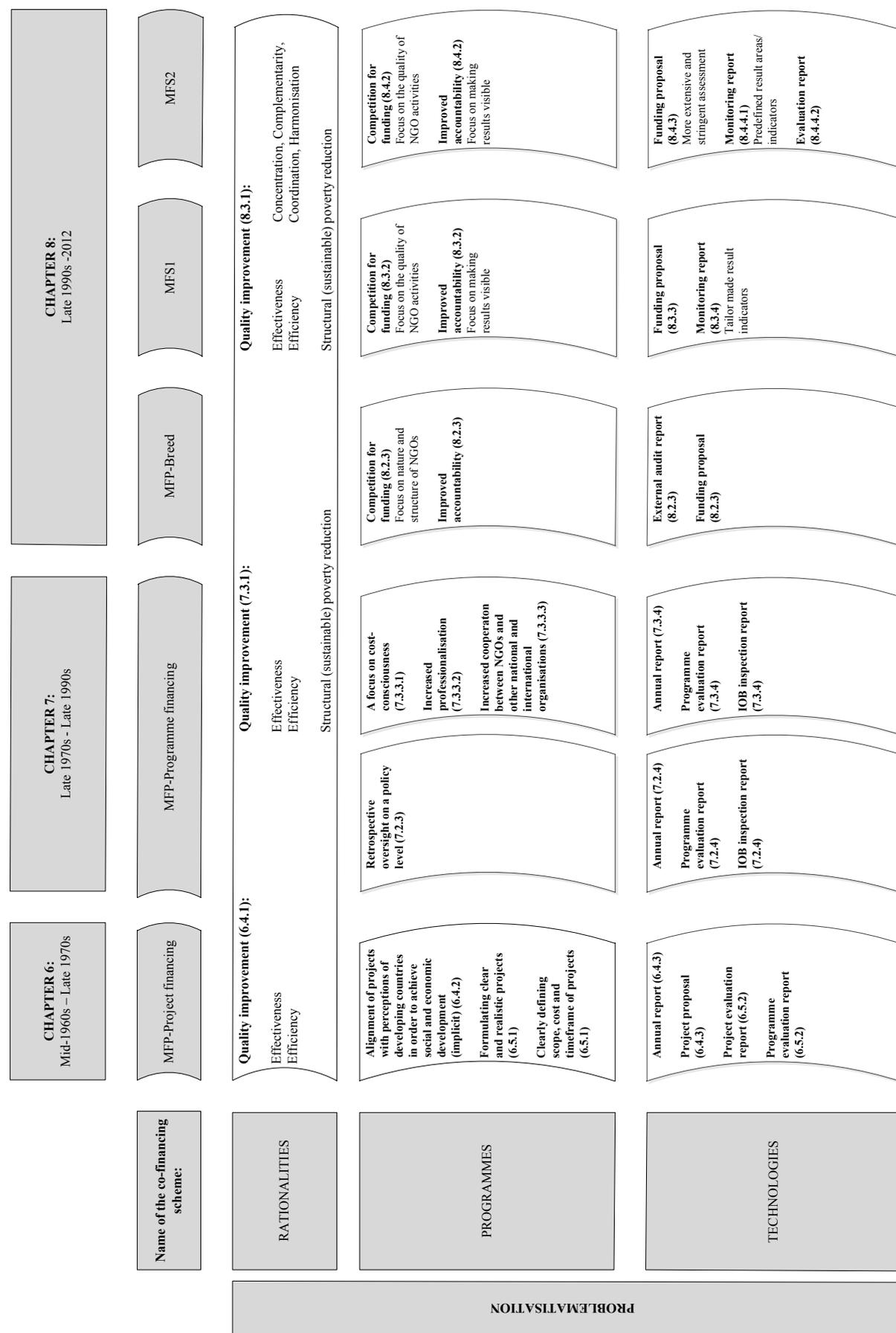
From this brief introduction to the four NGOs it can be concluded that they have one key thing in common: they all work towards alleviating poverty and fighting injustice, although there are differences in their approaches to achieving this aim. Although the four NGOs have similar core aims, their backgrounds differ. While ICCO and Cordaid are based on religious beliefs and backgrounds, Oxfam Novib is non-religious while Hivos attaches itself to the humanistic movement.

5.5 Brief overview of the research findings (chapters 6 to 9)

Chapters 6 to 8 discuss the findings related to the first research question on the construction of accountability over an extended period of time. Chapter 9 focuses on the investigation of the operationalisation of accountability technologies within individual NGOs. The key rationalities, programmes and technologies of government (see section 3.3) related to the construction of accountability are examined throughout chapters 6 to 8. These are outlined in Figure 5.2 as a guide to the problematisation process (see section 3.3.2) studied in these chapters. The following paragraphs briefly introduce the structure of chapters 6 to 9.

Chapter 6 analyses how insight into and control of co-financing NGOs was problematised shortly after the emergence of the co-financing scheme in the mid-1960s, which led to the construction of quality improvement as a rationale of government to which co-financing NGOs should be directed. Quality improvement was accompanied by implicit programmatic aims and limited accountability technologies (annual reports and formal project proposals) seeking to link the nascent programme and underlying rationale with forms of action in the 1970s.

Figure 5.2: Overview of the problematisation process in the narrative (chapters 6 to 8)



Chapter 7 unveils how *project* financing (financing of individual projects) was replaced by *programme* financing (financing of combinations of related projects) in the 1980s. An explicit programmatic aim of retrospective oversight on a policy level was then articulated. This was operationalised through more extensive accountability technologies (annual reporting, programme evaluations and external inspections of NGO counterpart activities). The chapter also reveals how the rationale of quality improvement was unpacked, by articulating a focus on the ideal of structural (sustainable) poverty reduction. This was then linked to more specific programmatic aims focusing on cost consciousness, increased professionalisation and increased cooperation in the late 1990s. Co-financing NGOs were left free to reorganise their internal administrations in order to work towards achieving these aims.

Chapter 8 analyses how and why a desire for a more systematic approach to co-financing development NGOs emerged in the late 1990s and resulted in a new funding scheme in the early 2000s (MFP-Breed), which was underpinned by two key programmatic aims: competition for funding and improved accountability. These aims remained central to the subsequent funding schemes, MFS1 (2007-2010) and MFS2 (2011-2015), and were linked to the existing accountability technologies - annual reporting, programme evaluations, and external inspections. Two additional technologies were also introduced in the form of funding proposals and monitoring reports. Whilst these accountability technologies were retained throughout the three funding schemes existing in the 2000s (MFP-Breed, MFS 1 and MFS 2), their requirements are shown to have become increasingly stringent over time.

Having discussed the construction of accountability in Chapters 6 to 8, Chapter 9 conducts an in-depth analysis of NGO managers' perceptions on the operationalisation of accountability technologies introduced in the most recent funding scheme (MFS2). The chapter illustrates how NGO managers perceived the programmatic aims underpinning the approach to accountability in this scheme as potentially enabling, whilst the operationalisation of accountability technologies was, however, perceived as potentially interfering with NGOs' organisational mission and autonomy. Additionally, Chapter 9 discusses how three co-financing NGOs, ICCO, Cordaid and Hivos, developed approaches to accountability that enabled them to operate as a buffer between the MFS2 accountability requirements and their counterparts in order to prevent their counterparts having to comply directly with the specific accountability demands of the Ministry. The chapter also illustrates how some managers

asserted that the threat of mission drift had forced them to rethink their organisational approach to accountability.

5.6 Chapter summary

This chapter provided a brief history of international and Dutch development cooperation and introduced the four co-financing NGOs who are included in this study. Additionally, the chapter provided a short introduction to the four findings chapters (6 to 9), including a schematic overview (Figure 5.2) of the key dimensions of governmentality unveiled in chapters 6 to 8 focusing on the construction of accountability in the relationship between the Dutch ministry and the co-financing NGOs.

CHAPTER 6: THE PROBLEMATISATION OF INSIGHT AND CONTROL: THE CONSTRUCTION OF QUALITY IMPROVEMENT AS A RATIONALE OF GOVERNMENT

6.1 Introduction

This chapter examines the establishment of the co-financing program²⁶ for Dutch development NGOs and the subsequent emergence of a rationale of quality improvement as the underlying ideal to which governmentally funded NGOs²⁷ should aspire. It also unveils the initial (implicit) programmatic approaches and formal accountability technologies adopted in order to achieve this ideal. The chapter is divided into four sections. The first section describes how international developments and lobbying activities by Dutch missionary organisations resulted in the establishment of governmental co-financing of private development organisations based on the assessment and approval of NGO project proposals in the mid-1960s. The second section reveals how and why insight into and control of co-financing NGOs was constructed as a problem needing resolution. The third section illustrates how quality improvement, underpinned by broad, underspecified notions of efficiency and effectiveness, emerged in the late 1960s as an underlying ideal to which NGOs should be directed in order to address the perceived problems of insight and control. This section also unveils the programmatic aims and associated accountability technologies initially adopted in order to accomplish the quality improvement ideal within the governmental funding scheme. The fourth section describes how changed perceptions of development cooperation resulted in the establishment of more explicit programmatic aims and enhanced accountability technologies in the early to mid-1970s.

6.2 Emergence of the co-financing program

Dutch governmental funding of private non-profit development organisations was initiated in 1965 when the Ministry of Foreign Affairs made five million guilders (about 2.27 million Euros) available for the ‘co-financing’ of development projects executed by Dutch NGOs

²⁶ The co-financing program is the Dutch government’s development NGO funding scheme. The terms co-financing scheme and co-financing program are used interchangeably throughout this and following chapters.

²⁷ Governmentally funded NGOs are the NGOs that were financed under the co-financing program. These NGOs are referred to as co-financing NGOs throughout this and succeeding chapters.

(Ministerie van Buitenlandse Zaken, 1964b). Rather than fully funding NGO projects, the Dutch government decided to co-finance NGO development projects, which required NGOs to combine governmental funding with other sources of funding. NGOs had to finance at least 25 per cent of project expenditures from non-governmental sources, such as donations, membership fees or multilateral grants from institutions such as the United Nations or the World Bank.

6.2.1 Background to the commencement of the co-financing program

The decision to start co-financing private development projects was influenced by international developments and lobbying activities in the Netherlands. The then Federal Republic of Germany (West-Germany), some Scandinavian countries and Switzerland had started financing private development NGOs in the early 1960s based on the presumption that some development activities could be better executed by private organisations (Smits, 2004). In addition to these international developments, Dutch missionary organisations started lobbying for similar forms of governmental support for their development activities. These organisations were supported by Protestant and Catholic belief-based political parties²⁸. These private development activities mainly involved belief-based missionary projects executed by two organisations: ‘Mission’ (an organisation executing development activities on behalf of the Catholic Church) and ‘Sending’ (an organisation executing development activities on behalf of the Protestant Church) (Smits, 2004).

Negotiations between the Catholic and Protestant missionary organisations (‘Mission’ and ‘Sending’) aimed at aligning their views on the desired nature of development cooperation resulted in a joint letter being sent to the Dutch government in 1963 requesting financial support for private development activities. In addition to requesting funding, the letter proposed several funding criteria for applying organisations. For example, it was suggested that: public resources should not be used for belief-based activities; projects would have to be supported by the local and national government of the developing country; and projects should take into consideration the views of local NGOs (Smits, 2004).

²⁸ The Catholic political party ‘Katholieke Volkspartij’ (KVP) published a report in 1962 advocating for government support for private organisations addressing needs in developing countries. In addition to this report, the party criticised a government report on aid delivery, indicating the lack of attention to private development organisations’ efforts (Smits, 2004).

Although the lobby for the co-financing of private development initiatives was supported by most political parties, some resistance was evident. Various politicians emphasised that due to the belief-based nature of the missionary organisations, these organisations should cooperate and work towards acquiring subsidies for ‘pure development work’ such as setting up schools and hospitals (Smits, 2004, p. 151), rather than for missionary activities. A civil service committee, consisting of politicians from various political parties, was created in order to provide an independent recommendation to the government. This committee recommended that if the government decided to subsidise development activities of private organisations, this should be limited to a contribution to the costs of executing *specific* projects (Smits, 2004).

Dutch politicians held varying views on the suggested co-financing of development NGOs. Ministers from non belief-based political parties, such as the ‘Partij van de Arbeid’ (PvdA), suggested that development work would be hard to separate from the work of faith, while ministers from belief-based parties, such as the KVP, argued that this issue was already resolved by the proposed criteria outlined above. Based on these different perceptions, the then Prime Minister (Marijnen) concluded that the issue required more consideration and instructed the State Secretary (for Foreign Affairs) to draft a discussion paper. This was completed in 1964. It argued that since funding of private (non-development) organisations working on activities that were in the public interest, such as special education and the mental care of soldiers in The Netherlands, had been accepted for years, the funding of private development activities should now also be considered. The Dutch State Secretary contended that development activities would not be confused with missionary activities since both ‘Mission’ and ‘Sending’ had already indicated that ‘preaching’ activities should not be supported by the proposed funding. On October 23, 1964, the Dutch House of Representatives came to an agreement on the issue and increased the development aid budget by 5 million Guilders (2,27 million Euro) in order to experiment with providing financial support to private development organisations. The development budget fell under the responsibility of the Dutch Ministry of Foreign Affairs. While prior to 1965 the Minister of Foreign Affairs was responsible for all forms of Dutch governmental development cooperation, due to the increased attention afforded to development cooperation, a specific Minister for Development Cooperation was assigned in 1965. The Minister of Development

Cooperation did not however have a distinct portfolio; he or she was part of the Ministry of Foreign Affairs^{29 30}.

6.2.2 Transferring responsibility for the selection and approval of project proposals to NGOs

Initially, the co-financing program was open to proposals from any private development organisation based in The Netherlands or in a developing country (Ministerie van Buitenlandse Zaken, 1964a). In order to assess project proposals, a special body, the Bureau Medefinanciering Particuliere Projecten (Office for co-financing private projects), was created within the Dutch Ministry of Foreign Affairs. Two key criteria were outlined. Projects were required to, firstly, fit within the development plan of the country of execution and secondly, to have approval of the central government of that country (Ministerie van Buitenlandse Zaken, 1964a). In the period from 1965 to 1968, 195 project proposals were approved by the Ministry of Foreign Affairs. The majority of proposals came from Catholic organisations, i.e. around 60 – 70 per cent (with the majority of them being organised in the development organisation Centraal Missie Commissariaat or Central Mission Commissariat (CMC) – later renamed Cordaid).

By the end of 1967, the increasing amount of project proposals submitted to the office for co-financing private projects meant that the approval process became burdensome for the Ministry (Tweede Kamer, 1967; Inspectie Ontwikkelingssamenwerking en Beleidsevaluatie, 2009). A member of the Catholic political party KVP, pointed to the difficulties for the Ministry in processing the increasing amount of proposals, which had led to a situation where it could take up to eight months to process proposals. According to him, this was caused by either the ‘insufficient capacity of the responsible department [within the Ministry of Foreign Affairs]’ or insufficient support from Dutch embassies in developing countries. Acknowledging these problems, the Minister was ‘[...] willing to find out whether the procedure [could] be speeded up’ (Tweede Kamer, 1967, p. 46). He, however, did point out

²⁹ Between 2002 and 2003 and from 2010 onwards there was no Minister of Development Cooperation, but only a State Secretary responsible for development cooperation within the Ministry of Foreign Affairs. However to maintain clarity throughout the chapters, the State Secretary will be referred to as Minister of Development Cooperation. A full list of Ministers of Development Cooperation and Secretaries of State is provided in Appendix 7.

³⁰ Throughout this chapter and succeeding chapters, ‘the Minister’ refers to the Minister of Development Cooperation, while ‘the Ministry’ refers to the Ministry of Foreign Affairs.

that some aspects of the assessment and approval process required time and attention, since ‘there [we]re governmental funds involved and the government [wa]s thus obliged to examine in detail whether specific projects conformed with the norms of co-financing’ (Tweede Kamer, 1967, p. 46).

The problem of insufficient capacity within the office for co-financing private projects became quite serious when the number of projects that met co-financing criteria exceeded available funding in 1967. In order to relieve the pressure and prevent faith-based organisations pressurising Catholic and Protestant political parties to lobby for the approval of their projects within the House of Representatives, the government decided to allocate the budget equally amongst ‘Cordaid’³¹ (a Catholic belief based organisation) and ‘ICCO’ (a Protestant belief based organisation) (Inspectie Ontwikkelingssamenwerking en Beleidsevaluatie, 2009). From late 1967 onwards, the co-financing program was restricted to Cordaid and ICCO. The responsibility to assess and select project proposals thus shifted from the Ministry of Foreign Affairs to Cordaid and ICCO. All Catholic organisations applying for project funding were now dependent on Cordaid, while all Protestant organisations had to address their proposals to ICCO. These two organisations were, however, still required to send selected and approved project proposals to the Minister of Development Cooperation for *formal* approval. This approval was, however, in reality a formality, given the lack of capacity within the Ministry to assess proposals and the fact that only a handful of projects were ever rejected (Tweede Kamer, 1967).

While private Catholic and Protestant organisations were now receiving governmental support in order to execute development projects, non-faith based organisations received little attention. This issue was addressed in 1968, when the chairman of ICCO suggested including the NGO Oxfam Novib³² in the co-financing program in order to provide funding to non-faith based NGOs. Hence, from 1968 onwards, the co-financing program consisted of Cordaid, ICCO and Oxfam Novib with the available budget being allocated as follows: Cordaid 40%,

³¹ The organisation currently known as Cordaid was initially named CMC and later Cebemo. The developments that led to changes in the name of the organisation are, however, considered outside of the scope of this study. Therefore, throughout this and succeeding chapters the current name of the organisation, i.e. Cordaid, will be used in order to maintain consistency and clarity in the narrative.

³² The Dutch NGO Novib joined Oxfam International, an international federation of development NGOs, in 1994. Since 1994 it therefore uses the name Oxfam Novib, which will be used throughout this and following chapters.

ICCO 40%, and Oxfam Novib 20%. This allocation and the selected organisations were assumed to represent the composition of the Dutch society at this time.

Although in the late 1960s the co-financing of private development NGOs became widely accepted amongst politicians as a valuable and permanent part of Dutch development policy, there were some concerns amongst politicians that the shift of responsibility for project assessment from the Ministry to Cordaid, ICCO and Oxfam Novib potentially ‘mov[ed] away from modern views on development cooperation’ (Smits, 2004, p. 161) and conflicted with the ‘concentration country policy’³³ of Dutch development cooperation (Smits, 2004). Despite these concerns, the budget for the co-financing program was increased from the initial 5 million guilders (approximately 2.27 million Euro) in 1965 to 19.5 million Guilders (approximately 8.85 million Euro) in 1968. The combination of increased funding, the more permanent nature of the funding program, and escalating international attention being afforded to the effectiveness and efficiency of development aid created a desire amongst politicians to evaluate the co-financing program and the performance of participating NGOs. The next section discusses how this desire to evaluate these NGOs emerged and made visible, for the first time, the complexity of holding co-financing NGOs to account for their use of governmental funding.

6.3 Problematising insight into and control of co-financing NGOs

At the end of the 1960s the increased responsibility afforded to Cordaid, ICCO and Oxfam Novib led to questions regarding the ability of the Ministry of Foreign Affairs to direct the behaviour and activities of the co-financing NGOs towards the broader political objectives of Dutch development cooperation. Prior to 1968, the Ministry of Foreign Affairs had more influence over NGOs participating in the co-financing program, since they decided on the selection and approval of project proposals. However, the delegation of project selection to the three co-financing NGOs (Cordaid, ICCO and Oxfam Novib) (see section 6.2.2 above) created a situation where the government became more dependent on ‘indirect mechanisms of rule’ in order to influence NGO behaviour. In Miller and Rose’s (1990; Rose and Miller, 1992) terms, the Dutch Ministry of Foreign Affairs became reliant on developing

³³ The concentration country policy implied that Dutch development activities were concentrated on a selected number of countries. Since private development organisations could themselves decide on the projects to be funded, and thus be active in non-concentration countries, this could be in conflict with this broader policy.

programmes and technologies in order to enable the governing of co-financing NGOs at a distance.

In analysing the development of programmes and technologies aimed at influencing the behaviour and activities of co-financing NGOs and holding them to account for their actions, this study mobilises the theoretical framing drawing on the concept of governmentality outlined in chapter 3 (see section 3.3) (Miller and Rose, 1990; Rose and Miller, 1992). Analysing governmentality starts with the rendering of problematisations (see section 3.3.2). In this case context, this involves examining how existing practices, aimed at directing co-financing NGOs, were made to appear problematic and in need of intervention. The following sub-sections unveil how *insight into and control of NGO behaviour and activities* was constructed as a problem in debates in the House of Representatives after the publication of an evaluation report on Dutch development cooperation activities.

6.3.1 Evaluating Dutch development cooperation

An evaluation of the effects of development aid initiated by the Dutch Ministry of Foreign Affairs was published in 1968. The evaluation sought to assess ‘whether aid demands as presented by developing countries [were] optimal for these countries’ and ‘whether The Netherlands [was] contributing optimally to this demand’ (Udink, 1969, p. 6). The committee that performed the evaluation indicated, however, that it was unable to answer these questions, due to: ‘the complexity of the development process’; ‘limited insights into whether one form of aid leads to more results for development than other forms’; and the ‘lack of a model or systematic reasoning that would allow evaluation according to an academically justified method’ (Udink, 1969, p. 6). This claimed inability to evaluate the effects of development aid was seen as an international problem, since other donor countries and international organisations had also failed to develop models for the assessment of development activities (Udink, 1969, p. 6). However, despite the perceived evaluation obstacles, the committee claimed it was able to broadly assess how the two co-financing criteria had been applied - i.e. first, that projects had to fit within the development plan of the developing country of execution and, second, that projects receive approval of the central government of that country for their execution (see section 6.2.2) - and provide some

comments, which provided more insight than previously existed into the functioning of the program:

Despite the fact that we currently do not have an evaluation method, the evaluation report did have an important contribution in reviewing and making transparent Dutch development policies. (Tweede Kamer, 1969a, p. 3250)

A specific chapter of the evaluation report focused on the evaluation of the two criteria above determining the selection of projects (Udink, 1969; Werkgroep Evaluatie Nederlandse Ontwikkelingssamenwerking, 1968). These two criteria were important for the Ministry in order to enable some indirect control over the co-financing NGOs' focus. The evaluation committee identified four areas of attention of central relevance to this study. First, they found that it was difficult for the Ministry to assess the significance to Dutch development cooperation policy of projects selected and submitted by co-financing NGOs. The Ministry was dependent on information provided by embassies, authorities in developing countries and visiting experts from the Ministry. This information was deemed insufficient for providing a clear assessment of the significance of projects and their alignment with broader Dutch development objectives.

Second, the committee observed that there was vagueness surrounding the criteria that projects must be approved by the receiving developing country, since it was not specified by the Ministry what was understood by 'approval of the receiving country'. This led to a variety of interpretations of this requirement. While some organisations specifically asked the government of the receiving country for approval, others perceived implicit approval or approval by local authorities as being sufficient (Udink, 1969; Werkgroep Evaluatie Nederlandse Ontwikkelingssamenwerking, 1968). Third, the committee found that the requirement that projects should fit within the development plan of the developing countries was also too vague. In practice, organisations assumed that a project fitted if the contrary was not proven. Fourth, the committee found that an insufficient amount of information on the execution of projects was being reported by NGOs. If NGOs reported on executed projects at all, this was often limited to an overview of the amounts spent (Werkgroep Evaluatie Nederlandse Ontwikkelingssamenwerking, 1968).

Overall, the evaluation committee concluded that the formal aspects of the co-financing projects were overly vague, which limited the ability of the Ministry of Foreign Affairs to

influence NGO behaviour and activities. These four areas of concern entered political debate through discussions in the Dutch House of Representatives, where they were further teased out by politicians in order to develop possible means of intervening to provide greater insight into and control over co-financing NGO activities.

6.3.2 Concerns about donor centrism

In discussing the outcomes of the evaluation exercise, members of the Dutch House of Representatives linked the vagueness surrounding the co-financing criteria and insufficient reporting above to an international threat of ‘donor centrism’. Donor centrism entails an approach to development cooperation that is built on donor countries’ views about what is beneficial for developing countries, with limited attention to the views of individuals or groups within the developing countries themselves. Some politicians argued that due to the lack of sufficient governmental oversight and control over the activities of NGOs, the Ministry was not able to ensure the needs of developing countries were being prioritised.

I am somewhat shocked by the comment in the report that the co-financing program is a program which is not primarily based on the needs of the government of the developing country. We support this co-financing program, but specifically because of this phrase we should be cautious in the assessment, because the danger of a subjective assessment is present. (Tweede Kamer, 1969a, p. 3225)

These concerns within the co-financing program were influenced by the increased international attention being afforded to the self-interested behaviour of donor countries (Tweede Kamer, 1969a, p. 3225). The main concern of members of the House of Representatives was the commercialisation of aid which resulted in donor-centrism. The phrase ‘commercialisation of aid’ was used to express concerns regarding development policies that prioritised the self-interest of donor countries by mixing trading interests with aid activities (Tweede Kamer, 1969a). The Minister of Development Cooperation argued that commercialisation of aid was not taking place, since supported countries had the choice whether to import goods from the Netherlands or not. Dissenting politicians, however, argued that the Minister should be held to account for the use of and conditions attached to provided aid, to prevent the mixture of aid with trade interests (Tweede Kamer, 1969a).

I understand that the Minister has responded quite emotionally to the charge of the commercialisation of aid. I believe that we, in recent years - I have claimed this several times this year - have ended up in a development which places donor centrism at the foreground. In the past, The Netherlands has repeatedly worked with more stringent standards of development aid than was common internationally. I feel that we are [now being] ... pulled into the trend of donor centrism which is emerging internationally. (Tweede Kamer, 1969a, p. 3260-3261)

Despite the combination of concerns about the commercialisation of aid, donor centrism, and the inability to properly evaluate the co-financing program, the Minister of Development Cooperation increased the proportion of the total development cooperation budget allocated to co-financing NGOs in 1969. This decision was based on the view, largely unsupported by any clear evidence, that ‘the nature and motivation of private organisations often leads to a larger commitment to continuing and completing projects. They [private development organisations] are better able to realise the proper alignment of local aspirations than a government’ (Schulpen, 2001, p. 164). Although the co-financing program in general was widely supported by members of the government, different views emerged on whether to increase the budget. While some politicians agreed that the program should be expanded based on the *perceived* ‘added value’ of private development projects and the positive comments presented by the evaluation committee in 1968 (section 6.3.1), others argued that due to the lack of evaluation capabilities, the co-financing scheme should be discussed more extensively before increasing funding.

The point is, whether the effect of this aid [co-financing aid] is large or less large [than other forms of aid]. That is the criterion to determine whether this form of financing is a good one. We assess this based on the effect in the relevant developing country itself. It is my view that the co-financing projects have been very useful and, as far as we can measure, have a good effect. [...] I share the view presented by Mr Imkamp, that a substantial increase [of funding] would be appropriate. (Tweede Kamer, 1969a, p. 3245)

Despite the critiques, the budget was raised and the co-financing of development NGOs, which had started off as an experiment, became more widely accepted (amongst politicians) as a permanent part of Dutch development policy.

To summarise, the publication of the evaluation report in 1968 and subsequent discussions in the Dutch House of Representatives made visible that evaluating the activities of NGOs within the co-financing program was problematic. The co-financing policy itself was

questioned, since although the program was aimed at taking into consideration the needs of (the governments of) developing countries, it was difficult to determine whether this was operationalised in practice. This difficulty of assessing the performance of co-financing NGOs against the two criteria set out in the co-financing requirements is indicative of a problem of governing. The next section discusses how debates on addressing the problem of insight into and control of co-financing NGOs outlined in this section led to the emergence of a widely articulated rationale of quality improvement.

6.4 Working towards quality improvement as a rationale of government

Problems made visible are intrinsically linked to programmatic solutions aimed at resolving these problems (see section 3.3). The construction of these solutions can be analysed by considering the interactions between rationalities, programmes and technologies of government. This section first explores how quality improvement emerged as a broad ideal towards which the co-financing program and co-financing NGOs should be guided. It then analyses how this ideal of quality improvement was linked to: 1. programmes of government which sought to provide a framework for action describing how this ideal was to be achieved, and 2. to technologies of government aimed at linking rationalities and programmes with practice through the establishment of accountability technologies.

6.4.1 Constructing the rationale of quality improvement

In his response to the outcomes of the 1968 evaluation report (Udink, 1969), the Minister of Development Cooperation introduced the notion of quality improvement into the discourse on development aid as an ideal to which Dutch development cooperation should be directed in order to address the perceived problems of insufficient insight into and control of NGOs. He argued that discussions on the results and consequences of development cooperation [we]re [now] becoming more objective due to ‘more scientific and quantitative approach[es]’ [emerging] which [would] gradually move discussions towards the *quality of aid* (Udink, 1969, p. 172, p. 2, emphasis added). Discussions on the quality of aid should, he claimed, focus on the ‘purpose and effect of provided [development] aid’ (Udink, 1969, p. 2). Focusing on the purpose of development cooperation at this time meant ensuring that projects

‘contribute[d] to the socio-economic development of the developing country in which the projects [were] executed’ (Eerste Kamer, 1972). Improving quality required ‘continuous reconsideration of development goals, evaluation of provided aid and adjusting development programmes’ (Udink, 1969, p. 2). Within subsequent political discourse this emerging rationale of quality improvement was unpacked by further, albeit often implicitly, linking it to notions of *effectiveness* and *efficiency*.

I would have preferred an evaluation on the level of efficiency and the meaning [of development aid] for the developing countries since I am currently missing the perception of the receiving country. [This] is an important perception, but [is] currently not considered [in the evaluation]. (Tweede Kamer, 1969a, p. 3237)

[The evaluation report] does not provide an objective measure to assess and compare different forms of development cooperation and to develop a conclusion on the effectiveness of development cooperation. [...] I believe that [evaluations] should focus on the extent to which one’s activities achieve their goal ... Studies on the efficiency and effectiveness, and also the meaning of [development cooperation] for the aid receiving country [are needed]. (Tweede Kamer, 1969a, p. 3246)

The Minister’s perception of the way forward in debates on the co-financing program, was supported by most members of the House of Representatives. It was emphasised that co-financing projects should be continuously assessed to improve their quality:

Now that the amounts available for development cooperation will increase, it becomes increasingly important to assess the *quality of development aid*. Therefore, my group considers the evaluation report and extensive discussion of the report in this House of great importance. (Tweede Kamer, 1969b, p. 1869, emphasis added)

The increased attention to the *quality aspect of aid* is in itself already a positive result of the published evaluation report. (Tweede Kamer, 1969a, p. 3222, emphasis added)

Although perceptions of whether this ideal of quality improvement could actually be operationalised in practice differed amongst politicians, quality improvement became the common expression adopted in discussions of the problems of insight and control. It gradually became the rationale driving discussions on the co-financing program as a commonly shared objective to which co-financing NGOs should be directed. Quality improvement was embedded in a wide range of statements by various individuals and groups,

such as Members of the House of Representatives and the Minister of Development Cooperation. It became commonly accepted amongst politicians as a way of articulating or ‘making thinkable’ an ideal towards which the behaviour and activities of co-financing NGOs should be directed. This was partly influenced by the fact that no political or belief-based perspective was embedded in the rationale. While the notions of efficiency and effectiveness were often mobilised to underpin this ideal, the meaning of quality improvement remained vague as the specific meaning of effectiveness and efficiency was also not addressed.

Discussions in the House of Representatives and statements by the Ministry further illustrate how directing NGOs towards quality improvement was assumed to be desirable in thinking about the development of programmatic aims and technologies to address the problem of insight into and the control of co-financing NGOs.

As a last point I have mentioned the quality of aid, which should not be neglected in evaluating co-financing NGOs. (Tweede Kamer, 1967, p. 10)

Exchanging points of view regarding methods of evaluation is important [...], however the main issue for the House of Representatives is how it is going to be used in developing policies [for development cooperation]? This discussion is even more important, since for once it is not about the quantity, but about the quality of Dutch development cooperation, an area that has often remained unattended in discussions on [development cooperation]. (Tweede Kamer, 1969a, p. 3222)

This construction of a rationale of quality improvement was based on the assumption that through better insight into ‘quality’, the government would be better able to control the behaviour of NGOs. Additionally, it was assumed that the Ministry of Foreign Affairs possessed knowledge on the needs of developing countries regarding how development projects could contribute to developing countries and how project effectiveness could be assessed. These implicit assumptions, however, received criticism from some politicians who were sceptical about the extent to which this ideal of ‘observable quality improvement’ could actually be realised (Tweede Kamer, 1969a, p. 3246). These politicians argued that the 1968 evaluation report showed that it was difficult to measure the effectiveness of aid, and, hence, the ideal of being able to compare projects in order to determine which would lead to the best quality development cooperation, was an illusion (Tweede Kamer, 1969a, p. 3246).

If I understand it correctly, difficulties have mainly arisen around the exaggerated expectations of the government that Dutch development efforts can offer an observable contribution. This seems to be an illusion, at least in most cases, and certainly in terms of technical assistance. For me it seems absolutely impossible to measure the effectiveness [of technical assistance], especially if you want to be able to compare to assess what leads to the best results. (Tweede Kamer, 1969a, p. 3246)

Although the rationale of quality improvement received criticism, it provided a terminology or language for facilitating discussions of the problem of insight into and control of co-financing NGOs' behaviour and activities and it assisted in thinking about the development of possible means of intervening to hold NGOs to account. The next sub-section unpacks this quality improvement rationale in the context of the three key characteristics of rationalities of government (see section 3.3.3).

6.4.1.1 Characteristics of the rationale of quality improvement

Rationalities of government possess three key characteristics, i.e. they have a *moral form*, *epistemological character* and are *articulated in a distinctive idiom* (see section 3.3.3). Quality improvement possessed a *moral form* in that it articulated a broader ideal to which co-financing NGOs should be directed and what was considered to be a proper distribution of tasks between the Ministry of Foreign Affairs and co-financing NGOs. The Ministry is assumed to be responsible for developing the means through which NGOs can be directed towards quality improvement, while the co-financing NGOs are assumed to adjust their behaviour and activities according to this ideal in order to work towards quality improvement at an operational level.

The acceptance of quality improvement as a widely held norm in political debates on the problems of insight into and control of co-financing NGOs illustrates the articulation of the rationale *in a distinctive idiom*. Finally, the epistemological character of rationalities, which implies that they are articulated in relation to a conception of the nature of the governed objects, such as NGOs, and embody an account of the object over whom government is exercised (section 3.3.3), is illustrated by the funding relationship between the Ministry of Foreign Affairs and co-financing NGOs. First, quality improvement is articulated in relation to the nature of co-financing NGOs, since it is their behaviour and activities which are being

directed towards quality improvement. Additionally, due to the funding relationship between the Ministry and co-financing NGOs, the Ministry embodies an account over the behaviour and activities of co-financing NGOs for provided funding.

6.4.2 Programme of government aimed at realising quality improvement

Broad rationalities are made more specific in programmes of government. These programmes provide the machinery that allows an abstract rationality to be implemented. They seek to provide frameworks for action which are more concrete and seek to address more specific problems underpinning the overarching rationale. However, vagueness surrounding the specific goals of development cooperation in the Netherlands in the late 1960s, combined with the absence of models for the evaluation of development cooperation efforts, made it difficult for politicians and the Minister of Development Cooperation to translate the rationale of quality improvement into frameworks for directing NGO behaviour and activities.

In the Netherlands we are currently still struggling with formulating a generally accepted objective for our development cooperation policy. (Tweede Kamer, 1969a, p. 6)

There are currently no criteria, no objectives, no models and no requirements in order to enable a substantive [...] evaluation, such as an impact evaluation, efficiency evaluation or effectiveness evaluation. (Tweede Kamer, 1969a, p. 45)

There is a lot of vagueness surrounding the criteria and objectives of development aid and the importance of the perceptions of developing countries. (Tweede Kamer, 1969a, p. 36)

Due to the difficulty of translating quality improvement into more specific ways of directing NGO behaviour and activities, there were no explicit programmatic aims put forward by politicians in proposals (for example, proposals to adjust current policies), reports (such as the evaluation report published in 1968) or counterproposals (for example, reports produced by politicians in response to adjusted policies suggested by the Minister of Development Cooperation). Rather than developing new programmes, the rationale of quality improvement was linked to the existing approach to governing NGOs focused on taking into consideration the views of developing countries in executing projects, a view already introduced at the start

of the co-financing program (see section 6.2.2). This view entailed an implicit programmatic aim focused on *the alignment of projects with perceptions of developing countries in order to achieve social and economic development* and was largely assumed to direct NGO activities towards quality improvement. This implicit aim was, however, teased out somewhat by making the co-financing criteria more specific in 1972. The new criteria were as follows:

1. There has to be a concrete development project in a less developed country, which should aim at social and economic development in that country through the transfer of knowledge and experience.
2. The project has to be executed by a Dutch non-commercial private organisation, or by an independent non-commercial private organisation from the less developed country itself.
3. The project must receive approval from the central government of the country where it will be executed.
4. The project must fit within the development plans of the country where it will be executed.
5. The organisation, responsible for the project, must show in the proposal that it;
 - a. At least provides 25 per cent of the capital expenditures (land, buildings, equipment) itself
 - b. Will cover all operating costs

(Eerste Kamer, 1972, p. 4-5)

A number of these criteria set out the framework for action embedded in the programmatic aim of *aligning projects with perceptions of developing countries in order to achieve social and economic development*. The first criterion aimed at directing the behaviour and activities of co-financing NGOs towards projects with a focus on social and economic development, to be executed in a specific manner, i.e. by transferring knowledge and experience. The third and fourth criteria demonstrate the programmatic focus on taking into consideration the views of developing countries. The second and fifth criteria provided guidance at a more general level, relating to statutory requirements, such as the country of origin, and the maximum percentage of governmental funding provided per project. These criteria made the implicit programmatic aim more specific and made co-financing NGOs subject to certain determinants, rules and norms that the Ministry of Foreign Affairs could act upon, thereby illustrating a characteristic of programmes of government that ‘the real can be programmed’ (see section 3.3.4). The development of this programme of government was based on the implicit assumption that the Ministry of Foreign Affairs and politicians had knowledge of how co-financing NGOs could be directed towards quality improvement, another key characteristic of programmes of government (see section 3.3.4).

Programmes of government are dependent on more specific mechanisms, i.e. technologies, in order to operationalise the governance of individuals and groups, such as NGOs, in practice (see section 3.3.5). At this early stage in the co-financing of NGOs, the development of such (accountability) technologies proved difficult due to the evident lack of available mechanisms for evaluating the work of development NGOs as well as the absence of explicit programmatic aims.

6.4.3 Lack of available technologies of government

The 1968 evaluation report and subsequent political debates (see section 6.3.1 above) illustrated that there was a lack of available technologies to assist in operationalising the rationale of quality improvement and the implicit programmatic aim outlined above. Two highly limited accountability technologies were, however, implemented in an attempt to address the problem of limited insight and control. These were *annual reporting on executed projects* and the *assessment of project proposals*.

Annual reporting on projects was developed on an ad hoc basis rather than resulting from an explicit attempt to operationalise the programmatic aim of *aligning projects with perceptions of developing countries in order to achieve social and economic development*. It resulted from a request by a politician during discussions on the lack of insight into co-financing NGO activities. The Minister of Development Cooperation agreed to provide an annual overview of executed co-financing projects from 1970 onwards. This annual overview contained information on executed projects and projects under development, such as the country of execution; place of execution; name of the project; short description of the project; responsible co-financing organisations (ICCO, Cordaid or Oxfam Novib); total expenditure on the project; name of the organisations or institution executing the project; and date of signing the project approval (Ministerie van Buitenlandse Zaken, 1971). The *assessment of project proposals*, according to the five criteria outlined in section 6.4.2, did not operate on a consistent basis since the Ministry was unable to provide information on how assessments were taking place. The ad hoc and minimalistic nature of these technologies was confirmed by political debates wherein politicians consistently complained, as before, that there were no formal mechanisms in place for assessing and directing NGO behaviour and activities.

Hence, during the 1960s and early 1970s the co-financing program was characterised by the absence of substantive accountability technologies, which can be (partly) explained by the perceived absence of available technologies. However, the amount of trust placed in the expertise of NGOs in executing development projects was also a factor. This trust was partly evident in the increased amount of autonomy being granted to the three co-financing NGOs. Moreover, the co-financing program was widely perceived as an ‘efficient’, ‘good and attractive part’ of Dutch development cooperation policy (Tweede Kamer, 1969b, p. 6). Hence, in order to direct NGO behaviour towards the ideal of quality improvement, the Ministry of Foreign Affairs from the 1960s to the early 1970 mainly relied on the (informal) project appraisal process, annual reporting and regular meetings and dialogue around the content and operational approach of the co-financing program with co-financing NGOs.

6.5 Making programmatic aims more explicit and developing accountability technologies

Programmes of government are seen to be eternally optimistic in that they are always confronted with proposed alternatives which promise to work towards improving the achievement of ideals (see section 3.3.4). This was evident in the governance of NGOs in the co-financing scheme, when discussions between the government and NGOs in the mid-1970s indicated that in-depth insight into and control of co-financing NGOs remained problematic. This led to the development of alternative approaches to directing NGOs towards quality improvement.

A changed perspective on development cooperation, which shifted from an assumed direct link between aid and economic growth which prevailed prior to the 1970s towards a broader view of international development cooperation, influenced the structure of the co-financing program and attention towards issues of NGO accountability increased significantly (Tweede Kamer, 1995). While the ideal of quality improvement remained central in the discourse, the vague programmatic approach adopted in order to work towards this ideal was found wanting. More specific programmatic aims were seen as necessary in order to improve the quality of co-financing NGOs’ work:

A reorientation [of the co-financing program] was deemed necessary in order to increase the effectiveness of private [development] efforts [...] and to take into consideration [changed] needs of co-financing organisations. (Tweede Kamer, 1976, p. 50)

A reorientation of procedures, consultation structures and financial aspects, such as more clearly described costs of projects, was deemed necessary to improve the ability of NGOs to ensure good quality development cooperation. As part of this reorientation, the Humanist Institute for Development Cooperation (Hivos)³⁴ was added as a fourth co-financing NGO in 1978 in order to provide funding to ‘humanistic’ based development activities. In addition to adjusted broader political views, NGOs participating in the co-financing program themselves suggested more specific programmatic aims (Tweede Kamer, 1976) during two conferences that took place in 1974 and 1977 in Zandvoort and The Hague respectively.

6.5.1 Introducing explicit programmatic aims

During the conference in Zandvoort adjusted funding criteria for the co-financing program were formulated. These effectively introduced two distinct programmatic aims: *formulating clear and realistic projects* and *clearly defining the costs, scope and timeframe of projects*. The first aim required co-financing NGOs to formulate projects which were feasible within a prescribed timeframe and with the resources made available. The second aim required them to clearly define the costs, scope and timeframe of projects. Depending on the nature of the project an ending date for Dutch involvement needed to be defined together with an explanation of how the government in the receiving country or particular organisations would continue activities after NGO interventions. The earlier (implicit) programmatic aim, focused on considering the views of developing countries (see section 6.4.2), was made more specific by requiring NGOs to ensure that projects undertaken were either executed under local (NGO) control or were going to eventually fall under local control (Tweede Kamer, 1976).

These suggested programmatic changes were adopted by the Dutch Ministry and represented a further effort to direct co-financing NGOs’ behaviour by specifying certain priorities in

³⁴ Hivos is a development NGO which claims to strive for a world where all citizens have equal access to resources and opportunities for development. As with the other co-financing NGOs, Hivos worked together with counterparts (partners) on the ground in developing countries in order to work towards this goal.

projects to be funded. However, in order to realise these aims, the Ministry needed to develop relevant accountability technologies given their relative absence to date.

6.5.2 Introducing enhanced accountability technologies

As part of the programmatic changes suggested during the Zandvoort conference in 1974, the Ministry of Foreign Affairs and the co-financing NGOs agreed upon the introduction of two accountability technologies in addition to annual reporting on executed projects and the assessment of project proposals. These were *project evaluations* and *programme evaluations* (Tweede Kamer, 1978).

Project evaluations sought to evaluate the quality of projects and were the shared responsibility of co-financing NGOs and their counterparts³⁵ - the organisations who implement projects on behalf of NGOs in developing country contexts. While co-financing NGOs and their counterparts cooperated in setting up the evaluation study, the evaluation study itself was executed by external examiners (individuals familiar with evaluation methods) recruited in the specific developing country or region. The main function of project evaluations was, according to the co-financing NGOs, organisational learning rather than accountability towards the Ministry for provided funding. The Minister acknowledged the importance of learning from project evaluations, but emphasised that he was to be involved in developing and discussing the outcomes of the evaluations in order to gain a better insight into co-financing NGO activities. Despite this, in practice, project evaluations often had a forward looking nature, helping co-financing NGOs to improve the quality of their future activities, rather than providing the Minister with a clear evaluation of achieved results.

Programme evaluations were introduced as an accountability technology aimed at examining the co-financing program as an ‘instrument of development cooperation’ (Tweede Kamer, 1978, p. 27), providing more in-depth insight into the functioning of the co-financing program as a whole, that would support the Ministry in making adjustments to the program. The focus of these evaluations was on co-financing NGOs’ ‘programmes’, which are combinations of projects (executed by counterparts) with a similar focus, such as being

³⁵ It is important to note that, while projects are funded by co-financing NGOs, the counterparts of co-financing organisations are responsible for the execution of projects at an operational level in developing countries.

executed in the same country, region or sector. For example, programme evaluations focused on ‘the Oxfam Novib programme in Bangladesh’ or on ‘the ICCO programme regarding care for the disabled in Latin America’. Programme evaluations thus involved an assessment of combinations of projects rather than individual projects. The first programme evaluation, effectively operating as ‘pilot’ study, was initiated in 1978. Based on positive experiences with this initial evaluation, programme evaluations became a central accountability technology in the co-financing scheme from 1980 onwards.

6.6 Chapter summary

This chapter focused on the emergence of the co-financing program in 1965 and the subsequent construction of a rationale of quality improvement. An evaluation report published in 1968 and subsequent discussions in the House of Representatives indicated that the information on co-financing NGO projects provided to the Ministry was insufficient for providing a clear insight into the significance of projects and their alignment with broader Dutch development policies, and for allowing the Ministry to influence (control) the behavior and activities of co-financing NGOs. In order to address these constructed problems, the Minister and members of the House of Representatives adopted *quality improvement* as a rationale of government, which became the commonly shared objective to which co-financing NGOs should be directed. Due to the absence of models for the evaluation of development cooperation efforts in combination with vagueness surrounding the goals of development cooperation, the rationale of quality improvement was initially linked to an implicit programmatic aim focused on the *alignment of projects with perceptions of developing countries in order to achieve social and economic development*. The absence of models for the evaluation of development cooperation efforts highlighted a lack of available accountability technologies that would facilitate the operationalisation of the rationale of quality improvement and the related (implicit) programmatic aim. The Ministry did, however, mobilise two limited accountability technologies, i.e. *annual reporting on executed projects* and the *assessment of project proposals*, in an attempt to intervene with the constructed problem of insight into and control of co-financing NGOs’ behavior and activities.

A changed perspective on development cooperation that emerged in the early 1970s resulted in the development of more specific programmatic aims in order work towards the, still

central, rationale of quality improvement. *Formulating clear and realistic projects* and *defining the costs, scope and timeframe of projects* were introduced as two explicit programmatic aims. Two enhanced accountability technologies, i.e. *project evaluations* and *programme evaluations*, were also mobilised in addition to the existing technologies of annual reporting on executed projects and the project proposal assessments.

From the late 1970s into the early 1980s, politicians started to express concerns about too much concentration of development cooperation within the Dutch government. In order to address this concern, the Minister of Foreign Affairs, in consultation with the co-financing NGOs, proposed an alternative programmatic approach in order to work towards quality improvement. This shift is indicative of what Miller and Rose (1990; Rose and Miller, 1992) see as the eternally optimistic nature of programmes, which suggests that they are always confronted with proposed alternatives which promise to work towards improving the achievement of rationalities. This is explored in the following chapter focusing on shifts in programmatic aims in the 1980s and 1990s.

CHAPTER 7: THE 1980s AND 1990s: PROGRAMMATIC SHIFTS AND THE INTRODUCTION OF EX-POST ACCOUNTABILITY TECHNOLOGIES

7.1 Introduction

This chapter analyses the evolution of the co-financing scheme throughout the 1980s up to the late 1990s. The first section discusses how the increased budget for co-financing NGOs, concerns about too much concentration of development cooperation within the Dutch government, and increasing anxiety about insight into and control of the co-financing NGOs led to a shift from project financing (financing of individual NGO projects) to programme financing (financing of combinations of projects - termed programmes). This section also analyses how a revised programme of government and new (accountability) technologies emerged as a result of this shift. The second section examines how increased public scrutiny of development cooperation in general and NGO activities in particular led to a (further) reorientation of the programme of government which had direct implications for the way the co-financing NGOs organised themselves.

7.2 Moving from project to programme financing

7.2.1 The distinction between project and programme financing

Prior to 1980 co-financing NGOs were required to apply for governmental funding by submitting project proposals to the Ministry of Foreign Affairs for approval (see section 6.2.2). Based on the assessment of submitted proposals, co-financing NGOs received funding for specific projects – termed project financing. Programme financing is different from project financing in that co-financing NGOs receive a *predetermined* amount of funding, based on a percentage of the total governmental budget available for development cooperation, for the execution of *combinations of projects* (programmes) *without* having to submit individual project proposals. Rather than directing co-financing NGOs through an ex-ante project assessment procedure, the Ministry now sought to direct NGO behaviour and activities through an ex-post assessment of executed activities.

7.2.2 The desire to move to programme financing

Three co-financing NGOs argued that programme financing was desirable since it would allow them greater flexibility in determining their strategic direction thereby improving the quality of aid delivery. In 1979 the Ministry of Foreign Affairs and the co-financing NGOs explored the possibilities of programme financing. It was suggested that the Ministry would assess, on an ex-post basis, whether the combination of funded projects was aligned with the five co-financing criteria outlined in section 6.4.2.

The Ministry argued that by delegating part of the funds available for development cooperation to NGOs through programme (as opposed to project) financing, the risk of further concentration of development cooperation within the Dutch government would decrease, due to the increased amount of autonomy offered to NGOs. It was largely assumed that this would lead to quality improvements. In early 1980, the Dutch government started a four year trial period for programme financing with the existing four co-financing NGOs, i.e. ICCO, Cordaid (then named Cebemo), Oxfam Novib and Hivos. This new approach to the co-financing program used the criteria and objectives developed in previous frameworks, including the five funding criteria set out in section 6.4.2, to conduct ex-post evaluations of NGO activity (Tweede Kamer, 1980). The shift from project to programme financing was unique, since at this time there were very few countries where development NGOs were allowed this amount of autonomy in spending governmental funding (Eerste Kamer, 1982).

7.2.3 A new programmatic aim: retrospective oversight on a policy level

While the rationale of quality improvement remained the core rationale underpinning the co-financing program, the shift to programme financing required adjustments in the programme of government aimed at linking quality improvement with frameworks for intervention. Until 1980 the Ministry was formally responsible for the approval of projects submitted by co-financing NGOs, with almost all of the proposals being approved. With the introduction of programme financing, a new programmatic aim, i.e. *retrospective governmental oversight on a policy level*, was put forward by a group of politicians. In this revised programme, the task of the Ministry became one of *retrospective supervision*, while the co-financing NGOs were now responsible for their own policies regarding the selection, approval and execution of

projects. Co-financing NGOs therefore received an increased amount of autonomy, within the boundaries set by the Minister of Development Cooperation (Tweede Kamer, 1980)³⁶.

The revised programme was put forward by the Minister of Development Cooperation in an adjusted co-financing program. This indicated that while the Minister still had political responsibility for the co-financing program. The focus would, however, due to positive experiences with the ‘pilot’ programme evaluation executed in 1978 (section 6.5.2), shift towards the ex-post evaluation and inspection of the co-financing program as a whole. The NGOs were allocated funding with no ex-ante assessment being undertaken and they were instructed to use the co-financing criteria previously used by the government to assess project proposals (see section 6.4.2) as part of their (the NGOs’) internal decision making on which projects to fund. The ex-ante formal approval of individual projects was thus replaced by ex-post assessments of the implemented policies within NGOs that were supposed to ensure alignment of combinations of projects (programmes) undertaken with these co-financing criteria.

There were, however, also some changes to the co-financing criteria that the NGOs were expected to apply. For example, they now had to show how the combination of projects they selected contributed to social justice, self-reliance and society-building in the most disadvantaged groups as opposed to social and economic development. The required approval of the developing country in which projects were executed was toned down to requiring all projects to be *acceptable* in the receiving country. In order to ensure a fit with the development plan in the country of execution, projects were now also required to come under local management and planning with execution and financing of projects complementing local initiatives. An indication also had to be provided as to whether projects were continued by private organisations or the government of the receiving country after Dutch NGO involvement had ended (Tweede Kamer, 1980).

³⁶ Priorities for certain activities developed by the Ministry determined the boundaries and freedom of NGOs in funding projects by defining target groups and activities. Priority was given to ‘projects that support processes rather than incidental developments’, ‘indigenous groups and initiatives that are initiated within the local society’, projects that are aimed at developing local leadership and creating a frame that supports citizens and leads them to self-reliance’, activities that are aimed at the most deprived groups in society’, ‘projects that require a low amount of investment’, and ‘projects that complement existing activities’ if these activities are not perceived as too closed or being in an impasse (Tweede Kamer, 1980, p. 8).

While this changed role of the Ministry and co-financing NGOs was perceived positively by the majority of political parties represented in the Dutch House of Representatives, some politicians expressed concerns. They questioned the decision by the Minister of Development Cooperation to fully abandon the ex-ante assessment of proposals (Tweede Kamer, 1980). The Minister contended that while the focus of the adjusted co-financing program was on giving more responsibility and freedom to co-financing NGOs, it did not imply that the government had lost all forms of control. He explained that rather than making decisions and steering co-financing NGOs based on the ex-ante assessment of individual projects, the government would now have ‘effective’ control over NGOs on a (broader) policy level which would benefit parliamentary control over activities performed within the co-financing program. This claimed control through retrospective oversight was made operational with the introduction of several ex-post accountability technologies. These are outlined in the next sub-section.

7.2.4 Technological changes enabling retrospective oversight

In order to accomplish the programmatic aim of retrospective oversight ex-post accountability technologies were introduced. These focused on assessing whether governmental funds used for projects were being ‘well spent’, i.e. according to the expanded co-financing criteria (see previous section), and whether the objectives of the organisations executing projects on behalf of the co-financing NGOs (termed ‘counterparts’³⁷) were aligned with broader Dutch development policy. These technologies included more detailed *annual reporting by co-financing NGOs, programme evaluations and (external) inspections*. These technologies were supported by intensive consultations between the Ministry and the co-financing NGOs.

The *annual reporting* required from co-financing NGOs became more demanding, requiring them to provide information on how they tried to operationalise policy objectives reflected in the co-financing criteria, provide an indication of any changes in their policy, and short sketches of projects approved in the reporting period, in addition to the existing requirement of providing basic information on approved and executed projects, such as amounts budgeted

³⁷ The Dutch co-financing NGOs do not directly execute projects with beneficiaries in developing countries, they work together with local NGOs who are referred to as their counterparts.

and amounts spent on individual projects (see section 6.4.3). Annual reporting and discussions of the submitted annual reports provided the Minister of Development Cooperation with better insight into the extent to which co-financing NGOs were behaving in line with the co-financing criteria, which was assumed to enable him to correct NGO behaviour and thereby steer NGOs based on the provided information (Tweede Kamer, 1980). Additionally, annual reporting provided insight into the co-financing activities to the Dutch parliament for this part of the governmental expenditures.

In addition to annual reporting, *programme evaluations* (introduced as an experiment in the late 1970s, see section 6.5.2) became a key accountability technology. These evaluations were to be undertaken by the Ministry of Foreign Affairs together with the co-financing NGOs. The nature of programme evaluations was made more explicit (compared to the late 1970s), involving an examination of specific aspects of the co-financing program, such as participation of target groups or segregation of duties between co-financing NGOs and counterparts. Programme evaluations involved an in-depth and systematic analysis of projects at a policy level, which allowed the Ministry and co-financing NGOs to safeguard the quality of the programmes (combinations of projects), and assisted in setting priorities for the activities of co-financing NGOs (Tweede Kamer, 1980). The programme evaluation reports, accompanied by comments from the Minister, were to be sent to the Dutch House of Representatives.

The last accountability technology introduced involved *inspections by the 'Inspectie Ontwikkelingssamenwerking end Beleidsevaluatie' or IOB*³⁸. The IOB is the independent policy and operations evaluation department of the Ministry of Foreign Affairs and carries out independent evaluations of the efficiency, effectiveness, relevance and consistency of Dutch foreign policies³⁹. These IOB inspections in the co-financing program involved investigations of individual projects approved and executed by counterparts under the supervision of the co-financing NGOs. They did not focus on the co-financing NGOs but on the execution of projects by their counterparts, i.e. local NGOs in developing countries. IOB inspections were aimed at providing recommendations to the Minister regarding the

³⁸ Note that at this stage the IOB was named 'Inspectie Ontwikkelingssamenwerking te Velde' or IOV, but for consistency reasons it will be referred to as IOB throughout this and succeeding chapters.

³⁹ For more detailed information on the IOB, see <http://www.rijksoverheid.nl/ministeries/bz/organisatie/beleidsevaluatie/iob>

functioning of the co-financing program, which was supposed to enable him to improve the quality of the co-financing program and co-financing NGO activities (Tweede Kamer, 1980).

Regular meetings between the directors of co-financing NGOs and the Minister of Development Cooperation were organised in order to discuss the functioning of the technologies above in order to continuously improve the co-financing program and prevent co-financing NGO behaviour and activities diverting from the goals set by the government. Meetings were also aimed at discussing the execution and results of evaluations, relations between NGO activities and broader Dutch development cooperation, and the amount of governmental budget made available for the co-financing program. Information from annual reporting, programme evaluations and IOB inspections (referred to above) were used as input for these meetings. Rather than focusing on the effectiveness and efficiency of individual projects, discussions now moved to a policy level which better allowed the Ministry to govern or direct NGO behaviour (Eerste Kamer, 1982). At this stage, the co-financing program was perceived as 'very positive' (Tweede Kamer, 1982, p. 134) by both the Ministry (Tweede Kamer, 1983b), due to the decreased amount of administrative work resulting from abandoning individual project assessment, and co-financing NGOs, due to the increased amount of autonomy and flexibility offered in executing their activities.

To summarise, the shift to programme financing was perceived by both the Ministry and co-financing NGOs as leading to quality improvement within the co-financing program, due to the increased autonomy and flexibility offered to NGOs in determining their strategic direction. In order to direct the behaviour and activities of co-financing NGOs towards quality improvement in the shift to programme financing, a revised programme was developed with a core aim of delivering *retrospective governmental oversight on a policy level*. This programme described how the task of the government was to assess NGO activities on an ex-post basis, while NGOs received more autonomy in the selection and execution of projects. In order to operationalise the programme, several ex-post accountability technologies were introduced such as *annual reporting*, *programme evaluations* and *external inspections*.

7.2.5 Reflecting on the programmatic and technological changes in the 1980s

The functioning of the revised co-financing program was positively perceived in the mid-1980s. For example, a study on the functioning of the program in 1983 and the annual reports submitted by the co-financing NGOs in 1982, led the Minister of Development Cooperation to conclude that the accountability technologies provided a good insight into the functioning of the co-financing program:

The image created by the 27 completed project inspections and 16 completed programme evaluations, has convinced us that the co-financing program is a valuable part of Dutch development cooperation. (Tweede Kamer, 1983b, p. 39)

In addition to providing better insight into the co-financing program, the co-financing NGOs were considered to have reported adequately on the financial aspects of their activities, such as the amount of funding acquired from sources other than the Dutch government and the relationship between administrative costs and project expenditures (Tweede Kamer, 1983a). Despite these positive comments, a desire to make the accountability technologies more ‘systematic’ emerged in discussions between the Minister and members of the House of Representatives in the mid-1980s. This involved systematising the processing of information in annual reports and evaluations to improve the uniformity of information provided to the Minister and to enable the collection of more specific information on how costs were being allocated to projects by co-financing NGOs. Systematised information processing and uniformity was deemed necessary by the Minister in order improve the comparability of the information provided by co-financing NGOs.

The Minister argued that the co-financing NGOs had already started to implement changes in order to operationalise this desire for systematisation by developing more uniform and standardised reports. In 1984, programme financing was continued for another 4 year period and in the period from 1984 until 1988 there were no significant changes in programmes and technologies. The functioning of the co-financing program and the behaviour and activities of co-financing NGOs was positively perceived, leading to a lot of trust and respect for the co-financing NGOs’ work (Tweede Kamer, 1983a).

In general, all prior Ministers responsible for Development Cooperation have expressed their trust in co-financing [NGOs] [within] the co-financing policy. This trust was not being misused. [...] I am of the opinion that the close involvement of these [co-financing] organisations in Dutch development cooperation has contributed significantly to the quality of our development cooperation policies (Tweede Kamer, 1988, p. 2).

This apparent trust and appreciation of the NGOs' work resulted in a decision by the Minister of Development Cooperation to initiate a third programme financing scheme from 1989 onwards. However, as the next section reveals, this trust began to dissipate somewhat in the 1990s.

7.3 Entering the 1990s - Increased public scrutiny of development cooperation

7.3.1 Further debates on the role of co-financing NGOs

Increasing international scrutiny of NGOs emerging in the late 1980s influenced policy debates in The Netherlands. This led to major debates on the role of co-financing NGOs in Dutch development cooperation policy in the early 1990s, increased attention to the meaning of quality improvement and demands for more and better NGO accountability. While the rationale of quality improvement prior to the 1990s was somewhat vague, despite being unpacked into the notions of effectiveness and efficiency, it was made more specific in the early 1990s when it was reconceived by linking it to the ideal of *structural (sustainable) poverty reduction* reflecting a longer term approach to development cooperation. The remainder of this chapter discusses this unpacking of the quality improvement ideal and the related programmatic and technological changes that ensued, focusing mainly on the changes that affected the role and nature of accountability in the relationship between the Dutch government and the co-financing NGOs.

7.3.2 Unpacking the rationale of quality improvement: Structural poverty reduction and sustainable longer term development

The increased scrutiny of NGO accountability that emerged internationally during the late 1980s (Lloyd, 2005; O'Dwyer, 2007) led to a reconceptualisation of the quality improvement rationale within in the co-financing program. The troubled international economic situation in the late 1980s and early 1990s, involving slow economic growth and low raw material prices in *developed* countries, and high inflation, limited growth opportunities, high poverty levels and high mortality rates in *developing* countries indicated that despite development cooperation efforts over a period of 40 years, there was still a significant (and increasing) amount of poverty in developing countries (Tweede Kamer, 1990).

As a result of these developments, the Dutch government refined the conceptualisation of the ideals driving development cooperation. While the rationale of quality improvement remained central, it was unpacked further. While quality improvement was initially conceived of broadly by attaching it to the goals of effectiveness and efficiency, it was now made more specific by introducing the ideal of *structural (sustainable) poverty reduction*. Working towards *structural (sustainable) poverty reduction* involved a focus on longer term poverty reduction through projects and activities executed in developing countries that could contribute to structural civil society changes aimed at improving the equal distribution of resources in these countries. The role of co-financing NGOs working towards this ideal was presented as a catalyst in change processes in developing countries aimed at creating more open and democratic societies. This would allow individuals and groups living in poverty to gain structural access to knowledge, steady income and political influence (Tweede Kamer, 1992).

The Minister of Development Cooperation (Pronk) argued that structural poverty reduction required a more coherent co-financing scheme and greater professionalisation within the government. Structural change as the focus of Dutch development cooperation was deemed necessary in order to prevent an unfocused approach to development cooperation (Tweede Kamer, 1990). The need for programmatic and technological changes to realise quality improvement in the form of *structural (sustainable) poverty reduction* was made visible in two studies on the impact of Dutch development aid.

7.3.3 New programmatic aims: A revised framework of action aimed at achieving quality improvement

Several studies examining the impact and effectiveness of Dutch development aid emerged in the early 1990s (Tweede Kamer, 1992). The two most influential studies were a study performed by the court of audit of the Dutch government (the ‘Rekenkamer’⁴⁰) on the functioning of the co-financing program, and a study initiated by the co-financing NGOs focusing on the impacts of their results and the meaning of the co-financing program for Dutch development cooperation. The study by the Rekenkamer focused on whether the accountability technologies introduced in the co-financing scheme - annual reporting, programme evaluations, and external inspections - were sufficient. The Impact study was initiated by the four co-financing NGOs and focused on the meaning of the co-financing program for (Dutch) development cooperation. It conducted an impact assessment of the previous 25 years of the co-financing program. An independent steering group, consisting of politicians and academics, was created and ‘assessed[...] the efficiency, effectiveness, and meaning of the co-financing program and the role of the four participating NGOs’ (Tweede Kamer, 1992, p. 2). The steering group specifically examined the co-financing program efforts from the perspective of disadvantaged groups and individuals in developing countries.

The Rekenkamer study concluded that the statistical presentation and uniformity of co-financing NGO reports was insufficient and that programme evaluations required more attention in order to improve policy development, since executed evaluations did not provide sufficient information on the contribution of examined programmes to the broader objective of quality improvement. The impact study concluded that there was insufficient insight into the relationship between the costs and benefits of co-financing activities and the financial management of co-financing NGO counterparts, a lack of insight into the effects of co-financing NGO programmes on a macro level, and insufficient cooperation between co-financing NGOs and other national and international institutions (Tweede Kamer, 1992).

The publication of these two studies was followed by a meeting between the Minister of Development Cooperation and the chairmen and directors of ICCO, Cordaid, Oxfam Novib

⁴⁰ The Rekenkamer is the so called court of audit of the Dutch government, which checks whether public funds are being spent and policies are conducted as intended (Rekenkamer.nl). The aim of the Rekenkamer is to ensure that democratic systems are working properly by performing audits on the Ministries’ annual report and on the effectiveness of policies.

and Hivos. Based on this meeting and several internal and external consultations, the co-financing NGOs responded to the conclusions of the studies in the so-called ‘GOM⁴¹ memorandum’. This memorandum was presented to the Minister in 1992 and stated that the NGOs perceived the results of the studies as homework for the future and as a positive contribution to policy developments in the 1990s. In this memorandum and the Minister’s response, three programmatic aims further focused on improving NGO accountability were proposed in order to link the rationale of quality improvement - newly unpacked into structural (sustainable) poverty reduction, effectiveness and efficiency - with frameworks for intervention. These programmatic aims were: *a focus on cost consciousness; increased professionalisation of co-financing NGOs; and increased cooperation between co-financing NGOs and other national and international organisations.*

7.3.3.1 Programmatic aim 1: A focus on cost consciousness

The most important concern raised in the Impact study and in the Minister’s response was the lack of a ‘culture of cost consciousness’ within co-financing NGOs (Tweede Kamer, 1992, p. 7). There was insufficient insight into the relationship between costs and benefits of projects, and financial management within counterparts working on the ground in developing countries. The Impact study committee argued that it was the task of the co-financing NGOs to embed cost consciousness in their organisations and in their relationship with counterparts. Cost consciousness was assumed to facilitate better decision making, although the Minister pointed to the difficulty of translating financial requirements required in the North to developing countries. The Minister considered adequate financial audits of counterparts as crucial as part of ‘financial accountability’ in the relationship between the co-financing NGOs and their counterparts. In his response to the Impact study and the NGOs’ GOM memorandum the Minister mentioned that he understood the complexity of embedding financial accountability within development cooperation and would therefore ‘support a move towards simplification and harmonisation of financial accountability of co-financing NGOs’ (Tweede Kamer, 1992, p. 7). The extent to which this support for the simplification and harmonisation of accountability was realised in practice can, however, be questioned, as increasingly stringent and demanding accountability technologies emerged in the 2000s, as will be discussed in Chapter 8.

⁴¹ GOM stands for Gemeenschappelijk Overleg Medefinanciering or Joint Consultation Co-financing.

7.3.3.2 Programmatic aim 2: Increased professionalisation of co-financing NGOs

The second programmatic aim agreed upon in discussions following the publication of the Impact study was the professionalisation of co-financing NGOs. According to the Impact study committee and the Minister, greater professionalisation of co-financing NGOs would improve insights into the influence of NGO activities on a broader level and would support the achievement of the intended effects of programmes and projects. Co-financing NGOs concurred with this desire to professionalise, but pointed to the tensions between the necessity for continual analysis and evaluation, and their daily operations. According to the Minister, professionalisation could also be improved through more intensive cooperation between departments in the Ministry and other Dutch institutions involved in development cooperation. Additionally, it was suggested that better coordination between the four co-financing NGOs would lead to quality improvements (Tweede Kamer, 1992).

7.3.3.3 Programmatic aim 3: Increased cooperation between co-financing NGOs and other national and international organisations

Cooperation between co-financing NGOs and other national and international organisations was considered essential for policy development and effective management of the co-financing program. The co-financing NGOs perceived the proposed increase in cooperation as positive and proposed to work together in areas such as training, developing policy documents, and evaluation. The Minister also wanted further cooperation in areas such as executing policy, combined standardisation of project procedures and control processes, and information processing and provision. In addition to the existing cooperation between co-financing NGOs and the Minister, he proposed intensifying their meetings by sharing and discussing information and experiences per country, region and themes in policy dialogues (Tweede Kamer, 1992).

Based on the fact that the four co-financing NGOs voluntarily initiated the Impact study, the Minister decided that they should be offered the flexibility to address the programmatic aims themselves rather than requiring them to implement formal accountability technologies aimed at directing them towards the operationalisation of these aims. Consequently, several reorganisations were undertaken within the four co-financing NGOs, in consultation with the

Ministry of Foreign Affairs, in order to operationalise the aims. These reorganisations are discussed in the next section.

7.3.4 Addressing the revised programmatic aims – NGO reorganisations

In order to operationalise the three programmatic aims above, all co-financing NGOs initiated reorganisations of their financial administration. In order to improve the quality and efficiency of its activities (in the short term), Cordaid revised its organisational structure. This involved a centralisation of its key tasks and responsibilities, increased attention to evaluations (involving the development of an integrated approach to conducting evaluations), and merging with another Dutch NGO, Vastenactie⁴². The restructuring of Cordaid resulted in a reduction in staff numbers, which was perceived as necessary in order to improve the efficiency of the organisation. The organisation additionally sought to improve dialogue with its counterparts (Tweede Kamer, 1995b; 1996).

ICCO modernised their organisational structure, developing new procedures for project processing, and focusing their efforts on 50 rather than 80 developing countries. Their new project processing requirements involved a more systematic approach to funding projects, taking into consideration the capacity of counterparts, adjusting their relationship with counterparts in the case of negative evaluation results, and increasing the involvement of counterparts in policy development. ICCO also decentralised some responsibilities - such as determining projects to be supported - to regional teams which were responsible for providing financial information on counterparts to the ICCO headquarters in The Netherlands. This allowed the ICCO headquarters to monitor and steer their counterparts from a central level. Additionally, Cordaid and ICCO set up a combined consultancy office aimed at assisting them improve the professionalism of both NGOs and their counterparts (Tweede Kamer, 1995a).

As part of their reorganisation Oxfam Novib implemented new systems for processing information on executed projects received from counterparts, which improved the control of

⁴² This is another Dutch development NGO working within the Christian belief system. Cordaid, at this stage known as Cebemo, merged with Vastenactie and continued under a new name, BILANCE (Tweede Kamer, 1995a).

the project processes within their organisations. At this stage, they also joined the Oxfam International Group⁴³ in order to improve efficiency by sharing capacity on research, project experience, attracting funds, educating the public and coordinating policies, joint financing and field knowledge. Oxfam Novib also developed a system for planning, monitoring and evaluation of projects and programmes and combined this with training of staff and counterparts. Finally, Hivos developed a new strategic plan and worked on installing quality auditing processes aimed at assessing counterparts on their management qualities (Tweede Kamer, 1995a).

The reorganisations of co-financing NGOs can be interpreted as self-regulatory ‘technologies’, whereby the NGOs aligned their ‘personal’ choices, regarding the nature of the reorganisations, with the ends of government, reflected in the programmatic aims discussed earlier (Rose and Miller, 1992; Miller and Rose, 2008b). The changes put through in the reorganisations sought to address the three programmatic aims (7.3.3.1 to 7.3.3.3). *Cost consciousness* was improved through the reorganisation of administrative organisations, improved internal control, and education and training on financial management and control within the co-financing NGOs and their counterparts (Tweede Kamer, 1995a). The aim of *becoming more professional* was addressed through adjustments to the management structures of co-financing NGOs and by executing an increased amount of audits of counterparts. The aim of *improving cooperation between co-financing NGOs and other national and international organisations* was addressed through building international networks⁴⁴, by aligning their activities with other donor organisations in developing countries, and by intensifying meetings between the directors of co-financing NGOs and the Minister of Development Cooperation and meetings between these NGOs and departments of the Ministry of Foreign Affairs specialised in areas such as education (Tweede Kamer, 1996).

Due to the self-regulation of co-financing NGOs through reorganisations, the new programmatic aims did not result in new accountability technologies being introduced in the co-financing scheme. The existing accountability technologies available to the Minister in order to steer the NGOs towards quality improvement - *annual reporting, programme evaluations, and external inspections by Inspectie Ontwikkelingssamenwerking te Velde (IOV)* - remained in place. In order to align the operationalisation of these accountability

⁴³ The name Oxfam Novib has already been used throughout previous chapters for reasons of clarity.

⁴⁴ For example, Oxfam Novib started working together with the Oxfam International group and ICCO started working together with the APRODEV group.

technologies with the revised programmatic aims, monthly meetings took place between the co-financing NGOs. In addition, annual meetings were organised between the directors of co-financing NGOs and the Minister to discuss their annual reports and points of attention for the coming year.

7.4 Chapter summary

This chapter focused on the programmatic changes throughout the 1980s and 1990s and was divided into two sections. The first section analysed how programmatic changes occurred due to a shift from programme to project financing in the early 1980s. In order to allow co-financing NGOs more autonomy and flexibility and decrease the amount of time spent on assessing individual project proposals in the Ministry of Foreign Affairs, a shift towards a programmatic aim of *retrospective oversight on policy level* was deemed desirable by both the Ministry and NGOs. In order to operationalise this aim, more extensive annual reporting, programme evaluations (which now became a central accountability technology and external IOB inspections were implemented in the co-financing program.

The second section discussed how increasing international scrutiny emerging in the late 1980s resulted in major debates on the role of co-financing NGOs in Dutch development cooperation. This resulted in a more specific articulation of the rationale of quality improvement in the early 1990s, by linking it to the ideal of *structural (sustainable) poverty reduction*. Further programmatic changes were introduced in order to realise this rearticulated notion of quality improvement. These comprised *a focus on cost consciousness, increased professionalisation, and increased cooperation between NGOs and other national and international organisations*. However, rather than adjusting or introducing new accountability technologies, NGOs were given the flexibility to independently reorganise in order to operationalise these three programmatic aims. These reorganisations represented self-regulatory attempts by NGOs aimed at aligning their perceptions regarding required organisational changes with the programmatic aims of the Ministry (Rose and Miller, 1992).

However, despite the programmatic changes and NGO reorganisations, the co-financing scheme received further scrutiny in the late 1990s. Members of the House of Representatives started criticising the power of the co-financing organisations and their so-called ‘semi-

monopoly' position for governmental development cooperation funding. These concerns resulted in the developing of additional programmatic and technological changes, as discussed in the following chapter.

CHAPTER 8: CO-FINANCING PROGRAMS FROM THE LATE 1990s ONWARDS: THE DEVELOPMENT OF TWO KEY PROGRAMMATIC AIMS - COMPETITION FOR FUNDING AND IMPROVED ACCOUNTABILITY

8.1 Introduction

This chapter focuses on the development of the co-financing program from the late 1990s to 2012. During this period, three distinct co-financing funding schemes were developed. They were entitled: MFP-Breed (2002-2006); MFS1 (2007-2010); and MFS2 (2011-2015). This chapter analyses the emergence of these three schemes. The first section discusses the programmatic and technological changes evident in the shift to the first scheme, MFP-Breed, which resulted from concerns about the so-called ‘semi-monopoly’ position of the existing co-financing NGOs. In MFP-Breed, two revised programmatic aims were articulated for the co-financing scheme: competition for funding and improved accountability. The second section unveils how these two aims were reconceptualised in the subsequent funding scheme (MFS1) and attached to accountability technologies emphasising the importance of monitoring and evaluation. Section three analyses how the accountability technologies introduced in MFS1 were made much more stringent in the third funding scheme (MFS2) as the programmatic aims were unpacked further.

8.2 Moving to MFP-Breed: Addressing the ‘semi-monopoly’ position of co-financing NGOs

The development of the MFP-Breed funding scheme, effective from 2002-2006, was influenced by re-emerging questions amongst members of the House of Representatives regarding the so-called ‘semi-monopoly’ position of co-financing NGOs. In order to address these concerns, the MFP-Breed funding was opened out to all Dutch development NGOs. Ex-ante accountability in the form of funding proposal appraisals was also re-introduced in order to allow the Ministry of Foreign Affairs to assess and compare NGO funding proposals. This section analyses the changes introduced in MFP-Breed and is divided into three sub-sections. Section 8.2.1 discusses how the so-called ‘semi-monopoly’ position of the four existing co-financing NGOs was widely questioned, resulting in the inclusion of a fifth co-financing

NGO. Section 8.2.2, analyses how the functioning of the accountability technologies introduced in the previous funding schemes was found to be deficient. Section 8.2.3 unveils the programmatic and technological changes introduced to underpin the MFP-Breed funding scheme.

8.2.1 MFP-Breed: Questioning the ‘semi-monopoly’ position of co-financing NGOs

Despite the revised programmatic aims focused on cost consciousness, professionalisation and cooperation (see sections 7.3.3.1 to 7.3.3.3), the co-financing program received further scrutiny in the late 1990s. Members of the House of Representatives started questioning the nature of the program and the relationship between the government and co-financing NGOs. Politicians were concerned about the power of the existing four co-financing NGOs, ICCO, Oxfam Novib, Cordaid and Hivos, and discussed the possibility of including other Dutch development NGOs in the scheme. In order to address these concerns, Members of the House of Representatives and the Minister of Development Cooperation decided to formally evaluate the functioning of the co-financing scheme (to be conducted by an interdepartmental research committee) as a basis for reconsidering its nature and structure. In 2000, prior to the initiation of this evaluation, the Minister of Development Cooperation used the argument that ‘there [was] no place for monopoly or semi-monopoly positions’ (Tweede Kamer, 1999b, p. 2472) to support expanding the co-financing program with an additional NGO (called Foster Parents Plan). This decision, however, received a lot of criticism from politicians and the four ‘traditional’ co-financing NGOs, who argued that the decision making process that led to the inclusion of Foster Parents Plan was highly flawed. Several politicians complained that the Minister had failed to involve the existing co-financing NGOs in the process and expressed concern that the inclusion of a new NGO could lead to an unfocused program. Some politicians also queried whether the inclusion of Foster Parents Plan would actually lead to a more ‘open’ funding program, since they could not see the difference between a ‘semi-monopoly’ position including four or five NGOs (Tweede Kamer, 1999b).

8.2.2 The MFP-Breed funding scheme: Assessing the functioning of technologies of government

This latest evaluation of the co-financing program was conducted by an interdepartmental research committee comprising of governmental officials from the Ministry of Foreign Affairs, the Ministry of Finance, the Ministry of General Affairs, and the Ministry of Agriculture, Nature and Food quality (now part of the Ministry of Economic Affairs, Agriculture and Innovation) (Tweede Kamer, 1999a). This study specifically focused on whether existing accountability technologies fully supported the quality improvement ideal - embracing *structural (sustainable) poverty reduction* (see section 7.3), *efficiency* and *effectiveness* (see section 6.4.1). Questions addressed in the evaluation focused on the effectiveness and efficiency of the co-financing NGOs and the quality of the accountability technologies available to the Minister. They specifically addressed: the extent to which the Ministry took into consideration the experience of co-financing NGOs; the extent to which funding allocation procedures were suitable for deciding on the amount of funding distributed to co-financing NGOs; and the extent to which the efficiency of co-financing NGOs could be improved through increased synergy between co-financing NGOs (Tweede Kamer, 1999a).

Overall, the interdepartmental evaluation report concluded that that the accountability technologies in place did not provide enough insight into the effectiveness and efficiency of the co-financing program and were not sufficient to enable the Minister to steer co-financing NGOs towards quality improvement. According to the report, governing co-financing NGOs at a distance without convincing accountability technologies did not fit with emerging national and international demands for greater NGO accountability (Tweede Kamer, 2000):

It was a deliberate choice of my predecessors to let the co-financing program function from a distance and exclude direct steering possibilities. A choice supported by the majority of the House of Representatives. It was this policy that has led to the bottlenecks identified by the IBO [Interdepartmental policy research committee], such as broad and wide policy frameworks, putting the question of efficiency in the background, and an insufficient amount of independent evaluations. (Tweede Kamer, 2000, p. 2)

Based on debates in the House of Representatives on the conclusions and recommendations of the interdepartmental evaluation report, the Minister of Development Cooperation

suggested several programmatic and technological changes which were articulated in the newly developed funding program, MFP-Breed, to take effect from 2002.

8.2.3 The MFP-Breed funding scheme: Programmatic and technological changes between 2002 and 2006

While the funding schemes prior to 2002 were based on programme financing, wherein co-financing NGOs received funding to execute combinations of projects (programmes) (see section 7.2.1), MFP-Breed shifted to what was termed ‘core funding’. Core funding implied that NGOs participating in the funding program would receive a general contribution for their *complete* business plan rather than for specific programmes. In MFP-Breed, while the overriding rationale of quality improvement remained unaltered, two explicit, overarching programmatic aims were articulated: *competition for funding* and *improved accountability*.

The programmatic aim of *competition for funding* represented a framework for action based on an open, competitive tendering process for NGOs who wanted to receive (core) funding. Rather than only providing funding to a predefined number of organisations, as in prior funding schemes, application for participation in the MFP-Breed scheme was open to all Dutch development NGOs. In order to operationalise this programmatic aim, the Ministry re-introduced specific *funding proposals* as a technology of government. NGOs were required to submit a funding proposal to the Minister in order to be eligible for funding. The funding proposal, involving a ‘business’ plan for the complete funding period, required NGOs to report information in six different areas: general introduction of the organisation; mission and objectives of the organisation; management model; monitoring and evaluation system; resource use and budget; and control and accountability (Ministerie van Buitenlandse Zaken, 2001).

The Ministry assigned an independent advisory committee to assess the funding proposals on a number of criteria. These criteria were more extensive than those presented in prior funding schemes (see section 7.2.3). They required NGOs to work with one of three identified intervention strategies (direct poverty reduction, civil society building, and influencing policy), involve their own support base in developing and executing policies, be publicly accountable for executed policies, and work in an efficient, effective and professional manner

(Ministerie van Buitenlandse Zaken, 2001). Based on an assessment of proposals based on these criteria, the independent advisory committee advised the Minister of Development Cooperation on the inclusion of NGOs in the co-financing program.

The second programmatic aim was broadly articulated as *improved accountability*. This was to be achieved through introducing formal *quality systems*. Quality systems were to be developed by NGOs in consultation with the Ministry of Foreign Affairs and had to be based on accountability towards multiple stakeholders, taking into consideration individual donors, member organisations, boards of directors, and counterparts (Ministerie van Buitenlandse Zaken, 2001). The existing programmatic aims focused on cost-consciousness, increased professionalisation and increased cooperation between NGOs (see sections 7.3.3.1 to 7.3.3.3) were (implicitly) collapsed into this overarching aim of improved accountability. To operationalise this aim, the Ministry relied mainly on the existing accountability technologies - programme evaluations, annual reporting and external inspections (see section 7.2.4). It also introduced *external audits*, which were to be conducted (by an independent audit firm, such as KPMG or PriceWaterhouseCoopers) every four years to evaluate the efficiency of the co-financing program⁴⁵.

During the MFP-Breed funding period (2006 to 2006) several studies were performed to assess the functioning of this revised approach to funding. The conclusions and recommendations provided by these studies eventually led to the development of yet another funding scheme, MFS1, addressing issues that were considered deficient in MFP-Breed. These developments are discussed in the next section.

8.3 The initiation of MFS1: A more systematic approach to the assessment and comparison of NGOs

The MFP-Breed funding scheme ended in 2006 and was succeeded by a co-financing *system* (as opposed to a *program*). This new funding scheme, called MFS1, covered the period from 2007 to 2010 and embraced a more *systematic* approach to the assessment and comparison of

⁴⁵ Note that external audits were already being conducted on an organisational level within some of the co-financing NGOs, such as ICCO, prior to the inclusion of this technology in MFP-Breed (I14).

NGO funding applications to ensure greater competition⁴⁶. Although MFS1 built on MFP-Breed, important changes were implemented in order to address concerns identified by an independent advisory committee with respect to the operationalisation of the programmatic aim of *competition for funding* in the application process within MFP-Breed.

The advisory committee concluded that while MFP-Breed sought to promote competition between NGOs, the influence of the existing co-financing NGOs meant that this was not (fully) achieved (Tweede Kamer, 2003). According to the committee, the Minister did not have the opportunity to select NGOs based on their ‘quality’, since the assessment criteria in MFP-Breed mainly focused on the *nature and structure* of the organisations applying for funding rather than on their activities (Tweede Kamer, 2003). The committee concluded that the programmatic aim of *competition for funding* was not operationalised in practice (section 8.2.4) and this was addressed in a policy memorandum published by the Ministry in 2003.

8.3.1 MFS1: Further unpacking the rationale of quality improvement - Decomposing effectiveness and efficiency

The Ministry’s policy memorandum referred to the previous evaluation study performed by the interdepartmental research committee on the effectiveness of development cooperation (see section 8.2.2), as not all the issues raised by the committee, such as increased competition in the funding application process, were successfully resolved in MFP-Breed. In this memorandum the ideal of quality improvement was decomposed more explicitly.

While quality improvement was already unpacked into *structural (sustainable) poverty reduction* and *efficiency and effectiveness*, efficiency and effectiveness were made more explicit by decomposing them into four key ideals: concentration; complementarity; coordination; and harmonisation (Ministerie van Buitenlandse Zaken, 2003). *Concentration* related to focusing development policy on specific themes (such as education, environment and water, preventing AIDS and reproductive health); specific countries (reducing the amount of countries where aid is provided with Dutch governmental funding); and sectors (addressing less sectors per country should lead to better quality and stimulate effectiveness).

⁴⁶ MFS1 also combined the previous MFP-Breed with the TMF, a funding program aimed at funding smaller, thematic, development projects.

Improving *complementarity* was aimed at generating ‘added value’ through cooperation with other donors, such as governments, multilateral donors and NGOs. Improving (donor) *coordination* and *harmonisation* involved ensuring better adaption of policy and procedures to the receiving capacity of developing countries which would lead to better quality of aid and lower transactions costs. *Harmonisation* involved harmonising development policies at an international level (Ministerie van Buitenlandse Zaken, 2003). In order to link this newly unpacked notion of quality improvement with specific programmatic aims, an open policy dialogue was organised by the Ministry of Foreign affairs.

8.3.2 MFS1: Unpacking programmatic aims in order to operationalise the decomposed rationale of quality improvement

An open policy dialogue, consisting of a number of meetings, was initiated in 2004 in order to centralise discussions on developing the new more systematic funding scheme. The policy dialogue was mainly steered by a committee comprised of representatives from co-financing NGOs and the Ministry of Foreign Affairs. It was, however, open to all interested parties and also involved business people, civil society organisations, semi-governmental organisations and academics (Stuurgroep beleidsdialoog, 2004).

Two important bottlenecks were addressed in the dialogue in order to better work towards realising the quality improvement ideal: the ‘semi-monopoly’ position of co-financing NGOs (already identified as an area of attention in the political discussions taking place prior to and during the MFP-Breed funding scheme); and the overall effectiveness of development cooperation. These concerns were fleshed out and summarised in a report that further unpacked the MFP-Breed programmatic aims of *competition for funding* and *improved accountability* (section 8.2.3).

Competition for funding was seen as a problem in practice as the Minister could not easily compare and select NGOs based on their ‘quality’. As noted earlier, the access and assessment criteria in MFP-Breed (section 8.2.3) emphasised the *nature and structure* of the NGOs rather than their *activities* (Stuurgroep beleidsdialoog, 2004). The competition for funding aim was therefore unpacked by including a more explicit aim focused on systematically assessing the ‘quality’ of NGO activities. The NGOs, however, argued that

there was a lack of insight into the *consequences* of increased competition on the quality of development cooperation and that this potentially conflicted with the desire of the Ministry to improve cooperation between co-financing NGOs and the Ministry (see section 8.3.1) (Stuurgroep beleidsdialoog, 2004).

The programmatic aim of *improved accountability*, which in MFP-Breed was articulated in a framework of action involving the development of formal quality systems, was unpacked by emphasising a focus on *making results visible* in a more systematic manner. Participants within the policy dialogue agreed that internal quality and results assurance driven by mutual accountability, learning, and reinforcement of the support base for development cooperation was required (p. 5). NGOs, however, emphasised the danger of operationalising this proposed focus on results, since it could potentially lead to a situation where more time was being spent on making results visible than on achieving them (Stuurgroep beleidsdialoog, 2004).

These programmatic aims were linked to existing and new ex-post and ex-ante accountability technologies. Ex-ante accountability technologies assessed funding proposals, while ex-post accountability technologies sought to monitor and evaluate NGO actions.

8.3.3 MFS1: Linking the programmatic aim of *competition for funding* with ex-ante accountability technologies

The application procedure for MFS1 involved assessing and comparing NGO applications on their relative and absolute quality in order to operationalise the programmatic aim of *competition for funding* emphasising the quality of NGO activities. The quality of NGO activities was determined by assessing the NGOs' ability to link their strategy and contextual analysis with operational goals and their ability to report qualitative and quantitative results of their activities (Ministerie van Buitenlandse Zaken, 2005c). As with MFP-Breed, the Minister assigned an independent advisory committee to assess NGO funding applications on absolute and relative quality. NGO applications were assessed using a framework developed by the committee, based on the objectives and criteria set out the MFS2 funding scheme, and approved by the Minister (Ministerie van Buitenlandse Zaken, 2005c). The assessment framework consisted of three main criteria: threshold criteria, such as 'the organisation has demonstrable public support in The Netherlands' and 'the organisation is working towards

structural reduction of poverty in development countries that are on the DAC-1 list⁴⁷ (Ministerie van Buitenlandse Zaken, 2005c, p. 16); assessment criteria regarding the characteristics and quality of the applying organisation; and assessment criteria regarding the content and quality of the application.

NGOs complying with the threshold criteria were subsequently subjected to more specific criteria regarding their organisation and the content of their funding application. Criteria focused on the quality of the organisation examined relations with stakeholders, achieved results, efficient service delivery and the quality of policies, procedures and financial and administrative management. The criteria were used by the advisory committee to develop indicators for the assessment of NGO funding proposals, thereby providing more clarity on how NGO funding proposals were being assessed (Ministerie van Buitenlandse Zaken, 2005a). For example the efficiency of service delivery was linked to the following indicators: 1. the management of the NGO controls the efficiency of the organisation by using key (performance) indicators and targets; 2. the management of the NGO sets priorities for improving the efficiency of the organisation; 3. for organisations that have conducted an efficiency audit, the actions undertaken based on the recommendations of the audit have resulted in improved efficiency; 4. for organisations that have not conducted an efficiency audit, actions have been undertaken in order to improve the efficiency of the organisation (Ministerie van Buitenlandse Zaken, 2005a).

8.3.4 MFS1: Linking the programmatic aim of *improved accountability* with ex-post accountability technologies

In order to work towards the programmatic aim of *improved accountability*, now involving an explicit focus on making results visible, a number of ex-post accountability technologies were included in the MFS1 funding policy. Some of these technologies were already included in prior funding schemes, such as annual reporting and programme evaluations (see sections 6.5.2 and 7.2.4). However, increased emphasis was now placed on the role of *monitoring* aimed at improving the visibility of the results of development activities. The ex-post accountability technologies introduced can be categorised into two interrelated groups: a

⁴⁷ The DAC principles for monitoring are developed by the OECD in order to assist funder and NGOs in evaluating development assistance. For more information, see www.oecd.org/dac/evaluationofdevelopmentprogrammes.

required (tailor-made) quality system (incorporating what came to be widely known as *tailor-made monitoring*) and annual reporting. Annual reporting now specially distinguished between performance accountability reports and financial accountability reports.

As with MFP-Breed, quality systems were to be developed by the NGOs themselves and needed to incorporate adequate planning, monitoring and evaluation systems aimed at improving the efficiency of co-financing NGOs' activities. The quality systems had a tailor-made character as they allowed the NGOs flexibility to tailor them towards their own organisational needs and activities. The Ministry did however provide some guidance by suggesting that the quality systems be based on ISO (International Standards Organisation) standards and the Dutch Institute for Quality (INK) quality model⁴⁸. This guidance was based on discussions between the Ministry and NGOs on which standards would be most useful.

Performance accountability technologies required co-financing NGOs to report on organisational-specific key performance indicators which could be suggested by NGOs but had to be approved by the Ministry. Organisations were required to report on five different areas: input; output; outcome; effect/impact; and sustainability⁴⁹. Finally, financial accountability required NGOs to generate an annual statement incorporating an overview of revenues and expenditures and a specification of governmental funds received and spent. An approved audit report (produced by an independent auditing firm) was required for the annual statement (Ministerie van Buitenlandse Zaken, 2005b). The NGOs also had to report on their sanctioning policy, i.e. the policy that described how they dealt with counterparts that did not act in line with the criteria set out in the co-financing policy.

After the assessment of their proposals, more specific guidance was provided to NGOs on the *tailor-made monitoring* system required as part of their overall quality system. A one page

⁴⁸ The INK or Dutch Institute for Quality was founded by the Dutch Ministry of Economic Affairs in 1991 and later started operating as a separate foundation. The INK developed a management model based on the EFQM model, an international model which helps both non-profit and for-profit organisations to improve their performance. The INK model can be seen as a Dutch interpretation of the EFQM model. The INK management model is aimed at continuously balancing the needs of diverse stakeholders of organisations, balancing the results and efforts which affect the results and continuously working on qualitative growth. The main goal of the model is to help organisations keep performing in changing environments, such as the NGO environment.

⁴⁹ *Input* was defined as the costs of executing projects, such as costs for material and staff. *Output* was defined as changes that results from development activities that are relevant in achieving the initial objectives of activities. *Outcome* was defined as the intended or unintended changes resulting from outputs. *Effect/impact* was defined as the positive and negative, primary and secondary, effect or impact on a longer term that are produced in order to achieve the set objectives. *Sustainability* was defined as the extent to which partners and beneficiaries are able to continue to achieve results in an independent way.

document on this tailor-made monitoring system indicated that NGOs were no longer required to report on specific *activities*; instead, they were required to formulate key indicators and targets on input, output, outcome and sustainability levels (note that *impact* was not included in the indicators, since this was not considered relevant for monitoring purposes). The Ministry indicated that indicators and targets had to be developed prior to the funding period, but could be changed throughout the funding period in order to anticipate unexpected changes in the execution of programmes and projects. It is important to reiterate that the co-financing NGOs were allowed to develop indicators and targets tailored to their organisational structure and activities rather than being required to use predefined indicators. The tailor-made monitoring was aimed at improving the policy dialogue between NGOs, the Ministry and other parties such as academics and the Dutch NGO representative group, Partos⁵⁰. It was contended that the system would lead to a more informed discussion of the specific strengths and weaknesses of co-financing NGOs which was expected to translate into better policy making.

During the MFS1 funding period, several studies were undertaken in order to assess the functioning of (aspects of) the funding system. This eventually led to the initiation of the most recent co-financing scheme, called MFS2.

8.4 Moving to MFS2: More stringent accountability technologies

This section examines shifts in the programmatic aims and accountability technologies with the move from the MFS1 to MFS2 funding scheme. The MFS2 funding period started in 2011 and ends in 2015. It has initially been characterised by a shift towards the adoption of much more stringent accountability technologies. However, as with MFS1, the broader ideal driving the co-financing scheme remains focused on supporting Dutch development NGOs in working towards *structural (sustainable) poverty reduction* in developing countries.

This section is structured into four sub-sections. The first sub-section discusses how the programmatic aim of *competition for funding* was linked to newly adjusted accountability

⁵⁰ Partos is the Dutch national platform for civil society organisations active in the international development cooperation sector. The sector includes organisations active in poverty alleviation, humanitarian intervention, human rights and sustainable development. The aim of Partos is to support organisations in reaching their goals by working to increase professionalism in the sector and helping it to position itself more visible in the community (Partos, 2008a).

technologies. The second sub-section focuses on the suggested programmatic and technological changes in a policy memorandum preceding the MFS2 funding scheme. The third sub-section describes how the programmatic aim of *competition on funding* was translated into adjusted funding application procedures and how the programmatic aim of improved accountability was translated into more inflexible accountability technologies.

8.4.1 Questioning the achievements of MFS1

An evaluation study conducted by the IOB in 2009 assessed the the functioning of the tailor-made monitoring system introduced as part of the required quality system in MFS1 (Inspectie Ontwikkelingssamenwerking en Beleidsevaluatie, 2009). The study concluded that while the monitoring system led to better insights into the results of NGO activities, it did not provide much information on how these results were achieved, thereby not fully realising the programmatic aim of *improved accountability* through an explicit focus on results (section 8.3.2). Additionally, despite promising to reduce the administrative burden on NGOs, the tailor-made monitoring system required NGOs to gather information which was not being used by either the Ministry or NGOs thereby leading to an increase, rather than a reduction in the administrative burden (Inspectie Ontwikkelingssamenwerking en Beleidsevaluatie, 2009). Although the monitoring system was labelled as tailor-made, after proposing revised monitoring systems to the Minister, NGOs were also sometimes required to further change their systems to accord with governmental requirements. Moreover, while much was being expected from NGOs with respect to developing monitoring systems, the study further claimed that there was a lack of capacity within the Ministry to ensure proper functioning of the system.

The IOB report offered several specific recommendations for the new MFS2 funding scheme. These included: increasing attention to evaluations; developing more specific guidelines for monitoring; reducing the administrative burden on the Ministry and NGOs by only demanding information that would actually be used; and requiring NGOs to report in a uniform manner (with uniform indicators for a selection of prioritised sectors/areas) (Inspectie Ontwikkelingssamenwerking en Beleidsevaluatie, 2009)⁵¹.

⁵¹ Three studies influenced the development of MFS2. In addition to the IOB study, a study was executed by a group of academics and consultants and a study was initiated by the Ministry of Foreign Affairs and the NGO representative group, Partos.

8.4.2 MFS2: Discussing suggested programmatic and technological changes

As with MFS1, an open policy dialogue was organised in order to develop the MFS2 policy framework. A report of the policy dialogue was published and ‘accountability’ was identified as ‘the most important issue in political and public debate on development cooperation’ (Stuurgroep beleidsdialoog, 2008, p. 2).

The necessity of accountability over public and private resources is not debatable. It is obvious that accountability as such is required, upwards to donors and the general public and downwards to partners and beneficiaries [...] What is debatable is how accountability is taking place. (Stuurgroep beleidsdialoog, 2008, p. 5)

Accountability technologies, as operationalised in MFS1, were perceived as having led to a misalignment between attention to management and control and the recognition of the complexity of development cooperation, thereby negatively influencing the quality and effectiveness of NGO activities. For example, according to participating NGOs, accountability, as operationalised within MFS1, was based on the perception that ‘everything [could] be controlled, planned, [was] quantifiable and [could] be aggregated’, a view, they claimed was inconsistent with the reality of development cooperation work (Stuurgroep beleidsdialoog, 2008, p. 6).

Participants in the policy dialogue agreed that the design of accountability technologies needed to more explicitly consider the complex operational reality of co-financing NGOs, which was expressed in the following conclusion in the summary report of the policy dialogue:

The possibilities of reducing the current accountability pressures, whilst maintaining high quality accountability standards should be further investigated. Adjustments in the accountability system should do more justice to the complex reality of development, innovation and learning. (Stuurgroep beleidsdialoog, 2008)

However, in stark contrast to this shared desire to seek an approach to accountability that took into consideration the complexities of development cooperation, the programmatic aim of *competition for funding* was operationalised by the Ministry of Foreign Affairs through the development of (even) more quantitative-oriented funding proposals and a more extensive

assessment of proposals. Additionally, the programmatic aim of *improved accountability* was translated into more specific and demanding ex-ante accountability technologies. This, to some extent unexpected, shift towards increasingly stringent accountability technologies resulted in critiques from various co-financing NGOs regarding aspects of the introduced accountability technologies which they considered problematic. These are considered in detail in Chapter 9.

8.4.3 MFS2: Linking the programmatic aim of *competition for funding* with more stringent ex-ante accountability technologies

The open funding application procedure in MFS2 was more specific and much more demanding than in MFS1. In MFS2, NGOs were incentivised to apply for funding as an *alliance* of Dutch development NGOs rather than as individual organisations. One NGO had to be put forward as the leading organisation that was responsible for submitting the funding application and served as the point of contact for the Ministry on behalf of the whole alliance. A two phase funding process evolved. The first phase assessed whether applying organisations met basic entry criteria. It also involved an assessment of the quality of internal management, control and policies over the previous five years, the capacity and added value of the cooperation within the proposed NGO alliance and the quality of the concise programme proposal. The quality of the proposal was assessed by assigning scores to each of the four entry criteria. A minimum score was required in order to be considered for inclusion in the second phase. In contrast to MFS1, governmental officials, rather than an external advisory committee, were now responsible for assessing NGO funding proposals. An external advisory committee was, however, used in order to monitor the quality, consistency and objectivity of the assessment procedure in phases one and two (Ministerie van Buitenlandse Zaken, 2009c).

Based on the total score assigned to the four criteria, the Ministry selected a maximum of 30 organisations who were invited to submit a more extensive programme proposal for the second phase. The second phase assessed the ‘quality’ of this more extensive programme proposal and based on this assessment the Ministry determined whether and how much

funding applying organisations would receive for the subsequent five years.⁵² It required NGOs to prepare and submit a more detailed version of the concise programme proposal submitted in the first phase of the application process. The extensive programme check consisted of seven sections on which the Ministry assessed the proposal: a context analysis; goals and strategy; planned results; monitoring, accountability and evaluation; harmonisation and complementarity; efficiency of the programme; and sustainability of the programme (Ministerie van Buitenlandse Zaken, 2009c). The planned results and monitoring, accountability and evaluation sections of the programme proposal are central to this focus of this study.

The *planned results section* required applying NGOs to specify their planned or expected results on an outcome and output level by using certain established principles and identified key indicators that were going to be used to measure the realisation of planned results (Ministerie van Buitenlandse Zaken, 2009c)⁵³. An important difference between the MFS1 and MFS2 funding application process was the required baseline measure for results. The baseline involved reporting on the situation prior to intervention. NGOs were required to report on how they had included their Southern counterparts in developing their baseline measures and needed to include specific milestones and indicators that would allow tracking the progress of their programmes. The *monitoring, accountability and evaluation* sections required NGOs to describe how they were planning to monitor results by using the outcomes of the baseline measure and indicate how monitoring outcomes would be used for steering the execution of programmes. The example below from the co-financing NGO ICCO illustrates how baseline measures were performed:

Data [for the baseline measure] are collected on all result indicators as defined [by the Ministry of Foreign Affairs]. This will be done in 4 ways. Firstly, in a significant number of countries the ‘final’ results of MFS1 are used as baseline data; the data are available from the partner organisations. This will

⁵² The specific criteria can be found on the MFS2 website of the Dutch Ministry of Foreign Affairs. See: <http://www.minbuza.nl/producten-en-diensten/subsidies/medefinancieringsstelsel-2011-2015-mfs-ii>

⁵³ The Ministry of Foreign Affairs required applying organisations to use the SMART principles in developing their application for the first (and second) phase. The SMART principles are part of a management tool developed in the 1980s as a way of developing and checking key performance indicators. Reporting on results according to the SMART principles involves reporting results that are specific, measurable, attainable, relevant and timely. Within the MFS2 funding scheme, NGOs were required to use these principles where possible. If not considered possible NGOs were required to provide an explanation of why the SMART principles could not be used in formulating the objectives of their programmes on an output and outcome basis (Ministerie van Buitenlandse Zaken, 2005c; Ministerie van Buitenlandse Zaken, 2009a).

be complemented by the data from external evaluations and mappings. In countries that were not yet included in the MFS1 program, the [ICCO Alliance] will start from newly collected data. Secondly, district level data from sources such as UN-organisations, World Bank, local ministries and departments will be used. Thirdly, the data collected through partner consultation workshops is used. Finally, partners may need to collect data on indicators that were not yet in use during MFS1 and need field surveys. Partner organisations that haven't been assessed with the organisation scan in 2010, are assessed before January 2011 by means of the organisational scan [ICCOs internal accountability information system]. The baseline survey serves as a benchmark for yearly internal assessment and an external evaluation in 2015 which will assess to what extent the specific objectives of this program have been achieved". (ICCO, 2010, p. 73)

Additionally, NGOs were required to report how they would organise 'good quality' evaluations to ensure that 75 per cent of activities executed with governmental funding were evaluated at the end of the MFS2 funding period. Prior to MFS2 there was less emphasis on evaluations and an absence of a specific requirement regarding the percentage of activities to be evaluated. Hence, the main ex-post accountability technologies were embedded in the monitoring and evaluation requirements. These requirements represented an attempt to better operationalise the reconceptualised programmatic aims of *competition for funding* and *improved accountability* (see sections 8.4.1 and 8.4.2). The purpose of *monitoring* was to trace the progress of programmes by focusing on predetermined results indicators (to be discussed in subsequent sub-sections), while the purpose of evaluations was to determine after an extended period of time whether the expected or planned results as stated by NGOs in their funding proposals had been achieved, again by focusing on predefined results indicators (Ministerie van Buitenlandse Zaken, 2010b; Ministerie van Buitenlandse Zaken, 2010a).

8.4.4 MFS2: Linking the programmatic aim of *improved accountability* with more stringent ex-post accountability technologies

Ex-post accountability in MFS2 sought quality improvement by translating the programmatic aim of *increasing the focus on results* into specific results-focused requirements for monitoring and evaluation. In the MFS1 funding policy, ex-ante accountability mainly involved monitoring and while evaluations were required, there were few specific requirements for executing evaluations. With the introduction of MFS2, both monitoring and

evaluation became more stringent in order to ensure a more systematic approach to measuring results and holding NGOs accountable for their ‘results’.

8.4.4.1 The MFS2 guidelines for monitoring

While NGOs had some flexibility in developing their monitoring system in MFS1 due to its tailor-made nature, monitoring within MFS2 was based on more specific requirements. In MFS1 the tailor-made monitoring system allowed NGOs to formulate key indicators on input, output, and outcomes (see section 8.3.4). The qualitative and quantitative indicators on which they wished to be monitored were proposed to the government and discussed with the Ministry. The tailor-made monitoring approach also allowed NGOs flexibility to adjust indicators throughout the funding period in order to generate the best insight into desired results and to provide a basis for learning why some programmes succeeded in obtaining their objectives while others did not.

The policy regarding monitoring in MFS2 required NGOs to develop a monitoring system that assessed progress on a number of *predefined* priority result areas, mainly at the outcome level.⁵⁴ Priority result areas were determined by the Ministry of Foreign Affairs and included results that were considered as having priority due to their assumed importance for working towards the broader ideal of the co-financing policy, i.e. *structural (sustainable) poverty reduction* embedded in the rationale of quality improvement. The Dutch Ministry of Foreign Affairs identified four main categories of priority result areas: *results relating to civil society; results relating to Millennium Development Goals or themes; results relating to southern partner organisations; and results related to international lobby and advocacy* (Ministerie van Buitenlandse Zaken, 2010a).

In order to monitor on results contributing to civil society in MFS2, the Ministry based their approach on the Civil Society Index developed by the International Alliance for Civil Society, i.e. CIVICUS⁵⁵. The CIVICUS model introduced 65 indicators, which were

⁵⁴ Outcome was defined as the intended or unintended changes that result from the generated outputs, whereby outputs are defined as the changes that result from specific activities aimed at achieving certain objectives, i.e. outputs is also referred to as ‘performance’. While outputs are considered to be within the span of control of NGOs, outcomes are considered to be outside of the span of *control* of NGOs but within their span of *influence* (Ministerie van Buitenlandse Zaken, 2009b).

⁵⁵ CIVICUS is a group of international civil society leaders that aim at strengthening civil society and civic participation by generating knowledge through research.

organised into 27 sub-dimensions, which were assumed to capture the ‘structural and cultural features of civil society’ (Dörner, 2011, p. 14). These 27 sub-dimensions were aggregated into five dimensions that were considered conditions for the strengthening of civil society, i.e. civic engagement, level of organisation, practice of values, perception of impact, and external environment. The Ministry selected a number of the indicators developed by CIVICUS as the priority result areas on which NGOs were required to monitor and report on results related to civil society (Ministerie van Buitenlandse Zaken, 2010a).

Results focusing on capacity building within Southern partner organisations were to be monitored by reporting on five core capabilities developed by the European Centre for Development Policy Management⁵⁶. These capabilities comprised: the capability to adapt and self-renew; capability to act and commit; capability to deliver on development objectives; capability to relate to external stakeholders; and capability to achieve coherence (Ministerie van Buitenlandse Zaken, 2010a).⁵⁷

8.4.4.2 MFS 2 guidelines for evaluation

As discussed in section 8.4.3, the Ministry required co-financing organisations to evaluate at least 75 per cent of their executed programmes at the end of the five year funding period in order to allow the Ministry to assess to what extent the objectives as presented by co-financing NGOs in their funding applications were achieved. As with monitoring, evaluations focused on outcomes in the predetermined priority results areas described in the previous sub-section 8.4.4.1. Evaluations executed by NGOs during MFS2 were to be assessed on their relevance, efficiency and effectiveness according to the DAC⁵⁸ evaluation principles and

⁵⁶ The European Centre for Development Policy Management is a think (and do) tank aimed at strengthening the policy management capacity of institutions in Africa and improving relations between the European Union and Africa (<http://www.ecdpm.org/>).

⁵⁷ Working toward improving these five core capabilities within counterparts was considered to improve (and sustain) their capacity. Monitoring according to the five capabilities involves reporting on the quality of the institutional capacity of the counterpart and outlining how supported activities within specific counterparts contributed on an output level to the five core capabilities. The Ministry allowed NGOs to report on an aggregated level for their total amount of counterpart organisations, if possible categorised per country. This approach is assumed to allow the Ministry (and NGOs) to track the progress of counterparts (Ministerie van Buitenlandse Zaken, 2010a).

⁵⁸ As noted earlier, the DAC principles for monitoring are developed by the OECD in order to assist funder and NGOs in evaluating development assistance. For more information, see www.oecd.org/dac/evaluationofdevelopmentprogrammes.

the guidelines for evaluations developed by the IOB (Ministerie van Buitenlandse Zaken, 2010b).

In addition to basing evaluations on these principles and guidelines, the Ministry required NGOs to perform baseline measures at the start of interventions. As outlined in section 8.4.3, the required baseline measurements involved analysing the situation prior to development interventions in order to enable the assessment of progress during and after interventions (Ministerie van Buitenlandse Zaken, 2010b). Baseline measurements were executed by using samples of NGO programmes combined with a control group (or comparable activity) as a point of reference. The baseline measurement was to be executed by qualified researchers in cooperation with local counterparts of the co-financing NGOs (Ministerie van Buitenlandse Zaken, 2010b)⁵⁹. Co-financing NGOs were held responsible for selecting qualitative or quantitative indicators for evaluations. These, however, had to be based on the priority result areas defined for monitoring (see the previous sub-section 8.4.4.1) and had to be specific, time bound and measurable and relevant for the specific intervention strategy and fit within the boundaries of the specific result areas and intervention objectives as defined by the Ministry.

The required evaluation approach developed by NGOs, either on an individual basis or together with other co-financing NGOs, had to cover the entire five year funding period and include all counterparts and projects executed during this period. Evaluations, as required in MFS2, were primarily aimed at enabling the Ministry to assess the effectiveness of the use of governmental funding. This was ensured by requiring NGOs to provide insight into the following: achieved changes (mainly) on an outcome level in the predefined priority result areas; the achieved results in comparison with the control group or comparable intervention activity; the extent to which achieved results could be attributed to the evaluated intervention; the effects of interventions outside of the targeted objective; and the possible additional unexpected results achieved with the intervention (Ministerie van Buitenlandse Zaken, 2010b). Overall, this approach was much more restrictive and demanding than the approach adopted prior to MFS2.

⁵⁹ Objectivity was to be ensured by having an (observer) independent measurement of results by using SMART indicators. Transparency was to be ensured by having a transparent process for gathering, processing and analysing results which involved documenting the whole process. In order to ensure independence, the final conclusions on the evaluation were to be made by others than those who had a direct, financial or institutional, stake in the outcome of the evaluation. The sample used for evaluations had to be representative for the whole population in order to be able to generalise conclusions.

8.5 Chapter summary

This chapter assessed the development of three distinct co-financing schemes, MFP-Breed, MFS1 and MFS2, from the late 1990s to 2012. The first section discussed how members of the Dutch House of Representatives started questioning the power of the existing four co-financing NGOs and the functioning of existing accountability technologies. This resulted in the articulation of two revised programmatic aims: *competition for funding* and *improved accountability*. Competition for funding was operationalised by introducing an open, competitive, tendering process for NGOs who wanted to receive governmental funding. The Ministry re-introduced funding proposals as a technology of government (now focusing on entire organisations rather than on individual projects as in the 1960s - see section 6.4.3), which required NGOs to submit a business plan for the complete funding period. The programmatic aim of improved accountability was underpinned by the three programmatic aims introduced in the 1980s (section 7.3.3): a focus on cost consciousness; increased professionalisation; and increased cooperation. To operationalise this overarching aim of improved accountability, the Ministry relied mainly on existing accountability technologies (annual reporting, programme evaluations, and external inspections), but also introduced external audits focused on assessing the efficiency of the co-financing program as a whole.

The second section revealed how several studies indicated that the programmatic aim of competition for funding was not fully achieved in MFS-Breed. This concern was addressed in the shift towards MFS1 by further unpacking the rationale of quality improvement into the notions of concentration, complementarity, coordination, and harmonisation (as more specific articulations of effectiveness and efficiency). Subsequently, the programmatic aim of competition for funding was articulated into a more explicit aim focused on assessing and comparing the quality of NGO activities in the funding application process. The programmatic aim of improved accountability was articulated into a more specific framework for action emphasising an explicit focus on making results visible in a more systematic manner. In order to operationalise these reconceptualised programmatic aims, they were linked to existing and new ex-post and ex-ante accountability technologies. Competition for funding was operationalised by linking it to a more extensive funding application procedure, whilst improved accountability was operationalised through existing technologies, such as annual reporting, programme evaluations and external inspections, and by emphasising the (key) role of a new accountability technology, monitoring reports.

Section three then discussed how the functioning of MFS1 was criticised in several studies and in discussions between the Ministry and co-financing NGOs. This resulted in the development of (even) more stringent accountability technologies. The open funding application procedure became more extensive, now involving two distinct phases and required more specific (quantitative) information from NGOs, and the ex-post accountability technologies became more systematic. Whilst monitoring in MFS1 was of a tailor-made nature, in MFS2 co-financing NGOs had to develop a monitoring system based on predefined results indicators provided by the Ministry of Foreign Affairs. In comparison to MFS1, more emphasis was put on (programme) evaluations in MFS2, involving more specific and stringent requirements, such as developing baseline measures for all programmes in order to be able analyse situations prior to and after NGO interventions. The more stringent nature of accountability technologies in MFS2 contrasted with an apparently agreed upon desire to develop more flexible, context specific, accountability technologies which was articulated in an open dialogue preceding the development of the MFS2 funding scheme.

Having outlined the key features of the move to the MSF2 co-financing scheme, the next chapter examines the operationalisation of the accountability technologies embedded in this scheme from the perspective of the NGO managers interviewed. This allows us to better understand how these technologies operated on-the-ground in the attempt to realise the quality improvement ideal and the various programmatic aims attached to this ideal - particularly those related to increased *competition on quality* and an *increased focus on results*.

CHAPTER 9: OPERATIONALISING THE PROGRAMMATIC AIMS OF MFS2: THE IMPACT OF ACCOUNTABILITY TECHNOLOGIES ON NGOS

9.1 Introduction

The MFS2 accountability technologies involving annual reporting, programme evaluations, and funding proposals (see section 8.4.4) sought to steer NGOs towards quality improvement by increasing competition for funding based on the quality of NGO activities and an increasing focus on results. This chapter shifts the focus of the study from the documentary analysis tracing the evolution of the co-financing programs to the perceptions of NGO managers who had to adopt the MSF2 accountability technologies. Specifically, it examines managers' perceptions of the process through which the accountability technologies were operationalised in their NGOs. This unveils how the programmatic aims (in MSF2) were translated within three co-financing NGOs and the extent to which they were perceived as realising the quality improvement ideal. The chapter is structured in three sections. The first section illustrates how the programmatic aims underpinning MSF2 were initially positively perceived by the NGO managers. The second section unveils the problems posed for NGOs by the accountability technologies enrolled to realise the programmatic aims. The third section reveals how the three co-financing NGOs have separately addressed some of the key problems identified and the impact this has had on their internal operations.

9.2 NGO support for the programmatic aims of MFS2

The attention afforded to quality improvement, as translated into the programmatic aims embedded in MFS 2 (and MSF1), was perceived positively by the NGO managers. For example, the increased focus on providing results was seen as potentially enabling co-financing NGOs to improve the quality of their work by providing them with better insights into their counterpart selection policies and processes and the effectiveness of specific interventions. The managers admitted that, in general, they had often relied too much on their 'good intentions' and 'intuition' and that a more systematic approach to accountability was necessary:

What you can say is, that we came from a period, and that is where [the Ministry] was right, where good intentions were good enough. We have trusted too much in our intuition only and too little in academic insights, evaluations and theories of change. And we have started to develop these insights partly due to the pressure of the [accountability] system. (I17)

The increased pressure exercised by the Ministry of Foreign Affairs within MSF 1 and MSF2 forced the NGOs to rethink their approach and strategy towards executing development activities. The more detailed attention afforded to ex-post accountability technologies was viewed favourably as it ‘forced’ the NGOs to clarify and reflect more on the objectives, approaches and underlying assumptions of their work:

That is what is good about this system, that it forces us to clarify; this is what we want to do, these are our assumptions and this is what we hope to achieve. (I17)

I think that it is an improvement that people within our [organisation] are much more forced to think like “this is a nice project, but do we actually achieve something with it? And if it goes wrong, what will we do then?” So it actually forces us to think about whether the money actually achieves something, and not behave like “it is such a nice partner and they always send their reports on time”. Yes, that is fine, but do you actually achieve something? That is what I perceive as being positive. (I12)

The enhanced attention afforded to monitoring and evaluation in MFS1 and MFS2 also forced the NGOs to construct better arguments for their policy and counterpart selection decisions. This increased attention to monitoring and evaluation in was deemed necessary in order to realise an increased contribution to the broader aims of Dutch development cooperation. While prior to the increasingly stringent and systematic accountability technologies included in MFS1 and MFS2, decisions regarding counterpart selection were often based on intuition, the monitoring proposed by the Ministry had the potential to provide NGOs with information that assisted them in making better strategy and policy decisions as well as allowing them to more easily account for their choices to the Ministry of Foreign Affairs and other interested parties, such as the Dutch public:

Such a monitoring protocol makes you more aware of the decisions you make and forces you to generate better arguments for your choices. And I think that is the good side of it, because I think that some people here [within the organisation] have been working on automatic pilot for years like ‘I have supported these partners for 20 years, they do well, so we just give them more money in the coming years’. And that is not what you want, you want to see

whether these partners still contribute. Does the partner contribute so that [the organisation] will keep providing money, or can we better spend the money on something else? (I12)

The fact that we have to report, and the Ministry forces us to report [why we support certain counterparts and what we want to achieve], I perceive that as being a huge plus. (I12)

While information resulting from evaluation and monitoring exercises in MFS1 used to be rather dispersed due to the lack of a systematic approach for gathering, processing and reporting information, the MSF2 requirement to provide more condensed overviews that contained aggregated information on activities and achieved results potentially provided NGOs with a better insight into all of their activities and (planned) contributions:

I think it is very smart to do this, because actually you have a lot of information. All of these loose evaluations used to float within the organisation. If you can combine this into one document, with a higher level of abstraction looking at what we planned and what we have actually achieved, I think that it is good to bundle this, because you can always go back to this and show this is where we came from and this is where we are now. (I15)

The reframed accountability technologies in MSF2 involving prescribed rather than tailor-made monitoring systems and more systematic evaluation systems (section 8.4.4), also forced NGOs to address issues that had previously been ignored such as the need for a baseline measure for monitoring and evaluation. In applying for funding in MFS2, NGOs were required to report baseline measures outlining the situation prior to intervention (section 8.4.3), thereby allowing both co-financing NGOs and the Ministry to better track the progress of co-financing NGO activities. The absence of baseline measures for monitoring and evaluation prior to MFS2 was perceived by various co-financing NGO managers as a mistake on their side, since they proved to be useful in assessing the results of their interventions:

We as NGOs did not come up with a baseline [for evaluations] during MFS1, that has been a mistake from our side as development organisations. Now we are required to provide these [baselines] and in the end we have to admit that these baselines are very useful. Even if the data used is not always as good, there are margins in that, but eventually we will benefit from the baseline. (I15)

Managers also recognised that the negative stance towards development cooperation prevailing amongst some members of Dutch society meant that it made sense for NGOs to work on improving their accountability in order to be clearer in communicating the contributions of their work to the Dutch public (and politicians):

If the Dutch public is negative, it is my opinion that something is going wrong within your organisation. The people that work here think that it is logical that their work is being done, but if the public has a different opinion, then it is going wrong somewhere, since your accountability towards the public is not very convincing. (I5)

These positive perspectives on the ideas and policies underlying the programmatic aims of MFS2 did not, however, prevail in discussions surrounding the operationalisation of the MFS2 accountability technologies. The accountability technologies introduced in MFS2 to link the programmatic aims of *competition for funding* and *improved accountability* with intervention were often seen as problematic and of ‘going too far’ (I15) as they were seen as interfering too much with NGOs’ organisational autonomy and mission.

9.3 The problematic nature of MFS2 accountability technologies

This section outlines how NGO managers perceived the operationalisation of key aspects of the introduced accountability technologies in MFS2 which sought to quantify and aggregate development co-operation results. It unveils the specific problems the managers experienced with the accountability technologies. It illustrates how it was not the pressure to be more accountable embedded in the programmatic aims of *competition for funding* and *improved accountability* which was perceived as problematic, but the manner in which the increased demands for accountability had to be translated within NGOs using the accountability technologies mobilised in MFS2 - funding proposals, monitoring systems and evaluation systems (see section 8.4.4) - to realise these aims.

9.3.1 Predefined indicators: Barriers as opposed to opportunities for learning

During the MFS1 funding period, and especially before MFS1, co-financing NGOs had a considerable amount of flexibility in organising monitoring and evaluation within their organisations. Under MFS1 NGOs were required to have a (tailor-made) monitoring system that had to be based upon the INK quality framework and take into consideration the guidelines of the CBF⁶⁰, but they were allowed to use key indicators for measuring results *they* considered important and suitable. This afforded co-financing NGOs the flexibility to adjust indicators throughout the funding scheme.

As noted in sections 8.4.4.1 and 8.4.4.2, the shift to MFS2 introduced a more rigid approach involving predefined indicators for monitoring and evaluation. Managers were adamant that this shift was misguided and argued that the *operationalisation* of MFS2 actually threatened rather than improved their ability to learn. Several managers complained that it was impossible to learn from the results of monitoring when they could not even decide on the areas *they* considered important for monitoring and learning. They questioned the extent to which narrow accountability technologies mobilising predefined, mainly quantitative, indicators could allow NGOs to learn and innovate. They found this especially surprising since learning was presented as an important objective in the policy memorandum and policy framework linking the broader aims of the Ministry with the more stringent accountability technologies in MFS2. The Ministry had presented the ability to learn as an important motivation underpinning the programme of accountability aimed at realising the ideal of quality improvement, since learning would improve the effectiveness of development cooperation:

We welcomed the idea of tailor made [monitoring] [in MSF1] since it gave us the impression that [the Ministry] said it is considered important if *you* [NGOs] consider it important. Now [in MFS2] they say two things at the same time. On the one hand [the Ministry] says to us what is important for you is that you learn, but on the other hand you cannot decide on what is important for you. (I20)

⁶⁰ The Central Bureau on Fundraising (CBF) is an independent Dutch foundation aimed at the promotion of responsible raising and disbursement of funds in the Netherlands. The CBF develops regulation for reliable fundraising, monitors the compliance of companies with these rules and documents issues that may be socially significant in fundraising and provides information and advice to the public, authorities and institutions. These activities resulted in the three main tasks of the CBF, i.e. performing assessments, monitoring the responsible raising and application of funds, and providing public information and advice (CBF, 2007b).

The Ministry mentioned that we have to use those key questions and show how we learn from them and use them in steering [our organisation]. But if they are not *our* questions ... then we won't be learning from them ... We [as co-financing NGOs] [pointed this out] in a direct meeting with a governmental official ... but the governmental official was [nevertheless] convinced that we would learn a lot from it. (I12)

Managers were adamant that convincing arguments linked to the overall programmatic aims of development cooperation were not offered to justify the motivations for the Ministry's decision to move away from tailor-made monitoring towards predefined result areas and indicators.

9.3.1.1 Denying learning by overemphasising 'successes'

It was also argued that the increasingly narrow approach to accountability, based on the assumption that the ability of co-financing NGOs to achieve results could be controlled, led to a situation where NGOs were continuously required to account for the fact that they did *not* achieve planned results.

The suggestion created by such a system is that everything is under control and that you can actually solve the issue in this [narrow] way. And the risk of this approach, and this risk is very real, is that the reality will turn out to be different and that you will always be accounting for, defending, why things did not go as planned. So you will always face the risk of explaining what is going wrong. (I21)

The design of accountability in MFS2, which required NGOs to continuously explain and account for any lack of Ministry-defined 'success' (success being defined as achieving planned results), ran the risk of incentivising NGOs to focus on supporting projects and partners that were most likely to produce the expected results, and to overstate expected results and overemphasise achieved results. It was widely argued that the necessity to demonstrate success could lead NGOs away from projects that would be considered most suitable in the light of their own missions focused on helping the poorest and most marginalised groups in society.

Processes to quickly produce data lead to a focus on simple data and fast results. And attaching too much meaning to these simple results, results in a temptation to steer on simple and strict indicators. (I19)

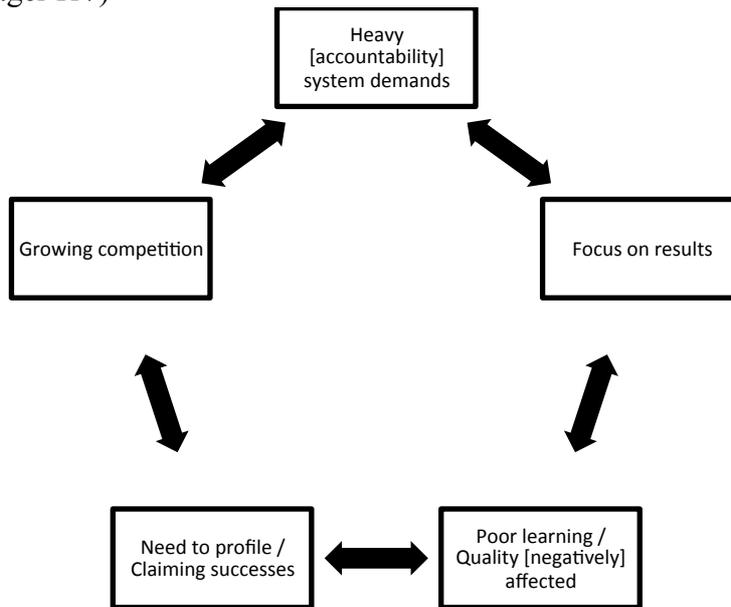
In addition to selecting projects and counterparts that would most likely produce expected results, the MFS2 accountability technologies were perceived as incentivising co-financing NGOs to overstate expected results and overemphasise achieved results in order to demonstrate ‘success’. Accountability, as designed in MFS2, did not allow space for reporting ‘failures’, i.e. they were simply not recognised in reports, thereby having a potential negative effect on learning and the belief of the general public in NGOs and their activities:

There is a fundamental problem [in accountability as designed in MFS2]. People within our organisation and the general public notice that our message can’t be right. We continuously put the flag out to demonstrate success, without giving attention to activities that went not so well, since this is not required. The effect is that the quality is being negatively affected and learning is being negatively affected. (I17)

The risk that it is much more about the data than the context, which is an increasing risk, which [...] has led to a loss of expressiveness and persuasiveness regarding what NGOs are doing. (I21)

And if external inspections or evaluations subsequently indicated that co-financing NGOs in practice were not able to realise their (overstated) expected results, co-financing NGOs were incentivised by the Ministry to respond by promising and reporting even more and better results. This forced them into a ‘vicious circle of aid’, involving increasingly demanding accountability technologies, a focus on results, the need to claim successes and growing competition that denied learning (I17), as shown in Figure 9.1 which was provided by one of the ICCO interviewees (I17) while discussing the effect of increasingly stringent accountability technologies on learning.

Figure 9.1: The vicious circle of aid (title and figure adapted from a drawing provided by ICCO manager I17)



9.3.2 The problems of aggregation and standardisation

The focus on predefined indicators created tensions within the NGOs since they now had to produce imposed aggregated, quantitative results of their activities. While co-financing NGOs were required to produce some quantitative results in MFS1, they had more flexibility in developing results indicators, while in MFS2 results indicators were prescribed by the Ministry. Many managers contended that the tendency to solely focus on predetermined, aggregated, quantitative results did not represent and give credit to the essence of their work as it presented development cooperation as if it was a linear process in which results could be easily measured using outcome and output indicators. It was argued that this focus was built on the mistaken assumption that measuring and achieving results was simple and straightforward:

And they [the Ministry] present it as being very simple, like: ‘okay, you have got money, you do something and three years later you can show that you have achieved your goal’. What we do often doesn’t work within three years and we don’t only do things that directly benefit households. A lot of the stuff that we do is beneficial in the longer term. (I12)

[...] the Ministry has to report clearly and simply to the House of Representatives. And if you tell them: 'well, in these countries this percentage has improved [and] in other countries this percentage has improved', [the Ministry] already finds this too complicated, they just want to have a single number. That is the dilemma we face to some extent. That there is a demand for simplicity, but the context does not allow simplicity, the context in fact is very complicated. (I16)

Considering the complexity of the contexts the NGOs were working in, some managers argued that it made no sense to aggregate results to the extent required in MFS2. The co-financing NGOs supported a large amount of different projects executed by local counterparts in a variety of focus areas ranging from policy influencing to building schools. These projects were executed in different regions and countries such as Bolivia, Kenya and India. Managers complained that they were often unable to accurately measure (short-term) results on an aggregated level due to contextual differences, the nature of their activities, the timeframe of their activities, and their inability to attribute results to specific activities. The level of aggregation required from NGOs in reporting on their results in MSF2 could therefore, they argued, result in meaningless numbers. These numbers were sometimes created by combining results measures, which in themselves were already questionable, from programmes and projects of a very diverse nature. Programmes, for example, ranged from working towards sustainable economies (ICCO), food security (ICCO), safety and sustainable peace (Cordaid), and health and welfare (Cordaid). The projects executed within these programmes were also very diverse, being executed in different continents, countries, regions and by counterparts operating at a national, regional or local level. Managers explained that due to the diverse nature of co-financing NGO activities, the results of their work could not always be measured that easily, and especially not in a rigid quantitative manner.

While some results of NGO activities could be measured on a quantitative basis, such as the amount of children attending school, lobbying and advocacy activities were perceived as being especially difficult to measure, especially in the short term, since the effects might only be visible after several years. Additionally, it was often difficult to attribute impacts to specific projects supported with governmental funding, since there were always other developments that influenced the actual impact such as changed governments or international media attention afforded to the specific issue:

We have programmes on education and you can almost show results in a quantitative way, but we also have programmes on conflict transformation. Well, that is about peace building in hotspots or previous hotspots such as Rwanda, Burundi, and Sudan. How much can you quantify that? That is much more difficult. (I16)

Lobbying and advocacy are just very hard to make measurable. What exactly is the result of a lobby and if there is an effect this might take three years. (I1)

For example, a human rights organisation in Niger advocating for abolishing slavery. We have been working on that for a long time, but that does not mean that nothing is changing in the short term, but it might also happen in 5 or 10 years. And to what extent can you actually attribute this [effect] to something you are doing now. (I1)

Aggregation meant that attention to context was almost totally abandoned. According to several managers this led to the generation of numbers that had little meaning in the context of assessing the quality of their activities:

This year we expect that twelve thousand households [...] will have an increase in their income of three per cent for example. That is what the [the Ministry] would like to see, well a number of people within the Ministry. I have tried to show them that it is an indicator based on nonsense. (I16)

The issue is that some of those [accountability] goals, especially in the past four years, basically [attempt] to add up cows and oranges. Not apples and oranges, [even] that would be nice, because that at least it is still about comparing fruit, which can be reasonably added up[!] But sometimes we are just adding up cows and apples. But you know, that is just the result if you want to aggregate certain things. (I12)

The introduced measures required co-financing NGOs to generate quantitative results in predefined results areas, which allowed the Ministry to make more general statements about the functioning of co-financing organisations in their accountability towards the House of Representatives (and the Dutch tax-payer). These figures however did not reflect the complexity involved in development cooperation activities.

[The Ministry] wants to be able to aggregate and want to be able to generate general statements on NGO programmes. So one programme mentions 70 per cent, the other 30 per cent and another 40 per cent. Well, [the Ministry] then calculates the average of these programmes which results in a statement like “55 per cent of the people serviced by ICCO stated that...”. And look, it does not work like that. So there is an exaggerated tendency to be able to aggregate results. (I16)

The neglect of complexity eliminated the opportunity for insightful story telling. It was widely argued that the persuasiveness of many NGOs' claimed achievements "[wa]s much more in the story and other matters than in the kind of [aggregated] results [that] [the Ministry] [we]re asking for (I21):

The reports we have to produce lead us away from the stories and force us to put these stories into boxes and to aggregate, which leads to every story losing its meaning ... You lose context, you lose details ... Sometimes you come across stories in practice that only talk about two people but say much more than the abstract evaluation report. (I20)

To summarise, the Ministry was perceived as requiring NGOs to report according to a so-called 'managerial logic' prevailing within the Ministry, involving the priority results areas and predefined indicators:

There is a way of thinking present amongst politicians and the Dutch public that change can be 'makeable' and measurable, according to a managerial logic. The government faces increased pressure, critique and attacks regarding development cooperation from the public but also from the House of Representatives, which resulted in increased pressure on the Ministry [of Foreign Affairs]. The Ministry has replied to this pressure by introducing a culture that I cannot describe differently than as one that is based on formalised or institutionalised distrust. (I17)

While accountability technologies were initially introduced within the governmental funding schemes as a way of addressing problems of insight and control, the NGO managers felt that the MFS2 accountability technologies actually reduced the possibility of acquiring this insight. Moreover, they claimed that quality improvement (the assumed underlying rationale the accountability technologies were seeking to support) did not result from the introduced technologies; rather, they could even threaten quality. It did, however, enable the Ministry to provide an image of development cooperation to the House of Representatives and the Dutch Public in which the Ministry was seen to have total control over development results.

9.3.3 Creating ‘fake certainties’

The managers also outlined concerns with the ex-ante accountability technologies used to decide on where funding would be allocated. Many managers felt that the funding application procedure in MFS2 resulted in the creation of what some termed ‘fake certainties’ or ‘fake realities’. While the managers perceived the clarity of the funding application requirements as being positive, they argued that the application requirements led to the creation of fake certainties due to the mistaken assumption that NGOs were able to forecast all their activities and results for a five year funding period and were able to make all their activities calculable:

The Ministry is aiming towards creating certainties, they want to cover everything. This approach in this specific context however leads to the creation of fake certainties. (I11)

It is creating a fake certainty. It is not certainty and if anyone perceives it as being a certainty, that is a [mistaken] interpretation. (I13)

I think it is a fake reality you are creating [with this approach to accountability], since we are coming up with percentages for which we know the reliability ... can be questioned. (I15)

The MSF2 funding application required NGOs to plan their activities, including the counterparts they were going to cooperate with and the projects to be executed, for a period of five years. A number of managers noted that although it was assumed by the Ministry, organisations did not know exactly which counterparts they were going to be working with and what projects they would execute, since there were always counterparts that would be dropped and counterparts that would be added due to the uncertainty involved in development cooperation (I12). Despite the fact that managers considered the detailed planning of activities for five years as totally unrealistic, they complied with the criteria, but emphasised that it often involved window dressing where they were providing the required amount of detail on expected results whilst knowing that this was not based on an extensive assessment or made much sense:

In this sort of stuff, there is a risk of extensive window dressing but you know there have been no extensive assessments, so you will make reality better than it is, that is how simple real life is. That holds for all things, it holds for audits and it holds for the funding application to the Ministry. (I8)

The manager quoted above went as far as to compare the funding application process to “presenting a beautiful shop window with an empty shop behind it” (I8). Organisations provided information about targeting a specific group and expected results, while knowing that ‘it didn’t mean anything’ (I22). Another manager stated that during the writing process of his NGO’s MSF2 funding application he and his colleagues concluded that ‘this ha[d] nothing to do with content, it [wa]s all about form’ (I13).

9.3.4 Speculation on the Ministry motives for aggregation and standardisation

The managers provided several explanations for the reasoning behind the tendency towards standardisation and simplification of results. Most managers felt that this allowed the Ministry of Foreign Affairs to compare results of NGOs and report in a clear and simple way to the House of Representatives and the Dutch public. It was also more efficient for the Ministry since NGOs were now expected to provide aggregated information rather than providing more detailed and rich information which the Ministry then had to spend considerable time processing and aggregating into numbers considered suitable for the House of Representatives:

[A staff member of the Ministry of Foreign Affairs] clearly indicated that they want results to be comparable between [NGOs]. So if they allow more flexibility [in reporting results] they [the Ministry] are not able to add up results, that is what it all comes down to. (I12)

I think they [the Ministry] want to compare more. Or to be able to say, ‘well, the civil society contributes to, or the co-financing system contributes to this and that’. Yes, they [the Ministry] increasingly want to do that. (I13)

The last step that has been made [with the move to MFS2] was saying that ‘everybody has to report in the same way’. According to me, that is mainly due to [...] the fact that all these different results are difficult for them [the Ministry] to collect and interpret, and they had to do something about it. It is more to increase efficiency on *their* side. My feeling is that that is the most important argument. (I21)

Most NGO managers could somewhat understand the difficulty for the Ministry in interpreting the information reported by NGOs and the desire to be able to better compare information to enable them to report to the House of Representatives. However, many felt that

the lack of capacity within the Ministry to interpret and process more detailed information provided by NGOs was actually the main reason for the increasingly narrow and demanding requirements in MFS2. This lack of capacity was reflected in a high turnover of staff and a lack of relevant knowledge amongst the staff within the Ministry who were involved in assessing the contribution of results (I13):

I had a lot of meetings with the people from [the Ministry] and they do not even know what civil society is, and I am being serious here. They really don't know what it is all about. [...] Then there is somebody who has spent some time in an embassy somewhere and they come back and are assigned to develop MFS guidelines. Well, I am sorry but they really don't understand what it is all about. (I13)

9.3.5 Influencing introduced accountability technologies

As discussed in Section 8.3.2 and 8.4.2, representatives of NGOs were involved in the open policy dialogues preceding the development of co-financing policies. In these dialogues, NGOs were able to ventilate their concerns and potentially influence the Ministry regarding the approach to accountability suggested in MFS2. Several managers, however, noted that discussions in meetings, such those involved in the policy dialogue, were never legally binding. The Ministry decided on what questions were to be addressed and incorporated in the new funding policy. A selection of issues, selected by the Ministry, was published on their website and these were considered to be the legally binding decisions of the Ministry made during the policy dialogue meetings:

In sessions such as the policy dialogue, organisations such as Cordaid have the freedom to provide all kinds of input. The answer of governmental officials is, however, often “what do you think?”. Additionally, these officials note in every meeting that what they say is not legally binding, eventually it depends on the official documentation. (I11)

Despite being offered the opportunity to take part in debates on the development of the MFS2 funding scheme and their efforts to show the problems of working with accountability requirements that were seen to be overly strict and demanding, managers perceived their influence as marginal:

Cordaid has worked on changing the requirements within [the Ministry] and the IOB. This was however not successful. (I11)

Prior to both co-financing rounds, MFS1 and MFS2, there was some sort of a dialogue, a policy dialogue. However, if you compare what this resulted in and if you see the report, and you compare this to what is in for example the funding application framework and in the policy framework, that is not much. (I21)

Your question was to what extent can we influence governmental accountability requirements. Well, the feeling I have is that we have not much to say about that. (I20)

Therefore, in order to cope with the more stringent accountability technologies introduced in MFS2, co-financing NGOs developed varying approaches aimed at combining their internal accountability requirements with the approach required by the Ministry. Through analysing managers' perceptions within three co-financing NGOs - Hivos, Cordaid and ICCO - the next section unveils how these NGOs translated or linked their own internal accountability systems to the MFS2 accountability technologies in order to ensure they stayed focused on their organisational missions.

9.4 Acting as a buffer between MFS2 accountability technologies and counterparts: Focusing on internal accountability needs

The previous sections discussed the NGO managers' perceptions of accountability as operationalised in the MFS2 funding scheme. This section reveals how three of the co-financing NGOs – Hivos, Cordaid, and ICCO⁶¹ - dealt with the operationalisation of the MFS2 accountability technologies within their organisations. The analysis of interviews with managers from the three different NGOs shows that all of their organisations to some extent translated information gathered from their counterparts into the information requirements embedded in the MFS2 accountability technologies. While there were some differences between the approaches of the three co-financing NGOs and the extent to which they directly translated the governmental requirements into their own accountability systems, they all sought to ensure that their core operations and relationships with counterparts were not

⁶¹ The majority of data was gathered from interviews with managers working within ICCO, Cordaid and Hivos rather than Oxfam Novib due to the time difference between these interviews. Due to the unavailability of interview data on the operationalisation of MFS2 accountability technologies, Oxfam Novib is not included in this section.

significantly altered by the required accountability technologies. Each NGO is considered separately below with a specific focus placed on how the each NGO's relationship with counterparts was affected by the accountability technologies embedded in MFS2.

9.4.1 The Case of Hivos – A buffer between MSF2 requirements and counterpart priorities

9.4.1.1 Moving away from the co-financing program as a core focus

Prior to the increased accountability demands that emerged in MFS1 and became more stringent in MFS2, the co-financing program was the core focus of Hivos' activities. It was claimed that the program allowed Hivos to 'become who [they] are and [determined] how [they] work[ed] with their counterparts' (I19). However, the flexibility offered in the co-financing program, perceived as one of the most important qualities of the program, started to disappear due to the increasingly inflexible accountability demands in MFS2 (and MFS1), which resulted in Hivos seeing the co-financing program as being detached from its core mission:

The co-financing program is starting to be perceived as a donor like any other and the flexibility that it always offered, which was one of the most important qualities of the co-financing program, is disappearing. That means that we have started to perceive the way we report to the Ministry as more detached from who we are as an organisation. (I21)

The MFS2 requirements were perceived as forcing Hivos to report in a more limited and superficial manner. This may have allowed the Ministry to generate a more uniform overview of co-financing NGO activities, but it did not allow Hivos to reflect the nature of their work in reports produced for the Ministry. While the more rigid accountability technologies were aimed at quality improvement, through enhancing efficiency and effectiveness, one Hivos manager felt that the MFS2 approach to accountability 'had nothing do with efficiency and effectiveness' (I21):

[The current approach to accountability in MFS2] has nothing to do with efficiency. And I don't believe this is a very distinct view of Hivos. I don't believe you will be able to find one co-financing organisation, or maybe one, but not more, that perceives that the [MFS2 accountability] process leads to

improved efficiency. [...] Maybe efficiency on the side of the Ministry, but not for development cooperation. (I21)

In order to prevent further bureaucratisation of the accountability process within Hivos, they went back to focusing on ‘what it should really be about: reporting meaningful data and discussions on the meaning of results’ (I21). This implied that rather than directly using the requirements from the MFS2 accountability technologies in the monitoring and evaluation of counterparts, Hivos aimed at commencing from what counterparts suggested needed to be monitored and evaluated. Hivos translated the results from counterparts’ monitoring and evaluations to fit the accountability demands from the Ministry (I21), thereby leading to the development of a ‘dual’ accountability (information) system.

9.4.1.2 Developing a ‘dual’ information system

Within Hivos, the department ‘assessment, evaluation and control’ (TEC) was responsible for designing the approach to accountability, involving issues such as quality control, measuring results, monitoring and evaluation (I19). In the previous five to ten years the approach to accountability had shifted from ‘a focus on co-financing [accountability] criteria’ towards a vision where Hivos ‘t[ook] into consideration multiple actors’ (I19). This shift in the approach to accountability was accompanied by a move from an accountability system which continuously adapted to changing co-financing accountability requirements towards an Enterprise Resource Planning (ERP) system in 2011 that combined co-financing criteria with accountability demands from a broader group of stakeholders, such as other funders and their counterparts, and included Hivos’ own information requirements.

The ERP system allowed Hivos to produce information which could effectively be used for two ‘separate’ accountability systems. This shift towards two separate accountability systems resulted from the frustration generated by the increased demands for quantification and aggregation of information in MFS2. The aggregated level of information required for Hivos’ accountability towards the Ministry of Foreign Affairs in MFS2 was not useful internally (20). Therefore, one system was built on Hivos’s internal information requirements while the other was tailored towards the MFS2 demands (I20; I19):

Two systems are created to measure results and planning, one system of our own and one system required within the co-financing scheme. (I19)

It is, however, hard, but our conclusion was that what we are going to report to the Ministry cannot be used within our organisation. (I21)

The accountability system tailored towards the MFS2 requirements was, however, not based on different information, it was rather a translation from one system to another. The managers sought to develop what they termed a ‘turntable’ (I20) that allowed them to translate a variety of counterpart-specific indicators used internally into the level of aggregation required by the Ministry:

We have tried to invent some sort of a ‘turntable’ that would allow translating our own, very diverse set of indicators agreed upon with counterparts to a level that allows reporting to the Ministry in a uniform manner. (I20)

Counterpart-specific result indicators, described as the signs of change used by counterparts in order to measure whether expected results had been achieved, could be quantitative - for example, increased crop production or decreased incidence of sexually transmitted diseases - and/or qualitative - for example, people’s appreciation of activities or results or people’s perception of changes in their life, community or society. These counterpart-specific result indicators were developed in meetings between Hivos and their counterparts, without forcing them into the framework prescribed by the Ministry, involving predefined priority results areas (section 8.4.4.1):

Hivos opts for a non-dogmatic approach [...]. This implies that measuring results should, in the first place, benefit the effectiveness of counterparts. This implies that partners should preferably themselves, after consultation with Hivos, determine the methods and indicators used for the measurements of their results, rather than [Hivos] imposing them from above. (I20)

The ‘internal’ information system built on the expertise of programme staff who used it for assessing counterparts and projects. Rather than solely working with quantitative indicators it provided room for interpretation, since some counterparts were unable to clearly report on the execution of projects using simple metrics while their activities might have had a significant impact, such as changes in the awareness or behaviour of beneficiaries.

Some partner organisations provide a really good story, but you can say ‘what exactly does it mean?’ While other counterparts provide reports with things that make you think what is this all about? And if you go into the field to actually discover that this partner is doing fantastic things, has achieved a lot, they are just not able to put it on paper because they don’t have somebody who can do this properly. (I22)

In operating their ‘turntable’ approach by translating counterpart-specific indicators into the required level of aggregation required by the Ministry, Hivos sought to operate as a ‘buffer’ between the stringent MFS2 accountability demands and their counterparts. How this ‘turntable’ operated was illustrated by one manager when discussing a project focused on fighting HIV/AIDS. Hivos was required by the Ministry to report on the percentage of counterparts that developed a new/innovative strategy in fighting HIV/AIDS. Although the indicator was perceived as too broad and meaningless, Hivos reported a specific percentage by translating qualitative information, in the form of descriptions of counterparts approaches to fighting HIV/AIDS, into scores (0 or 1) indicating whether counterparts were considered to be innovative in their approach (I22). The manager noted that the focus on translating counterpart information into the required indicator was at the cost of reflecting what had ‘really’ been achieved, and learning from this:

The focus on such indicators, on specific numbers and percentages, comes at the cost of reflecting on what really has been achieved, learning from that and adjusting your strategy. We are forced to do so, but the balance is lost. [...] You would think it eventually is all about achieving development, [...] but the question is how far can we go before it only becomes producing numbers [rather than development]. (I22)

Hivos managers were so frustrated with the aggregation required by the Ministry that they started reporting this ‘internal’ information on their website in order to, in their view, provide a much better insight into their activities for external parties (I20).

9.4.1.3 Retaining control over ‘internal’ accountability technologies

The Hivos approach to balancing the MFS2 funding requirements with the interests of counterparts was based on the belief that although focusing on results was important and potentially enabling, it was crucial that they should be able to determine what was considered

key rather than basing the gathering of information and measuring of results on (governmental) donor demands.

And [gathering information and developing accountability systems] should not be based on what a ... donor has mentioned you should report on since it allows that donor to be able to easily aggregate information. (I21)

The TEC department responsible for dealing with the MFS2 requirements acted as a contact point for the Ministry and provided the required aggregated information. As noted above, it sought to prevent the direct translation of the information requirements from the government into information systems required of counterparts.

We have always said that we base our system on what our partners [counterparts] ... propose to us considering proposals of results and ways of measuring. And it is our responsibility to translate this to the objectives we have determined for our programme to the Ministry. The translation is our concern for reporting to our donors, including the Ministry. (I21)

This translation process often involved 'placing' results from projects executed by counterparts into predefined boxes for monitoring and evaluation developed by the Ministry. According to one manager the government could only think within these boxes (i.e. the predefined priority results areas discussed in section 8.4.4.1). Therefore, results needed to be translated and placed into one specific box, otherwise the Ministry was not able to determine the specific department within the Ministry responsible for assessing the reported results (I20).

I sometimes have the idea that on both sides we are really tied to our own systems. The Ministry is being forced or used to working with the boxes from the MFS, which forces us NGOs to say why things do or do not fit within these boxes. So, in that sense, we are both the victims of this system. (I22)

When dealing with their counterparts, Hivos continued to allow them to develop proposals with the information the counterparts (and Hivos) considered important. Hence, managers claimed that Hivos continued to assess individual project proposals based on their specific merits (I20). However, it was often difficult for Hivos to translate their counterpart-specific information into the information required by the Ministry. It also took an increasing amount of time and effort to maintain this 'turntable' approach; time and effort many managers felt could have been used more effectively.

Way back, when the Ministry did not demand such crazy things, we did not have this problem; we did not have to make an artificial translation. However, playing this buffer role [between the Ministry and counterparts] has become increasingly difficult. (I20)

Some managers referred to the risk that due to the more demanding MFS2 accountability requirements, co-financing NGOs might be tempted to directly transfer these requirements to their counterparts thereby threatening their counterparts' autonomy and flexibility:

If you are uncertain, there is a tendency to directly pass on requirements [to counterparts]. However, if I know exactly how to play the buffer role and turntable role, I know how to optimally serve both parties [the Ministry and counterparts]. If I don't know how to do it and one party [the Ministry] is very demanding in its requirements and I am unsure, yes, then I will pass it on. (I20)

Overall, within Hivos the accountability technologies required by MFS2 were perceived as 'unworldly', potentially preventing them from presenting the 'reality' of their work. As a result, with the shift to MFS2, Hivos has started seeking out alternative funding sources:

The co-financing program has always been the core of what we do as Hivos. It made a lot possible and made us who we are and how we are able to work with our counterparts. But what you see in recent years, and that has increased due to the recent development of increasingly narrow requirements, is that the co-financing program and the Ministry becomes a donor just like all others. The flexibility the program always offered has disappeared and that was really one of the best qualities of the program. It implies that how we report to the government is increasingly becoming separated from how we want to gather information. (I21)

9.4.2 The Case of Cordaid – Linking systems in order to address the inappropriate aspects of accountability technologies

9.4.2.1 Inappropriate and impossible aspects of accountability technologies

With the shift from MFS1 towards MFS2, the Ministry of Foreign Affairs introduced priority results areas to be used for monitoring and evaluations (section 8.4.4.1 and 8.4.4.2). Cordaid managers perceived the application of the priority results areas and their related indicators, introduced for monitoring and evaluations in MFS 2, as inappropriate and in need of more

careful consideration. The priority results area relating to civil society change came in for considerable criticism. Despite the ‘clear’ distinction between monitoring (ongoing, short term focused) and evaluation (focused more on long term impacts) in the MFS2 funding scheme (see section 8.4.3), the fact that priority results areas were being used for *both* monitoring and evaluation was seen as inappropriate. The Ministry required co-financing NGOs to report on civil society changes according to the CIVICUS model (section 8.4.4.1). According to Cordaid managers while this made sense for *evaluation* purposes, it was inappropriate for *monitoring*, since civil society change was not something that could be achieved in the short term:

The Ministry identified civil society according to CIVICUS as a priority result area in the *monitoring* protocol, but it is impossible and useless to report on this every year. Civil society changes are part of *evaluation*, since monitoring annual changes on something as broad as civil society [change] does not make sense. (I11)

Cordaid, after unsuccessfully trying to convince the Ministry of the irrelevance of the CIVICUS model for *monitoring*, made a deliberate choice to be pragmatic and flexible in incorporating the CIVICUS model and indicators within its monitoring system for MFS2 (I11). The initial inflexibility within the Ministry illustrated the excessive tendency towards uniform accountability within the co-financing system (I13)⁶². An additional bottleneck related to this quest for uniformity involved the introduction of a baseline for monitoring and evaluation. The required baseline measures for monitoring and evaluation in MFS2 (see section 8.4.3) were shrouded in uncertainty and vagueness. In fact, the baseline measure was initially not included in the MFS2 annex on monitoring, but was added later after the co-financing NGOs, including Cordaid, mentioned that they were only going to report baseline measures for evaluations (I13):

If you look at the initial [MFS2] policy and annex 5 and 6, 5 being monitoring, you will see that it does not state that a baseline measure has to be performed. So at that time we had meetings with the Ministry and we said that the baseline was only for evaluation, since [baselines] were only included in annex 6 [on evaluation]. They were scared as hell and responded that it was not right and stated that we should also do a baseline for monitoring. And I perceive this really as an incredible example of mismanagement. [...] What

⁶² Whether Cordaid was required to more directly incorporate the CIVICUS model and indicators was not known at the time of the interviews.

[the Ministry] did, was send us a letter on December 22 [2010] stating that we should also develop baselines for monitoring. This was ridiculous. (I13)

In addition to the vagueness surrounding the baseline measures, the short notice on which they had to deliver them was also perceived as a problem within Cordaid. The baseline measure requirement for monitoring was (informally) introduced in November 2010 and had to be delivered for all of their activities before June 1, 2011. In November 2010, the Ministry however had not yet approved Cordaid's monitoring system, thereby making it difficult, if not impossible, for Cordaid to make this deadline. They did, however, eventually deliver all their baselines, with some delay, in a relatively 'light manner' compared to other NGOs such as ICCO, who, according to one manager, spent much more time and resources on developing their baselines (I12).

9.4.2.2 Developing a 'dual' information system

In arranging their accountability, managers within Cordaid shared the view of Hivos managers that the information that had to be provided to the Ministry in order to comply with MSF2 accountability requirements could not be used internally. Communicating more qualitative information in the form of 'stories' combined with facts was seen as providing better accountability. Cordaid therefore considered it best to comply with the *minimum* amount of Ministry requirements. Managers also found it impossible to combine the Ministry requirements with their own information needs in one system:

Our own accountability requirements are separately taken care of in a system and the requirements of the co-financing system are dealt with in a separate system. This is the case because they are hard to combine in one system. (I11)

The information Cordaid required from counterparts as part of their internal accountability system consisted of a combination of MFS2 requirements and Cordaid's own information needs. Although Cordaid had some specific information requirements for counterparts, they afforded them considerable flexibility in determining their own way of measuring results. As was the case in Hivos, they did not want to burden counterparts with stringent and quantitatively focused results measures. However, within MFS2 this was becoming much harder to do:

If we ... don't want th[ese requirements], should we impose them on our counterparts? If they [the Ministry] suggest using such requirements, then we should support it if it is deemed useful, but it does not mean you are going to impose it on counterparts, because we don't want them imposed upon us. And you will not impose something on your counterparts, if you do not want it yourselves. But not [all staff members] are thinking like this. (I12)

Despite Cordaid's desire not to directly pass on the MSF2 requirements to counterparts, some staff members were unconvinced and felt that too much effort was now tailored towards satisfying the Ministry.

I think it is a mix [of Ministry requirements and our own requirements]. That we added our own things in there, but if you ask other staff member within Cordaid, they often still believe that it is all tailored towards the Ministry. That perception is very lively in here. (I13)

It proved difficult to convince staff of the importance of reporting results in general, since supporting and working with their counterparts was their primary concern and accountability for results was not central to this. While managers claimed that Cordaid had been able to achieve an increased focus on results amongst staff, this had been quite difficult as staff members often 'just want[ed] to keep supporting their partners, wh[o] they consider[ed] *their* partners and *their* 'things', which nobody c[ould] touch for whatever reason' (I12).

9.4.2.3 Linking internal information into the Ministry requirements

The main accountability system used by Cordaid in their relationship with counterparts was referred to as the 'organisation scan'. This system was used to assess the organisational capacities of counterparts and involved programme managers determining scores for counterparts on areas such as their financial policies and the integration of themes such as gender and HIV into their policies. Information gathered with the organisation scan was used for assessing project proposals and monitoring the execution of projects. Counterparts were scored on a scale from one to four as a way of assessing the capacities of the counterpart organisation and identifying if Cordaid could contribute (I12). One manager noted that the score only provided an indication of a counterpart's capacity and did not imply that only areas that scored low at the start of the funding relationship were addressed, since situations could change (I12). Additionally, addressing aspects that had received a low score might not

always be the best choice, since the aspect might not be considered as key by the counterparts or in line with what Cordaid wanted to be doing. Therefore, it was considered important to involve counterparts in the scoring process in order to instigate a discussion on the capacities of the counterparts and important areas for improvement. One manager of Cordaid argued that one of the main aims of the organisation scan was to identify areas for improvement rather than solely using it as a tool imposed upon counterparts in order to assess their capacities in order to decide on the approval of their project proposal (I11).

In order to comply with the accountability requirements in MFS2, Cordaid linked the information provided by the organisation scan system to the ‘boxes’ provided by the Ministry of Foreign Affairs:

We just do it in our system which has remained largely the same [...] but we adjust or translate the information to keep the Ministry happy. There are, however, organisations that have changed their [entire] system to suit the Ministry requirements, but I think that is going too far. (I13)

This translation process, for example, involved linking the four dimensions of the organisation scan, i.e. *position and relating* (relationships with others, image, networking, accountability), *thinking and learning* (strategic plan, planning, monitoring and evaluations system, and human resource policy), *doing* (efficiency of working processes, quality of financial management/administration) and *being* (competence of management and staff, transparency of the organisations), to the five core capabilities⁶³ (section 8.4.4.1) required for the monitoring of capacity building within counterparts in MFS2 (I13). This approach, at least for monitoring, led one of the managers to conclude that ‘it is not so bad with all this accountability, at least for monitoring it is manageable, since we did not have to change much to our protocol’ (I13).

Cordaid managers, however, indicated that due to the increasingly inflexible nature of the MFS2 accountability requirements, it was becoming more difficult to execute this linking exercise. Hence, there were people within Cordaid who wanted to pass on the MFS2 requirements directly to counterparts to make their work easier, by not having to undertake the linking exercise just for the sake of accountability towards the Ministry. There was

⁶³ The five core capabilities include the capability to adapt and self-renew, capability to act and commit, capability to deliver on development objectives, capability to relate to external stakeholder, and capability to achieve coherence (section 8.4.4.1)

however a concern among some managers that this quest for convenience could result in a situation where counterparts only reported on predetermined indicators which would have little or no meaning:

So far, we did not [specifically ask counterparts to report on certain issues], but we are considering doing it. On the other hand this is difficult, since if you start doing this, there is a chance that counterparts will only report on this. And you don't want that, since the indicator only provides a very general perception of activities at a very high level of aggregation. (I13)

Reflecting on the entire MFS2 process, one manager claimed that as Cordaid was one of the original co-financing NGOs they had been best able to maintain a simple system for working with counterparts in spite of the pressures in MFS2:

I think we are one of the big co-financing NGOs that implements the least [amount of governmental requirements]. I am firmly convinced about this. [...] We have quite a minimalistic system, that is my impression. (I13)

Despite their ability to maintain a minimalistic system, Cordaid has started to undertake efforts to search for alternative funding sources in order to become less dependent on the Dutch Ministry of Foreign Affairs (I11).

9.4.3 The Case of ICCO – The threat of mission drift

9.4.3.1 Becoming 'stuck' in bureaucratic accountability systems

Of the three NGOs examined, ICCO was the one that was most concerned about the ability of the accountability technologies to divert them from their core mission. ICCO managers indicated that while co-financing NGOs used to have a lot of autonomy and operated as a countervailing power (to the Dutch government), this had changed due to the increasingly stringent accountability requirements. This had forced them to become 'sub-contractors [...] simply implementing the policy developed by the Dutch government' (I17). In coping with the increasingly inflexible accountability requirements, managers argued that ICCO had become a cumbersome and slow organisation which was 'stuck' with stringent and bureaucratic accountability systems preventing them from addressing the issues that were considered most important for achieving their organisational mission.

We have become an organisation that has created such a huge bureaucratic [accountability] system, which has resulted in us being cumbersome and slow and not able to anticipate what is really needed [in developing countries]. (I18)

We have become like a Volkswagen Beetle with the dashboard and instruments of a Boeing 747. This forces us to continuously look at all these gauges on the dashboard, without paying attention to what happens on the road, while that is essential. (I17)

In working with the approach to accountability in MFS2 (and MFS1), ICCO could not prevent transferring the demands for more bureaucratic accountability on to their counterparts. One manager argued that counterparts now had to be very familiar with bureaucracy to be considered for support from ICCO. While the large and more professional counterparts were able to adapt to the increasingly stringent requirements, smaller counterparts, less familiar with Northern donor accountability demands, could not, and therefore did not receive (further) funding (I15). This concern was reflected in the ‘field’ when ICCO managers visited some of their counterparts, who mentioned that the majority of their time was being spent on their accountability to donors, including ICCO.

A man, who was the director of a hospital in Malawi supported by ICCO, mentioned that he spent 70% of his time on donor management. He had more than 100 different donors, including big and small donors, [...] who all had their own [accountability] demands and requirements, which makes it almost impossible [for this counterpart] to focus on its actual job. (I17)

9.4.3.2 Pragmatic approach to MFS2 accountability technologies

Despite the fact that ICCO managers perceived certain requirements of MFS2 as ‘bizarre’, ICCO complied with the accountability requirements, including providing baseline measures and implementing the CIVICUS model.

They are bizarre demands. We can comply with them, but they are bizarre requirements. They also ignore the practical possibilities and impossibilities of monitoring and evaluation. (I16)

One ICCO manager agreed with the previously made point by Cordaid managers that the Ministry demanded that co-financing NGOs place their results into predefined boxes, i.e. the

priority results areas. The increased pressure on NGOs to show aggregated results had, he claimed, shifted their role towards ‘filling boxes’ (I17) rather than focusing on their organisational mission (I17).

Our job has become filling boxes. It means that you, due to the increasingly heavy and inevitable [accountability] systems, have to put information in certain formats, sometimes even the predefined format of the Ministry. And that is when you really get a format with boxes, which turns our profession into filling boxes. This is a cynical statement, but it shows how the pressure on our organisation to work with these systems has increased, and is currently disproportionate considering the amount of time that is being wasted and the time that is left to work on the roles we actually have, to do the things we should do, that time is now limited. And this has become more limited over the past few years, which makes me come back to the fact that it is threatening our mission. (I17)

ICCO adopted a pragmatic approach to dealing with the required accountability demands. Like Cordaid, ICCO was able to link the information produced by their ‘organisational scan’ used for assessing and monitoring counterparts to aspects of the Ministry’s required accountability technologies. This prevented ICCO from having to impose a new, significantly different, approach to monitoring upon their staff members and counterparts. One ICCO manager hinted that their close relationship with the Ministry of Foreign Affairs also assisted them in operationalising the accountability technologies in a way that was perceived to be acceptable by both ICCO and the Ministry. For example, ICCO, in cooperation with several other NGOs, invited governmental officials to observe the development of their monitoring system, which allowed them to get informal feedback from the Ministry prior to formally submitting their monitoring system in the MFS2 funding application (I16). ICCO was also proactive in trying to influence the Ministry. For example, they proposed alternative or additional indicators which could be used to measure and monitor results in the area of civil society change (I16) and voluntarily participated in governmental experiments with accountability technologies. One of these experiments involved tracing funding at an extremely detailed level:

The government [Ministry of Foreign Affairs] asked whether we could join the experiment with tracing exactly what happened with one euro of aid. [...] What is being done with this euro and what effect did this one euro have? [...] Despite the fact that I am fully against this method and it is prohibited by an international treaty [The Paris Declaration] signed by The Netherlands, it is good to be open to it and brainstorm about this. It also strengthens our relationship with the Ministry. (I16)

Although there was some perceived flexibility in operationalising accountability technology requirements, managers persistently claimed that it was increasingly difficult within ICCO to combine these requirements with working towards their organisational mission:

And [the increasingly demanding accountability requirements] have grown further and further to a point that according to me it does not make sense. To the current situation where I actually say that it can threaten the mission of organisations such as ICCO. There is no balance anymore. And the initial structure of the co-financing system is being threatened or at least in great danger. The current system is killing you due to what the Ministry currently perceived as being accountability. (I17)

Despite ICCO's ability to adopt a pragmatic approach to operationalising the MFS2 accountability technologies, they were perceived to be at a 'crossroads' forcing them to decide whether to continue with adapting to increasingly stringent accountability demands or to move in a different direction:

We, as ICCO, have been able to stick to our own goal, but this goal is now increasingly being threatened by increasing requirements which prevent organisations from combining working towards their mission and being accountable to the Ministry. My conclusion is that we are at a cross roads. We either comply and continue to adapt or we stop and we will go in another direction. (I18)

While ICCO tried to comply with the Ministry's accountability demands *and* maintain a focus on its organisational vision and mission, in MFS2 it was argued that this sometimes required them to 'develop a split personality' in order to combine the logic embedded in their organisational vision and mission (a social transformation logic⁶⁴) with a managerial logic, based on the assumption that changes could be 'manufactured and measured', embedded in the approach to accountability in MFS2. Based on this concern regarding mission drift, ICCO had decided to significantly change their way of working.

⁶⁴ The social transformation logic perceives development cooperation as a political process which aims at changing unequal power relations. Within this logic striving towards an autonomous civil society is considered key for development (Bebbington, 2005). See the PhD thesis by Elbers (2012) for a more in-depth discussion of the clash between the managerial and social transformation logic in development NGO settings.

9.4.3.3 Renewing ICCO: Co-responsibility and decentralisation

The perceived threat of mission drift was reflected in ICCO's aim to become less donor-dependent and focus more explicitly on their own vision and mission, an aim which was widely accepted within ICCO due to the perceived interfering nature of the MFS2 accountability demands:

The fact that we are to a large extent dependent on one individual [governmental] donor, that is never good. I mean, next time they come with even more bizarre demands. And then you're completely at the mercy of the Gods. So I think it is widely accepted [within ICCO] that it is unwise for us to remain focused on the Ministry as the main donor ... I guess that is widely supported [within ICCO]. (I16)

This desire to be less dependent on the Ministry of Foreign Affairs and to prioritise ICCO's mission and vision was reflected in the adoption of a renewed approach to development cooperation within ICCO. This involved a shift of focus from supporting individual projects as part of a broader programme, such as HIV/AIDS prevention, towards 'trying to change a whole sector or system' by aligning a variety of organisations, including counterparts and non-counterparts, within 'strategic alliances formed around a particular theme [...] in a specific geographical setting (country, region, continent)' (ICCO, 2009, p. 2).

Changing a system can, for example, focus on education for indigenous children living in the highlands of Peru who are being systematically discriminated for being indigenous [...]. While we previously supported a number of projects that all worked towards addressing this issue, we have now started a programme of aligning those organisations with a number of other organisations that were not our counterparts. We have included them [...] and combined their forces in order to improve this 'system' of education. (I18)

In order to facilitate the alignment of different parties at a local level, ICCO sought to implement co-responsibility in developing policies and decentralised its organisational structure. Co-responsibility implied that the formulation and implementation of policies was no longer solely taking place within ICCO; the responsibility for this was shared between ICCO and representatives of developing countries. In order to enable co-responsibility, ICCO decided to decentralise its organisation (ICCO, 2009), thereby reducing the number of Dutch staff members from 270 to 100. ICCO created regional offices and regional councils, with local staff members, who were key in the operationalisation of this new approach (I18).

Regional councils were responsible for developing regional policies and setting priorities for activities, while regional offices were responsible for implementing these policies in practice. This new organisational approach was aimed at ‘bringing ICCO closer to the local context and to local solutions’ and thereby addressing the concern for mission drift caused by the increasingly ‘perverse’ accountability demands (I18).

This altered approach within ICCO was accompanied by exploring alternative ways of funding. Managers indicated that ICCO was increasingly going to cooperate with for-profit organisations in order to share their expertise and acquire funding. In one example, this cooperation focused on assisting for-profit organisations to become more sustainable:

For-profit organisations indicate that they want to work in a more sustainable way, import sustainable products and develop more sustainable production chains. However, these organisations do not have the required technologies [expertise or experience to, for example, mobilise and guide local farmers], so how will they cope with that? [...] We [ICCO] have expertise in this area and we can contribute to their development towards more sustainability and that is how we cooperate with organisations such as Albert Heijn, DSM, etc. And this form of cooperation is really expanding within ICCO, it is a way for us to get private funding. (I16)

Additionally, ICCO was aiming for an increased amount of international funding, such as funding from the European Union, but also from funders based in developing countries, such as the African Development Bank or the Asian Development Bank (I16).

9.4.4 Brief summary of the three NGO cases

The three cases discussed above provide an in-depth perspective on how three co-financing NGOs, Cordaid, Hivos and ICCO, dealt with the operationalisation of the MFS2 accountability technologies. While the three NGOs showed similarities in that they all, to some extent, translated information gathered from their counterparts into the information requirements embedded in the MFS2 accountability technologies, there were also some subtle differences between the adopted approaches.

All three NGOs tried to ensure that their core operations and relationships with counterparts were not significantly changed by the required accountability technologies. While Hivos considered the co-financing program as a key determinant for the development of their

organisation over time (in a positive manner), the MFS2 accountability technologies were perceived as forcing them to report in a more limited and superficial manner. They therefore developed a ‘dual’ information system; one built on Hivos’s internal information requirements while the other was tailored towards the MFS2 accountability demands. The information used for the two systems was not collected separately; they used a ‘turntable’ approach in order to translate counterparts’ specific (and internally useful) information to the required level of aggregation demanded by the Ministry of Foreign Affairs. In addition to this dual information system, Hivos started to explore alternative funding sources.

In dealing with the MFS2 accountability requirements, Cordaid made a deliberate choice to be pragmatic and flexible in adopting aspects of MFS2 accountability technologies, especially with respect to monitoring, in order to minimise the amount of time and resources spent on complying with the MFS2 accountability requirements. In arranging their accountability, they adopted a similar approach to Hivos, by developing a ‘dual’ information system. However, rather than having to translate counterparts’ specific information to the level of aggregation demanded by the Ministry, they directly linked the information produced by their internal accountability system, i.e. the ‘organisation scan’, to the predefined results indicators enrolled in MFS2.

Of the three NGOs examined, ICCO was the one that was most concerned about the ability of the MFS2 accountability technologies to divert them from their core mission. Like Cordaid, they were also able to directly link the information from their ‘organisational scan’ to the MFS2 accountability requirements. However, in operationalising the MFS2 accountability requirements, ICCO was not able to fully prevent transferring more bureaucratic accountability on to their counterparts. Despite being able to adopt a pragmatic approach to operationalising MFS2 accountability technologies, they were perceived to be at a ‘crossroads’, forcing them to decide whether to move in a different direction or to continue adapting their systems to suit the Ministry. Due to the perceived interfering nature of the MFS2 accountability demands and concerns for mission drift, ICCO decided to develop a renewed approach to development cooperation, which involved becoming less dependent on the Dutch Ministry of Foreign Affairs and searching for alternative funding sources.

9.5 Chapter summary

This chapter presented the perceptions of NGO managers regarding the operationalisation of the accountability technologies in MFS2. The chapter was structured in three sections. The first section discussed how NGO managers supported the programmatic aims of accountability as introduced in MFS2 (and MFS1), since they were perceived as potentially providing them with a better insight into their counterpart selection policies and processes and the effectiveness of specific interventions, thereby enabling them to improve the quality of their work. In the second section, these positive perspectives on the aims underlying accountability in MFS2 were shown not to have prevailed in discussions surrounding the operationalisation of the MFS2 accountability technologies. NGO managers perceived the operationalisation of MFS2 accountability technologies as problematic, as they were seen as interfering too much with the organisational mission and autonomy of NGOs. The narrow approach to accountability and the necessity to demonstrate success in MFS2, was perceived as denying learning and potentially diverting NGOs away from projects that would be considered most suitable in the light of their own missions.

Section three focused on the operationalisation of MFS2 accountability technologies in three co-financing NGOs, i.e. Cordaid, Hivos and ICCO. It discussed the extent to which these NGOs were able to ensure that their core operations and relationships with counterparts were not (significantly) affected by the MFS2 accountability technologies. The analysis revealed that all three NGOs developed an approach whereby they used the information produced by their own, internal accountability systems in complying with the MFS2 accountability requirements. Hivos, for example, developed a so-called ‘turntable’ approach in order to translate their counterparts’ specific (and internally useful) information to the required level of aggregation in MFS2. In addition to this they started to explore alternative funding sources. Cordaid and ICCO, on the other hand, directly linked the information produced by their internal accountability systems into the MFS2 accountability demands. Of the three NGOs, ICCO was the most concerned with mission drift occurring as a result of complying with the MFS2 accountability requirements and started to implement a renewed approach to development work. This renewed approach involved shifting towards a broader focus in executing programmes in developing countries and actively exploring alternative ways of funding.

In analysing the NGO managers' perceptions of the operationalisation of MFS2 accountability technologies, the third section of the chapter provides an enhanced understanding of how NGOs were able to avoid significantly adjusting their behaviour and activities *while* complying with the governmental accountability requirements, thereby preventing mission drift and safeguarding their autonomy and the autonomy of their counterparts. This illustrates how, to some extent, the NGOs resisted the attempts of the Ministry of Foreign Affairs to govern their behaviour and activities through the increasingly stringent MFS2 accountability technologies.

CHAPTER 10: SUMMARY AND DISCUSSION

10.1 Introduction

The purpose of this chapter is to consider the analysis in the previous four chapters, in light of the two research questions outlined in section 1.2. The chapter is divided into two sections. The first section provides a summary and interpretation of the findings regarding the construction and operationalisation of NGO accountability. It reintroduces the two research questions and discusses how the analysis presented in chapters 6 to 9 answers these research questions drawing on the governmentality framework (outlined in section 3.3). The second section discusses key implications for the NGO accountability and governmentality literatures arising from the analysis of the findings.

10.2 Summary and interpretation of findings

The findings presented in chapters 6 to 9 sought to answer the following two research questions:

1. How has accountability been constructed in the relationship between Dutch development NGOs and their primary governmental funder over the period from the mid-1960s to 2012?
2. How do NGO managers perceive the operationalisation of accountability technologies in the current Dutch governmental funding scheme for NGOs?

The analysis in chapters 6 to 8 focused on answering the first research question. These chapters traced the process of the construction of NGO accountability by drawing on the theoretical notions of rationalities, programmes and technologies of government (outlined in section 3.3). Chapter 9 focused on answering the second research question by analysing NGO managers' perceptions regarding the operationalisation of accountability technologies introduced in the MFS2 funding scheme, which was effective from 2011 onwards.

10.2.1 The construction of NGO accountability – Research Question 1

Chapter 6 discussed how and why the Dutch government started to co-finance private development NGOs in 1965. It traced the events which led to the initiation of the governmental co-financing program, such as lobbying activities by missionary organisations, and discussed the nature of the first program. The initial co-financing scheme awarded funding based on the assessment and approval of individual project proposals submitted by NGOs. Shortly after the introduction of the co-financing program, this approach was adjusted, and the task of assessing and selecting project proposals was shifted towards the (then) three co-financing NGOs, ICCO, Cordaid, and Oxfam Novib; with funding being divided according to a fixed distribution of the budget available. The chapter proceeded to analyse how questions emerged amongst politicians regarding their ability to gain insight into and control of the behaviour and activities of NGOs participating in the co-financing program. This process, whereby insight into and control of co-financing NGOs was made to appear problematic, was interpreted as the initial problematisation which eventually led to the (current) conceptualisation of NGO accountability in the (MFS2) co-financing scheme. Following the suggestion by Miller and Rose (1990; Rose and Miller, 1992) that problematisations should be explored in terms of rationalities, programmes and technologies of government, the chapter discussed how the problems of insight and control were made thinkable and amenable for intervention through the construction of quality improvement as a rationale of government – representing the broader ideal to which the government of co-financing NGOs should be directed. This ideal was unpacked by linking it to broad notions of effectiveness and efficiency, with the purpose of development cooperation being defined as working towards social and economic development.

In order to direct co-financing NGO towards quality improvement, the Dutch Ministry of Foreign Affairs sought to shape, guide and affect the behaviour and activities of co-financing NGOs by constructing them into measureable, manageable and transformable objects. They tried to achieve this by introducing an implicit programme of government. Initially, in the late 1960s, there was a lack of explicit programmatic aims underpinning this programme due to the perceived absence of available mechanisms for assessing the effectiveness and efficiency of development cooperation efforts. Rather than translating the nascent programme into more specific technologies of government, two accountability technologies, annual reporting (limited to providing a brief overview of the nature of and expenditures on projects)

and project proposals, were introduced on an ad hoc basis. Chapter 6 concluded with a discussion of how programmatic aims were made explicit in the early 1970s in two key conferences attended by governmental officials and NGO managers. These explicit programmatic aims comprised: *formulating clear and realistic projects* (that were aligned with the perceptions of developing countries); and *clearly defining the costs, scope and timeframe of projects*. These aims were linked to the existing accountability technologies of annual reporting and project proposals and to two newly introduced technologies: project evaluations and broadly based programme evaluations.

Chapter 7 proceeded to analyse the emergence of a desire amongst NGOs to shift from *project* financing to *programme* financing. They felt that this would allow them greater flexibility in determining and executing their strategies due to the absence of a requirement for individual project proposal approval by the Ministry. In this shift, the Ministry became more dependent on ex-post accountability to enable them to govern co-financing NGOs from an increased distance. This was reflected in the reconceptualisation of the programmatic aims underpinning the programme of government in the late 1970s. A new programmatic aim of *retrospective oversight on a policy level* was introduced. The aim of retrospective oversight involved assessing on an ex-post basis whether co-financing NGO behaviour and activities were in line with the co-financing program criteria set by the Ministry. Subsequently, the chapter analysed the accountability technologies linked to this programmatic aim, which included more extensive annual reporting (on policies for the selection and approval of projects), more specifically defined programme evaluations, and external inspections of projects undertaken by NGOs' counterparts.

The second part of Chapter 7 focused on the influence on the co-financing program of increased public scrutiny of NGOs and their accountability, which emerged internationally in the late 1980s and early 1990s. It analysed how this increased scrutiny led to a reconceptualisation of the rationale of quality improvement which now encompassed a core ideal of *working towards structural (sustainable) poverty reduction* rather than the broader ideal of social and economic development. In order to work towards this reconceived notion of quality improvement, the programmatic aim of retrospective oversight on a policy level was unpacked into more specific aims focused on: cost consciousness, increased professionalisation; and increased cooperation. Rather than immediately linking these programmatic aims to required new or adjusted accountability technologies, the co-financing

NGOs were allowed the flexibility to reorganise in order to adjust their administrative organisations to improve the efficiency and effectiveness of their operations.

Chapter 8 proceeded with the analysis of the evolution of the co-financing program from the late 1990s onwards. It demonstrated how and why a more systematic approach to funding development NGOs emerged (termed MFP-Breed) underpinned by two adjusted programmatic aims: *competition for funding*, and *a focus on making results visible* (underpinning an explicit aim of *improved accountability*). The programmatic aim of competition for funding was articulated in the shift towards providing co-financing money to NGOs through a competitive, open funding application process. The focus on making results visible was articulated in an increased emphasis on ex-post accountability technologies, such as ongoing monitoring. While these programmatic aims were introduced in the shift towards the MFP-Breed funding scheme in the early 2000s, they remained relevant in the subsequent funding schemes, MFS1 (2007-2010) and MFS2 (2011-2015). The chapter continued by discussing how in each of the three funding schemes these adjusted programmatic aims were operationalised through accountability technologies embracing the existing technologies of annual reporting, programme evaluations, external inspections, and two additional technologies - funding proposals and monitoring. Whilst these accountability technologies were maintained through the three funding schemes in the 2000s, their nature became increasingly inflexible over time. Whilst monitoring had a tailor-made character in MFS1, it was based on *predefined* result indicators in MFS2, and whilst (programme) evaluations under MFS1 were comparable to the situation prior to MFS1 (involving limited guidance by the Ministry), they became more demanding in MFS2, involving, inter alia, the development of baseline measures by NGOs prior to intervention.

10.2.2 Operationalisation of accountability technologies – Research Question 2

Chapter 9 addressed the second research question. It firstly demonstrated how NGO managers who had adopted the accountability technologies introduced in the most recent governmental funding scheme (MFS2) had initially perceived them positively given their underlying programmatic aims. These aims were perceived as potentially enabling as they seemed to offer the promise of improving the quality of NGO work by offering a much better

insight into NGO processes and the effectiveness of their interventions. These positive perceptions did not however prevail in discussions surrounding the actual operationalisation of the MFS2 accountability technologies. Here, the technologies were often perceived as problematic and as interfering too much with NGOs' organisational autonomy and mission, thereby sometimes threatening NGO learning by incentivising NGOs to overemphasise successes and ignore failures. Moreover, the newly introduced funding application procedure, which required NGOs to produce detailed funding proposals in order to enable competition for funding, was seen as creating 'fake certainties', since the complex reality of development cooperation was often not taken into consideration.

Chapter 9 analysed how three co-financing NGOs, ICCO, Cordaid and Hivos, developed strategies in order to prevent drifting away from their organisational missions and directly imposing the more inflexible accountability demands within MFS2 on their counterparts. It discussed how the NGOs attempted to operate as a buffer between the MFS2 accountability requirements and their counterparts by translating or linking their own approach to accountability (suited to their counterparts' requirements) to the Ministry's requirements. Despite their ability to operate as a buffer, some managers, particularly those working in ICCO, indicated that they perceived a looming threat of mission drift, which had forced them to rethink their organisational approach to accountability and to consider whether the (perceived) benefits of accountability still outweighed the costs. The significance of the costs associated with accountability was indicated by an independent evaluation of the MFS2 application procedure, which estimated that large NGOs would have to invest around 19 full-time equivalent (fte) on the preparation of their funding application (Actal, 2011).

10.3 Empirical and theoretical implications of findings

The analysis of the findings of this study (presented in chapters 6 to 9) resulted in several empirical and theoretical implications. These are discussed in this section.

10.3.1 Competition as a programmatic *aim of accountability* as opposed to a *cause of accountability*

This study emphasises how accountability played a central role in aiming to direct and guide, i.e. govern, NGO behaviour and activities. By unveiling a programme of government in depth as it emerged, focusing on the (shifting) programmatic aims embedded within the programme, the study demonstrates how accountability was enrolled to direct the co-financing NGOs by introducing aims focused on cost consciousness, increased professionalisation, and increased cooperation in the early 1990s (section 7.3.3), and competition for funding and a focus on results (as part of improved accountability) in the 2000s (section 8.3.2).

The later programmatic aim of competition for funding is of specific interest, since prior literature often perceives competition amongst NGOs for public funds as an *explanation* for the increased attention to NGO accountability that emerged in the 1990s (O'Dwyer, 2007; O'Dwyer and Unerman, 2008). For example, O'Dwyer and Unerman (2008) in their study of Amnesty Ireland found that increased attention to accountability *resulted from* increased competition for public funds. However, by interpreting the findings on the evolution of accountability in the co-financing program through a governmentality lens, this study reveals how competition for funding was actually introduced in the funding relationship between the Dutch Ministry and co-financing NGOs as an *objective* of accountability. With the introduction of the MFP-Breed funding scheme in the early 2000s co-financing NGOs were required to apply for funding through an open, competitive tendering process. Competition for funding through this process was introduced as a programmatic aim in order to address the concerns amongst politicians regarding the power (and potential unaccountability) of the four co-financing NGOs. Competition between NGOs was assumed to increase their accountability for their effectiveness and efficiency and thereby assist in achieving the quality improvement ideal. A 'new' ex-ante accountability technology in the form of specific funding proposals was introduced in order to operationalise this programmatic aim of competition for funding. From MFP-Breed onwards NGOs were required to submit detailed funding proposals in order to be eligible for funding in the co-financing program.

10.3.2 Criticism *constitutive* of the government of NGOs

A number of authors have argued (Boyce and Davids, 2004; O'Malley *et al.*, 1997) that resistance and criticism are largely absent from studies of governmentality when they should be an essential aspect of any study of governmentality. Governing the behaviour and activities of individuals and groups is, according to O'Malley *et al.*, (1997) 'a site of struggle and contestation in which outcomes cannot be predicted with any certainty' (Boyce and Davids, 2004, p. 21). Additionally, it is argued that struggle and contestation should not only be interpreted as a *manifestation of* government, they can also be *constitutive of* government:

It is the "deployment of resources, tactics and strategies" in this context of struggle that is central to governmentality. Between governmentality there is a "reciprocal appeal, a perpetual linking and perpetual reversal" (Foucault, 1982, p. 794, cited in Boyce and Davids, 2004, p. 21)

In adopting the three analytical dimensions of rationalities, programmes and technologies of government, this study is relatively unique in clearly demonstrating how criticism was central to the development of programmatic aims and the operationalisation of accountability technologies.

Criticism was found to be constitutive of government in the longitudinal analysis of the changing programmatic aims. A key characteristic of the theoretical dimension of programmes is their eternally optimistic nature (section 3.3.4). This eternally optimistic nature suggests that programmes are always confronted with alternative programmatic aims that are assumed to work towards ideals (or rationales) in different, improved ways. As suggested in the theoretical framing and demonstrated in the empirical findings, these alternatives are often put forward in evaluations of current policies which can be initiated by the governing authority, the governed, or independent 'experts'. Experts, i.e. accredited individuals or organisations that are perceived to be neutral, skilful and operating according to an ethical code of conduct, are most commonly discussed in the governmentality literature in relation to technologies of government (section 3.3.5). While expertise in these studies is perceived to be important for providing support to introduced technologies, this study demonstrates how experts can also be important in the assessment of the functioning of introduced technologies and in the recommendation and acceptance of alternative programmatic aims.

In this study, two shifts in programmatic aims occurred in which resistance and criticism were clearly constitutive. First, in the early 1990s, the audit performed by the court of audit of the Dutch government (the Rekenkamer) and a study performed by a group of politicians and academics (initiated by the co-financing NGOs), resulted in the programmatic shift towards the aims of cost consciousness, increased professionalisation, and increased cooperation (see section 7.3.3). These two studies put forward criticism regarding the insight offered by existing accountability technologies into the relationship between the costs and benefits of projects and financial management within counterparts, the external influences on NGO activities and the effectiveness of the co-financing program as a whole. The suggested alternative programmatic aims in these studies promised to work towards quality improvement in an improved manner by supporting the achievement of the intended effects of NGO activities, providing better insight into the relationship between costs and benefits and (external) effects of NGO activities, and were considered essential for policy development within the Ministry and for effective overall management of the co-financing program.

Additionally, the shift of programmatic aims towards competition for funding and the focus on making results visible in the early 2000s (see section 8.2.3) was highly influenced by criticism expressed by politicians in the House of Representatives and in an independent evaluation by the IOB. Politicians started criticising the nature of the relationship between the Ministry and co-financing NGOs. They were concerned about the power of the co-financing NGOs and their so-called ‘semi-monopoly’ position, and called for the introduction of a funding scheme which was, in principle, open to all Dutch development NGOs (see sections 8.2.1 and 8.2.3). The IOB evaluation, focused on evaluating whether existing accountability technologies in the early 2000s enabled the Ministry to direct co-financing organisations towards quality improvement, concluded that the accountability technologies in place were insufficient. The IOB recommended the incorporation of the programmatic aims of competition for funding and a focus on making results visible (underpinning improved accountability), thereby being *constitutive of* the government of co-financing NGOs.

10.3.3 Problematic aspects of accountability technologies

The analysis of the operationalisation of accountability technologies within co-financing NGOs makes visible important implications related to the *incentivising* and *reorientational* ability of technologies of government (Neu and Graham, 2006). These two aspects of accountability technologies were perceived as problematic within co-financing NGOs and resulted in the development of NGO strategies to avoid the transformation of the NGOs' behaviour and activities through accountability technologies imposed upon them by the Ministry of Foreign Affairs.

Accountability technologies were found to be *incentivising* by enabling governance from a distance through incentives for NGOs to behave according to the criteria set in the funding schemes. The incentivising aspects of accountability technologies became especially important from the 2000s onwards when co-financing NGOs had to apply for funding in an open tendering procedure. According to NGO managers, incentivising aspects of accountability technologies introduced in MFS2 were however perceived as interfering, since they could deny learning due to the incentives overemphasising success and ignoring failures. It was claimed that this led to the construction of so-called 'fake certainties', since NGOs, in applying for funding, were required to provide information about their planned activities for the coming five years. NGO managers argued that not all their activities and counterparts were known at the time of application but nonetheless they provided this information as best they could.

Additionally, accountability technologies were found to be *reorientational* in that they influenced the organisational structure, strategy and operations of NGOs, i.e. the accountability technologies introduced in the various funding schemes required NGOs to reorganise their administrative organisations in order to comply with governmental criteria such as implementing specific monitoring and evaluation systems. Section 7.3.4 indicated how NGOs reorganised in order to work towards the changed programmatic aims of cost consciousness, increased professionalisation and increased cooperation.

The analysis of the operationalisation of accountability technologies within co-financing NGOs demonstrated that the incentivising and reorientational abilities of accountability

technologies came to be perceived as increasingly problematic in MFS2, since it could potentially divert co-financing NGOs away from their organisational missions.

10.3.4 Avoiding the adoption of narrowly focused accountability

The analysis of NGO managers' perceptions of the operationalisation of accountability technologies introduced in MFS2 reflected a growing acknowledgement within NGOs that solely relying on formal upward accountability technologies would not necessarily lead to the most effective and efficient deployment of development cooperation activities (O'Dwyer and Unerman, 2010). Prior to the increased attention to accountability emerging in the 1990s and the articulation of this increased attention in the co-financing funding schemes effective from the early 2000s onwards, co-financing NGOs did not perceive the governmental accountability demands as interfering with their organisational mission, due to the flexibility and autonomy offered to them. This perception however changed in the 2000s when co-financing NGOs faced demands for increasingly stringent and systematic accountability technologies. The increased attention to accountability itself was not perceived as problematic; the operationalisation of accountability in increasingly stringent and systematic technologies however, was.

The operationalisation of accountability was perceived as becoming burdensome and potentially diverting co-financing NGOs away from their mission, such as the alleviation of as many people as possible out of poverty. While O'Dwyer and Unerman (2010) have hinted at how NGOs have started to develop and operationalise forms of internal and downward accountability, this study provides additional evidence of how NGOs have adapted their internal information systems to resist increasingly stringent accountability technologies in order to (ideally) prevent mission drift. This occurred mainly by using (existing) internal accountability systems, based on NGOs' own accountability requirements, and tailoring the information produced by these systems towards the governmental accountability requirements. This effectively created two accountability systems which operated in conjunction. The information fuelling these two 'distinct' accountability systems was however not gathered separately; information gathered from NGO counterparts was translated or linked to suit governmental accountability requirements in MFS2. This approach allowed NGOs to prioritise the demands of their counterparts and beneficiaries, thereby

avoiding imposing the increasingly stringent co-financing program accountability requirements upon their staff and counterparts.

10.4 Chapter summary

This chapter was structured into two sections. The first section provided a summary and discussion of how the findings presented in chapters 6 to 9 answered the two research questions outlined in section 1.2. It also discussed the conceptualisation of the findings by drawing on the governmentality framework adopted, focusing on the three distinct, but interrelated, notions of rationalities, programmes and technologies of government. The second section discussed some empirical and theoretical implications of the findings. This focused on: the development of competition as a programmatic *aim* of accountability as opposed to a *cause* of accountability; the *constitutive* role of criticism in the government of NGOs; the perceived problematic aspects of accountability technologies, and NGO efforts at avoiding the adoption of increasingly narrowly focused approaches to accountability. Chapter 11 now proceeds to offer several conclusions on the study.

CHAPTER 11: CONCLUSION

11.1 Overview of the study

This study was motivated by a concern expressed by Dutch development NGOs regarding the increasingly stringent nature of accountability requirements introduced in their relationship with the Dutch Ministry of Foreign Affairs (Stuurgroep beleidsdialoog, 2008). While prior work on NGO accountability has primarily explored its current conceptualisation in various individual settings, few studies have focused on the broader (political) context within which demands for accountability have arisen (Ebrahim, 2009). Additionally, there are few studies addressing the perceived effects of proposed accountability solutions on the behaviour of NGOs. Studies that have directly focused on the effects of the operationalisation of accountability technologies within NGOs are: O'Dwyer and Unerman (2007; 2008; 2010) and Chenhall *et al.* (2010). This study sought to explore and understand the broader political context by investigating how and why NGO accountability was constructed over an extended period of time (from the mid-1960s to 2012) in The Netherlands, and by examining how NGO managers perceived the operationalisation of accountability technologies introduced in the most recent governmental funding scheme for Dutch development NGOs (MFS2). Hence, the study addressed the following two research questions:

1. How has accountability been constructed in the relationship between Dutch development NGOs and their primary governmental funder over the period from the mid-1960s to 2012?
2. How do NGO managers perceive the operationalisation of accountability technologies in the current Dutch governmental funding scheme for NGOs?

To answer these questions, a qualitative methodological approach was adopted, incorporating extensive documentary analysis and semi-structured in-depth interviews with NGO managers. The documentary analysis mainly focused on governmental documentation published in the period from the mid-1960s to 2012. In-depth interviews were undertaken with NGO managers working in four different co-financing NGOs, i.e. ICCO, Cordaid, Oxfam Novib and Hivos. Additionally, two interviews took place with governmental officials from the

Ministry of Foreign Affairs. However, due to the lack of further access enabling greater depth of insights, these were not explicitly enrolled in this study. Nevertheless, combined with several informal meetings that took place with representatives from the national platform for Dutch civil society organisations in the international development cooperation sector (Partos), these two interviews informed the development of the interview questions for the NGO managers and assisted in the interpretation of the overall findings. In order to interpret and structure the findings, the concept of governmentality, as interpreted by Miller and Rose (1990; Rose and Miller, 1992), was adopted as a theoretical framework in order to illuminate the emergence, evolution and operationalisation of accountability in the relationship between the Ministry of Foreign Affairs and co-financing NGOs.

Governmentality was introduced by Foucault as a way of describing a certain mentality that, he argued, had become the foundation of all modern forms of political thought and action. The concept builds on the idea that individuals and groups, through calculative technologies such as accounting, can be transformed into measurable, manageable and transformable objects, which facilitates shaping and directing their behaviour and activities in order to achieve certain desired ends. This study enrolled a governmentality framing drawing on Miller and Rose (1990; Rose and Miller, 1992), who combined concepts sketched out by Foucault with ideas and concepts they developed themselves or borrowed from elsewhere. This resulted in a theoretical framework that involves examining how problematic conduct is revealed, made thinkable and made amenable for intervention. This (dynamic and continuous) problematisation process from the construction of problems to interventions aimed at solving them was analysed by focusing on three distinct, but interrelated, theoretical dimensions: rationalities of government (the ideals to which it is deemed government should be directed); programmes of government (the programmatic approaches aimed at configuring behaviour in ways aimed at achieving the ideals embedded in rationalities); and technologies of government (the practical mechanisms used to operationalise the aims embedded in programmes).

11.2 Research findings

The case narrative traces the emergence and evolution of accountability as part of a programme of government, with shifting programmatic aims, and the operationalisation of related accountability technologies that, on a practical level, sought to direct and steer the behaviour and activities of co-financing NGOs. This involved an in-depth analysis of: 1. the nature of accountability as it emerged in political discourse and, 2. the mobilisation of accountability technologies within governmental co-financing schemes over a time period spanning the mid-1960s to 2012.

First, the narrative explored why and how the Dutch government started to co-finance private development NGOs in 1965 by tracking the events which led to the initiation of the governmental co-financing scheme. It illustrated how insight into and control of co-financing NGOs was problematised in the late 1960s. This led to the emergence of quality improvement as a rationale of government to which the government of co-financing NGOs should be directed. This rationale was accompanied by implicit programmatic aims and limited accountability technologies (annual reports and formal project proposals) seeking to link the emerging programme and underlying rationale of quality improvement with forms of action.

Second, the findings unveiled how *project* financing was replaced by *programme* financing in the 1980s with an explicit programmatic aim of retrospective oversight on a policy level being introduced. This aim was operationalised through accountability technologies comprising more extensive annual reporting, programme evaluations and external inspections of NGO counterpart activities. The rationale of quality improvement was unpacked to place a key focus on the ideal of structural (sustainable) poverty reduction while more specific programmatic aims focused on cost consciousness, increased professionalisation and increased cooperation emerged. Co-financing NGOs were left free to reorganise their internal administrations in order to work towards achieving these aims.

Third, the analysis illustrated how and why a more systematic approach to co-financing development NGOs emerged in the 2000s (termed MFP-Breed). This was underpinned by two key programmatic aims: competition for funding and improved accountability (with a core focus on making results visible). These aims remained central to the two subsequent

funding schemes, MFS1 (2007-2010) and MFS2 (2011-2015), and were operationalised through accountability technologies comprising existing technologies of annual reporting, programme evaluations, external inspections, and two additional technologies - funding proposals and monitoring. Whilst these accountability technologies were retained throughout the three funding schemes existing in the 2000s, their requirements became increasingly inflexible over time.

Fourth, the narrative illustrated how NGO managers who had to adopt the accountability technologies introduced in the most recent governmental funding scheme (MFS2) perceived the programmatic aims underpinning the approach to accountability in this scheme as potentially enabling. These positive perceptions were not, however, prevalent in discussions surrounding the *operationalisation* of the MFS2 accountability technologies. These technologies were often perceived as interfering too much with NGOs' organisational autonomy and mission, thereby sometimes threatening learning and incentivising NGOs to overemphasise successes and ignore failures.

Fifth, it was shown how three co-financing NGOs, i.e. ICCO, Cordaid and Hivos, developed strategies in order to prevent moving away from their organisational missions and directly passing on inflexible accountability demands to their counterparts. These NGOs attempted to operate as a buffer between the MFS2 accountability technology requirements and their counterparts by translating or linking their own approach to accountability to the Ministry's requirements. Some managers however asserted that the threat of mission drift had forced them to rethink their organisational approach to accountability and to question whether the benefits of more accountability still outweighed the costs.

11.3 Research contributions

This section restates the proposed contributions arising from this research initially outlined in section 1.5. As with section 1.5, the first part of this section outlines the proposed empirical contributions to the NGO accountability literature while the second part outlines the proposed theoretical contributions to the governmentality literature.

11.3.1 Empirical contributions to the NGO accountability field

First, few studies on NGO accountability have specifically focused on the broader political context in which accountability demands have arisen (Ebrahim, 2009). This study contributes by examining the construction of accountability in the relationship between NGOs and a governmental funder over an extended period of time, thereby providing a more in-depth understanding of shifts in an NGO-funder accountability relationship and the extent to which NGOs feel influenced by accountability requirements introduced by (governmental) funders. This focus specifically addresses calls in the accounting literature for more research of this nature (O'Dwyer and Unerman, 2007).

Second, few studies have focused on better understanding the effects of proposed accountability solutions on the behaviour of NGOs (Ebrahim, 2009). This research makes a unique empirical contribution by investigating NGO managers' perceptions of introduced accountability approaches and the perceived effect of more stringent accountability requirements on the vision and mission of their organisations. In doing so, it addresses calls for empirical scrutiny of 'supposed accountability solutions' (Ebrahim, 2009) in order to better understand the effects of various approaches to accountability on the behaviour of NGOs and the extent to which increased demands for NGO accountability have 'actually led to *better* accountability' (Ebrahim, 2009, p. 900, emphasis added).

Third, this study examined a specific context in which NGOs have become increasingly dependent on demonstrating their ability to deliver (quantitatively) measurable results in an effective and efficient manner in order to maintain funding and secure their existence. It demonstrates how NGOs managed the potential conflict between securing governmental funding and working towards their organisational missions by trying to influence governmental accountability requirements or adapting them into an organisational approach to accountability considered to be more consistent with working towards their organisational missions. This contributes to the NGO accountability literature, since it provides an enhanced understanding of the increasing necessity for NGOs to manage potential conflicts between accountability for values and mission and accountability aimed at maintaining (governmental) funding (Chenhall *et al.*, 2010). It also provides a more in-depth insight into the relationship between the (perceived) benefits (such as increased control and efficiency) and costs (such as

‘misused’ funds and mission drift), of introduced accountability technologies (Rahaman *et al.*, 2010).

11.3.2 Theoretical contributions to governmentality studies

In addition to the empirical contributions outlined above, this study also provides several theoretical contributions to the governmentality literature.

First, in terms of the literature on governmentality, no prior work has specifically used a governmentality framing to analyse the emergence of accountability in NGO settings. This study is unique in that it provides a ‘genealogy’ of NGO accountability by tracking the development of accountability in the relationship between the Dutch Ministry of Foreign Affairs and Dutch development NGOs. In examining the problematisation of NGO accountability over time, the study reveals the ideals underpinning the emergence of concerns for NGO accountability (rationalities of government), the more specific approaches to NGO accountability (programmes of government), and the implementation of NGO accountability mechanisms (accountability technologies). While previous studies of accounting and accountability have adopted a similar theoretical framing (Radcliffe, 1998; Radcliffe, 1999), the majority of these studies focus on the technological aspects of accounting by conceptualising and analysing accounting as a technology of government while rarely examining the rationalities and programmes underpinning these technologies (Rahaman *et al.*, 2010; Dean and Graham, 2004; Neu and Heincke, 2004; Neu, 2000a; Neu, 2000b). Due to its longitudinal focus, this study demonstrates how accountability was constructed within a programme of government, thereby providing a better understanding of how programmatic aims can shift over time. Additionally, the analysis of programmatic aims embedded in the programme of government demonstrates how resistance and criticism can be *constitutive* of government, i.e. criticism on adopted programmatic aims and implemented accountability technologies articulated in (external) evaluations conducted by NGOs and government agencies was important in the development of adjusted programmatic aims.

Second, this study focuses on the perceived enactment of accountability technologies within NGOs. This is considered important, since it has been argued that it makes no sense to study abstract rationalities, programmes and technologies without analysing how technologies are

operationalised in practice (Petersen, 2003; Garland, 1997; O'Malley *et al.*, 1997). This study discusses how managers from different Dutch governmentally funded development NGOs experienced the increasingly inflexible accountability technologies introduced in the most recent co-financing scheme (MFS2). Additionally, this study analyses the consequences of the operationalisation of apparent accountability solutions within three large Dutch NGOs. The findings provide a better understanding of what Miller and Rose (1990; Rose and Miller, 1992) term the continuously failing nature of government, which implies that constructed programmatic aims (and technologies) are always confronted with alternative, better, ways to direct individuals and groups towards desirable ends. It thereby demonstrates the difficulties of 'programming' the world by analysing the discrepancy between the ideals of the Ministry of Foreign Affairs as translated in their preferred accountability technologies and the effects and outcomes of these technologies at the organisational level of NGOs.

Third, in examining how the three Dutch development NGOs adapted to and sometimes resisted efforts to govern them, this study addresses O'Malley *et al.*'s (1997) complaint that 'necessary' elements of resistance and criticism are often absent from governmentality studies. The analysis of the operationalisation of accountability technologies within the three NGOs demonstrates how they, due to increasing concerns about possible mission drift, started to develop strategies that allowed them to comply with the stringent accountability technologies imposed upon them by the Ministry without significantly altering their activities and behaviour. The NGOs sought to maintain a focus on their organisational mission and to preserve the autonomy of their counterparts by not directly passing on the Ministry's accountability requirements. This illustrates that whilst 'formally' the Ministry appears able to direct the behaviour and activities of NGOs, since the NGOs complied with the MSF2 accountability requirements; in practice, NGOs developed strategies that have allowed them to translate or link the information *they* considered to be relevant into the governmental accountability demands, thereby avoiding changing their behaviour and activities. The findings thereby provide more insight into the largely underdeveloped elements of resistance and criticism within work on governmentality.

11.3.3 Practical implications

In addition to the empirical and theoretical contributions, this study offers some practical insights for a wide range of (development) NGOs and their (governmental) funders. It provides them with a better understanding of the effects of accountability policies and shows that whilst ideals underlying accountability approaches can involve working towards more meaningful accountability, the translation of these ideals into increasingly narrow, functional and inflexible requirements can incentivise NGOs to seek to report short term and clearly demonstrable results. This approach may prevent NGOs from learning from their failures, and could thereby lead to less effective and efficient development cooperation. If the purpose of (governmental) funders is to ensure that NGOs are working towards certain broader ideals, such as structural (sustainable) poverty reduction, they should take into consideration that by imposing increasingly stringent accountability technologies, accountability can potentially become a means in itself rather than a way of influencing the behaviour and activities of NGOs. As this study demonstrates, NGOs started developing strategies that allowed them to comply with introduced accountability requirements (and maintain funding), without altering their organisations and thereby potentially not working towards the objectives considered desirable by the funder.

In terms of practical insight for (development) NGOs, this study demonstrates how accountability has evolved into a bureaucratic practice which can potentially divert them away from their mission, such as alleviating as much people as possible out of poverty. This study therefore recommends that (development) NGOs maintain a focus on their organisational missions and critically assess whether the benefits of accountability, i.e. providing them with better insights into their organisation and maintaining (governmental) funding, outweigh the costs of accountability, i.e. the time and resources spent on accountability instead of development work. The findings of this study indicate that some Dutch development NGOs such as ICCO have already started to alter the focus of their organisations in order to become less dependent on a single (governmental) funder and have started to seek alternative funding sources and ways of operating.

11.4 Limitations and future research

First, in examining the operationalisation of accountability technologies in the most recent MFS2 funding scheme, the analysis focuses on the perceptions of NGO managers. Due to the inability to gain (further) access to governmental officials within the Ministry of Foreign Affairs responsible for the development and execution of accountability technologies, the analysis pays no attention to the perspectives of these governmental officials. Future research could therefore seek out the perspectives of governmental officials, which would provide a better understanding of why certain approaches to accountability are adopted within governmental co-financing schemes.

Second, whilst this research examined the evolution and operationalisation of NGO accountability technologies, due to the focus on multiple technologies and their evolution over time, limited attention is afforded to the specific nature of individual technologies. In examining NGO managers' perceptions regarding the operationalisation of accountability technologies in MFS2, some aspects of accountability technologies were addressed in more depth, but future research could consider undertaking a more fine-grained analysis of the nature and operationalisation of specific accountability technologies.

Third, although NGO managers indicate that they take into consideration counterparts' and beneficiaries' perceptions in developing their policies regarding the measurement of results, the views of these two groups are not incorporated in this study. Future research could therefore examine the extent to which counterparts and beneficiaries perceive that they actually have an influence over the accountability technologies adopted in their relationship with Northern donor NGOs.

Finally, whilst this study has been able to demonstrate how resistance and criticism were present, and to some extent constitutive, in the attempt of the Ministry of Foreign Affairs to govern co-financing NGOs, future research could examine the role of resistance and criticism in greater depth. Additionally, future research could further explore the implications of strategies adopted by individuals, groups or organisations that are being governed which aim to prevent their activities and behaviour being directed in certain ways. Strategies of resistance adopted by development NGOs to repel increasingly inflexible accountability requirements might prove a fruitful focus for such studies.

REFERENCES

- Actal Adviescollege toetsing administratieve lasten (2011). Advies Regels in ontwikkeling. Brief aan de staatssecretaris van Buitenlandse Zaken.
- Agyemang, G., Awumbila, M., Unerman, J. & O'Dwyer, B. (2009). NGO Accountability and Aid Delivery. London: Certified Accountants Educational Trust.
- Ahrens, T. & Chapman, C.S. (2006). Doing qualitative field research in management accounting: Positioning data to contribute to theory. *Accounting, Organisations and Society* 31, 819-841.
- Avina, J. (1993). The evolutionary life cycles of non-governmental development organisations. *Public Administration and Development* 13, 453-474.
- Bebbington, A. (2005). Donor-NGO relations and representations of livelihood in nongovernmental aid chains. *World Development* 33, 937-950.
- Beurden, v., J. & Gerward, J.B. (2004). From output to outcome? 25 years of IOB evaluations. Amsterdam: Aksant Academic Publishers.
- Boyce, G. & Davids, C. (2004). The dimensions of governmentality studies in accounting: complementary and critical potentials. Singapore : APIRA and Singapore Management University.
- Bradley, B., Jansen, P. & Silverman, L. (2003). The nonprofit sector's \$100 billion opportunity. *Harvard Business Review* 81, 94-103.
- Brivot, M. & Gendron, Y. (2011). Beyond panopticism: On the ramifications of surveillance in a contemporary professional setting. *Accounting, Organisations and Society* 36, 135-155.
- Brown, L.D. & Moore, M.H. (2001). Accountability, Strategy, and International Nongovernmental Organisations. *Nonprofit and Voluntary Sector Quarterly* 30, 569-587.
- Bryman, A. & Bell, E. (2007). Business research methods. New York: Oxford University Press.
- Burchell, S., Clubb, C., Hopwood, A., Hughes, J. & Nahapiet, J. (1980). The roles of accounting in organisations and society. *Accounting, Organisations and Society* 5, 5-27.
- Callamard, A. (2004). HAP international: A new decisive step towards accountability. 1, 44-57.
- Callon, M. (1986). Some elements of a sociology of translation. In J. Law's, *Power, Action and Belief*. London: Routledge and Kegan Paul.

- Castel, R. (1991). From dangerousness to risk. In G. Burchell, C. Gordon & P. Miller's, *The Foucault Effect: Studies in Governmentality*. Hemel Hempstead: Harvester Wheatsheaf.
- Chenhall, R.H., Hall, M. & Smith, D. (2010). Social capital and management control systems: A study of a non-government organisation. *Accounting, Organisations and Society* 35, 737-756.
- Christensen, R. & Ebrahim, A. (2006). How does accountability affect mission? The case of a nonprofit serving immigrants and refugees. *Nonprofit Management and Leadership* 17, 195-209.
- Chua, W.F. (1986). Radical Developments in Accounting Thought. *The Accounting Review* 61, 601-632.
- Cooper, S.M. & Owen, D.L. (2007). Corporate social reporting and stakeholder accountability: The missing link. *Accounting, Organisations and Society* 32, 649-667.
- Cordaid (2012), Onze visie en missie, available at: <http://www.cordaid.nl/nl/over-cordaid/wie-zijn-wij/onze-visie-en-missie.html> (accessed July 12, 2012).
- Crawford, S. (2010). Accounting for the dissolution of a nation state: Scotland and the Treaty of Union. *Accounting, Organisations and Society* 35, 377-392.
- Dahl, R.A. (1957). The concept of power. *Behavioral Science* 2, 201-215.
- Day, P. & Klein, R. (1987). *Accountabilities: Five Public Services*. London: Tavistock publications.
- Dean, M. (2010). *Governmentality: Power and rule in modern society*. London: SAGE Publications.
- Dean, N. & Graham, C. (2004). Accounting and the holocausts of modernity. *Accounting, Auditing & Accountability Journal* 17, 578-603.
- Degnbol-Martinussen, J. & Engberg-Pedersen, P. (2005). *Aid: Understanding International Development Cooperation*. New York: Zed Books.
- Dempsey, S.E. (2007). Negotiating Accountability within International Contexts: The Role of Bounded Voice. *Communication Monographs* 74, 311-332.
- Denzin, N.K. & Lincoln, Y.S. (1994). *Handbook of qualitative research*. Thousand Oaks: Sage Publications.
- Dillon, E. (2004). Accountabilities and power in development relationships. *Trócaire Development Review* 2003 4, 105-17.
- Dixon, R., Ritchie, J. & Siwale, J. (2006). Microfinance: accountability from the grassroots. *Accounting, Auditing & Accountability Journal* 19, 405-427.

- Doh, J.P. & Teegen, H. (2002). Nongovernmental organisations as institutional actors in international business: theory and implications. *International Business Review* 11, 665-684.
- Dörner, W. (2011). Cutting the Diamonds: A first look at the quantitative data of the CIVICUS Civil Society Index 2008-2011 - Prepared by Wolfgang Dörner for CIVICUS. CIVICUS.
- Ebrahim, A. (2003a). Accountability In Practice: Mechanisms for NGOs. *World Development* 31, 813-829.
- Ebrahim, A. (2003b). Making sense of accountability: Conceptual perspectives for northern and southern nonprofits. *Nonprofit Management and Leadership* 14, 191-212.
- Ebrahim, A. (2005). Accountability Myopia: Losing Sight of Organisational Learning. *Nonprofit and Voluntary Sector Quarterly* 34, 56-87.
- Ebrahim, A. (2009). Placing the Normative Logics of Accountability in "Thick" Perspective. *American Behavioral Scientist* 52, 885-904.
- Edwards, M. (2000). NGO rights and responsibilities A new deal for global governance. London: The Foreign Policy Centre/NCVO.
- Edwards, M. & Fowler, A. (2002). Introduction: changing challenges for NGDO management. *The Earthscan Reader on NGO Management*, 1-10.
- Edwards, M. & Hulme, D. (1996). Beyond the magic bullet: NGO performance and accountability in the post-cold war world. Kumarian Press West Hartford, CT.
- Eerste Kamer. (1972). Nota naar aanleiding van het eind verslag van de vaste Commissie voor Buitenlandse Zaken, Ontwikkelingssamenwerking en Europese Samenwerkingsorganisaties ter voorbereiding van het openbaar beleidsdebat over onderwerpen met betrekking tot het Departement van Buitenlandse Zaken. Den Haag: Eerste Kamer.
- Eerste Kamer. (1982). Beleidsdebat Ontwikkelingssamenwerking - Memorie van antwoord. Den Haag: Eerste Kamer.
- Elbers, W. (2012). The partnership paradox: Principles and practice in North-South NGO relations. Radboud University Nijmegen, The Netherlands (PhD thesis).
- Everett, J. & Friesen, C. (2010). Humanitarian accountability and performance in the Théâtre de l'Absurde. *Critical Perspectives on Accounting* 21, 468-485.
- Everett, J., Neu, D. & Rahaman, A.S. (2007). Accounting and the global fight against corruption. *Accounting, Organisations and Society* 32, 513-542.
- Fisher, W.F. (1997). Doing Good? The Politics and Antipolitics of NGO Practices. *Annual Review of Anthropology* 26, 439-464.

- Flick, U. (2006). An introduction to qualitative research (3rd edition). London: SAGE publications.
- Flyvbjerg, B. (2006). Five Misunderstandings About Case-Study Research. *Qualitative Inquiry* 12, 219-245.
- Foucault, M. (1976). Discipline and punish: The birth of the prison. London: Pinguin.
- Foucault, M. (1979). On governmentality. *I&C* 6, 5-22.
- Foucault, M. (1982). The subject and power. *Critical Inquiry* 8, 777-795.
- Foucault, M. (1997). Ethics: Subjectivity and truth. Essential works of Michel Foucault, 1954-1984. New York: New Press.
- Foucault, M., Burchell, G., Gordon, C. & Miller, P. (1991). The Foucault effect: studies in governmentality : with two lectures by and an interview with Michel Foucault. University of Chicago Press.
- Fowler, A. (1995). Assessing NGO performance: difficulties, dilemmas and a way forward. In M. Edwards & D. Hulme's, *Non-governmental Organisations – Performance and Accountability: Beyond the Magic Bullet*. London: Earthscan.
- Fowler, A. (2000). Civil society, NGDOs and social development: Changing the rules of the game. Geneva: United Nations Research Institute for Social development.
- Garland, D. (1997). 'Governmentality' and the Problem of Crime:: Foucault, Criminology, Sociology. *Theoretical Criminology* 1, 173-214.
- Given, L.M. (2008). The SAGE encyclopedia of qualitative research methods. Los Angeles i.e. Thousand Oaks, California: SAGE Publications.
- Goddard, A. & Assad, M.J. (2006). Accounting and navigating legitimacy in Tanzanian NGOs. *Accounting, Auditing & Accountability Journal* 19, 377-404.
- Gordon, C. (1991). Governmental rationality: an introduction. In G. Burchell, C. Gordon & P. Miller's, *The Foucault Effect: Studies in Governmental Rationality*. Hemel Hempstead: Harvester Wheatsheaf.
- Graham, C. Accounting and the construction of the retired person. *Accounting, Organisations and Society* 35, 23-46.
- Gray, R. (1992). Accounting and environmentalism: An exploration of the challenge of gently accounting for accountability, transparency and sustainability. *Accounting, Organisations and Society* 17, 399-425.
- Gray, R., Bebbington, J. & Collison, D. (2006). NGOs, civil society and accountability: making the people accountable to capital. *Accounting, Auditing & Accountability Journal* 19, 319-348.

- Hannan, M. & J. Freeman (1989). *Organisational Ecology*. Cambridge: Harvard University Press.
- Himick, D. (2009). Accounting and Chilean pension reform. *Accounting, Auditing & Accountability Journal* 22, 405-428.
- Hivos (2012), Introduction, available at: <http://www.hivos.nl/eng/About-Hivos/Introduction> (accessed January 12, 2012).
- Hoebink, P. (2007). How the clergyman defeated the merchant: An un-balanced overview of 57 years of Dutch development cooperation. In P. Hoebink's, *The Netherlands Yearbook on International Cooperation 2007*. Assen: Royal Van Gorcum.
- Hopwood, A.G. (1987). The archeology of accounting systems. *Accounting, Organisations and Society* 12, 207-234.
- Huberman, A.M. & Miles, M.B. (1994). Data management and analysis methods. *Handbook of Qualitative Research* 42, 8-444.
- ICCO (2009). ICCO's agenda for change (2007-2010): Co-responsibility, Decentralisation and the Programmatic Approach (ProCeDe). Utrecht: ICCO.
- ICCO (2010). ICCO Alliance: Grant application phase 2 MFS2: From aid to entrepreneurship. Utrecht: ICCO.
- ICCO (2012), Missie, available at: <http://icco.nl/nl/over-ons/organisatie/missie/> (accessed June, 12, 2012).
- Inspectie Ontwikkelingssamenwerking en Beleidsevaluatie (2009). *Maatgesneden Monitoring: Het verhaal achter de cijfers*. Den Haag: OBT.
- Iyoha, F.O. & Oyerinde, D. (2010). Accounting infrastructure and accountability in the management of public expenditure in developing countries: A focus on Nigeria. *Critical Perspectives on Accounting* 21, 361-373.
- Jepson, P. (2005). Governance and accountability of environmental NGOs. *Environmental Science & Policy* 8, 515-524.
- Johansen, T.R. (2008). Blaming oneself: Examining the dual accountability role of employees. *Critical Perspectives on Accounting* 19, 544-571.
- Kilby, P. (2006). Accountability for Empowerment: Dilemmas Facing Non-Governmental Organisations. *World Development* 34, 951-963.
- King, N. (1999). The qualitative research interview. In C. Cassell & G. Symon's, *Qualitative methods in organisational research: A practical guide*. London: Sage.
- Latour, B. (1987). *Science in Action*. Milton Keynes: Open University Press.

- Lindkvist, L. & Llewellyn, S. (2003). Accountability, responsibility and organisation. *Scandinavian Journal of Management* 19, 251-273.
- Lloyd, R. (2005). The role of NGO self regulation in increasing stakeholder accountability. London: One World Trust.
- Lloyd, R., Warren, S. & Hammer, M. (2008). 2008 Global Accountability Report. London, United Kingdom: One World Trust.
- Miller, J. & Glassner, B. (1997). The 'inside' and the 'outside': finding realities in interviews. *Qualitative Research*, 99-112.
- Miller, P. & Rose, N. (2008a). Introduction: Governing economic and social life. In Miller, P. and Rose's, *Governing the present*, Cambridge: Polity Press.
- Miller, P. and Rose, N. (2008b). Political power beyond the state: problematics of government. In P. Miller & N. Rose's, *Governing the present*. Cambridge: Polity press.
- Miller, P. (1986). Accounting for progress — National accounting and planning in France: A review essay. *Accounting, Organisations and Society* 11, 83-104.
- Miller, P. & Napier, C. (1993). Genealogies of calculation. *Accounting, Organisations and Society* 18, 631-647.
- Miller, P. & O'Leary, T. (1987). Accounting and the construction of the governable person. *Accounting, Organisations and Society* 12, 235-265.
- Miller, P. & O'Leary, T. (1989). Hierarchies and American Ideals, 1900-1940. *The Academy of Management Review* 14, 250-265.
- Miller, P. & O'Leary, T. (1993). Accounting expertise and the politics of the product: Economic citizenship and modes of corporate governance. *Accounting, Organisations and Society* 18, 187-206.
- Miller, P. & Rose, N. (1988). The Tavistock Programme: The Government of Subjectivity and Social Life. *Sociology* 22, 171-192.
- Miller, P. & Rose, N. (1990). Governing economic life. *Economy and Society* 19, 1-31.
- Miller, P. and Rose, N. (2008). 2 Governing Economic Life. In P. Miller & N. Rose's, *Governing the present*. Cambridge: Polity Press.
- Ministerie van Buitenlandse Zaken. (1964a). 1ste vergadering - Vergadering van woensdag 9 december 1964. Den Haag: Ministerie van Buitenlandse Zaken.
- Ministerie van Buitenlandse Zaken. (1964b). Zitting 1964-1965 - 7800 - Begroting voor het dienstjaar 1965 - Hoofdstuk V Buitenlandse Zaken - Nota van wijzigingen. Den Haag: Ministerie van Buitenlandse Zaken.

- Ministerie van Buitenlandse Zaken. (1971). Rijksbegroting voor het dienstjaar 1972 - Hoofdstuk V - Buitenlandse Zaken - Brief van de Minister zonder portefeuille.
- Ministerie van Buitenlandse Zaken. (2001). Besluit medefinancieringsprogramma-breed. Den Haag: Ministerie van Buitenlandse Zaken.
- Ministerie van Buitenlandse Zaken. (2003). Aan elkaar verplicht: Ontwikkelingssamenwerking op weg naar 2015. Den Haag: Ministerie van Buitenlandse Zaken.
- Ministerie van Buitenlandse Zaken. (2005a). Annex 2 MFS1 Beoordelingskader Medefinancieringsstelsel 2007-2010. Den Haag: Ministerie van Buitenlandse Zaken.
- Ministerie van Buitenlandse Zaken. (2005b). Annex 3 Financieel reglement. Den Haag: Dutch Ministry of Foreign Affairs.
- Ministerie van Buitenlandse Zaken. (2005c). Beleidskader Medefinancieringsstelsel (MFS) 2007-2010. Den Haag: Dutch Ministry of Foreign Affairs.
- Ministerie van Buitenlandse Zaken. (2009a). Funding application framework MFS-II: Phase 1. Den Haag: Ministerie van Buitenlandse Zaken.
- Ministerie van Buitenlandse Zaken. (2009b). MFS2 Annex 2: Definities van gebruikte begrippen. Den Haag: Ministerie van Buitenlandse Zaken.
- Ministerie van Buitenlandse Zaken. (2009c). Subsidiebeleidskader Medefinancieringsstelsel II 2011-2015. Den Haag: Ministerie van Buitenlandse Zaken.
- Ministerie van Buitenlandse Zaken. (2010a). MFS2 Annex 5: Richtlijnen t.b.v. monitoring en rapportages. Den Haag: Ministerie van Buitenlandse Zaken.
- Ministerie van Buitenlandse Zaken. (2010b). MFS2 Annex 6: Richtlijnen voor evaluaties. Den Haag: Ministerie van Buitenlandse Zaken.
- Morgan, G. & Smircich, L. (1980). The Case for Qualitative Research. *The Academy of Management Review* 5, 491-500.
- Mulgan, R. (2000). 'Accountability': An Ever-Expanding Concept? *Public Administration* 78, 555-573.
- Najam, A. (1996). NGO Accountability: A Conceptual Framework. *Development Policy Review* 14, 339-354.
- Neu, D. (2000a). "Presents" for the "Indians": land, colonialism and accounting in Canada. *Accounting, Organisations and Society* 25, 163-184.
- Neu, D. (2000b). Accounting and accountability relations: colonization, genocide and Canada's first nations. *Accounting, Auditing & Accountability Journal* 13, 268-288.

- Neu, D. & Graham, C. (2006). The birth of a nation: Accounting and Canada's first nations, 1860-1900. *Accounting, Organisations and Society* 31, 47-76.
- Neu, D. & Heincke, M. (2004). The subaltern speaks: financial relations and the limits of governmentality. *Critical Perspectives on Accounting* 15, 179-206.
- Neu, D., Ocampo Gomez, E., Graham, C. & Heincke, M. (2006). "Informing" technologies and the World Bank. *Accounting, Organisations and Society* 31, 635-662.
- NOS (2012), Hoe zit het met ontwikkelingssamenwerking, available at: <http://nos.nl/artikel/157911-hoe-zit-het-met-ontwikkelingssamenwerking.html> (accessed July 15, 2012).
- O'Dwyer, B. (2004). Qualitative data analysis: illuminating a process for transforming a 'messy' but 'attractive' 'nuisance'. *The Real Life Guide to Accounting Research: A Behind the Scenes View of using Qualitative Research Methods*, 391-407.
- O'Dwyer, B. (2007). The nature of NGO accountability: Motives, mechanisms and practice. *Sustainability, Accounting and Accountability*, Unerman, J., Bebbington, J., O'Dwyer, B., 285-306.
- O'Dwyer, B. & Unerman, J. (2007). From functional to social accountability: Transforming the accountability relationship between funders and non-governmental development organisations. *Accounting, Auditing & Accountability Journal* 20, 446-471.
- O'Dwyer, B. & Unerman, J. (2008). The paradox of greater NGO accountability: A case study of Amnesty Ireland. *Accounting, Organisations and Society* 33, 801-824.
- O'Dwyer, B. & Unerman, J. (2010). Enhancing the role of accountability in promoting the rights of beneficiaries of development NGOs. *Accounting and Business Research*, 40, p. 451-471.
- O'Malley, P., Weir, L. & Shearing, C. (1997). Governmentality, criticism, politics. *Economy and Society* 26, 501-217.
- O'Regan, P. (2010). 'A dense mass of petty accountability': Accounting in the service of cultural imperialism during the Irish Famine, 1846-1847. *Accounting, Organisations and Society* 35, 416-430.
- Ossewaarde, R., Nijhof, A. & Heyse, L. (2008). Dynamics of NGO legitimacy: how organising betrays core missions of INGOs. *Public Administration and Development* 28, 42-53.
- Oxfam Novib (2008a), About Oxfam Novib, available at <http://oxfamnovib.nl/id.html?lang=en&ch=&id=3735> (accessed 25 May, 2008).
- Oxfam Novib (2008b), What we do, available at <http://oxfamnovib.nl/id.html?lang=en&ch=&id=8120&from=3737> (accessed 25 may, 2008).

- Patton, M.Q. (2002). *Qualitative evaluation and research methods*. Beverly Hills, California: Sage.
- Petersen, A. (2003). Governmentality, Critical Scholarship, and the Medical Humanities. *3/4 24*, 187-200.
- Porter, T. (1995). *Trust in Numbers: The pursuit of objectivity in science and public life*. Princeton: Princeton University Press.
- Radcliffe, V.S. (1995). *Knowing efficiency: The development and operationalisation of efficiency auditing in Alberta (PhD thesis)*. *University of Alberta*.
- Radcliffe, V.S. (1998). Efficiency audit: An assembly of rationalities and programmes. *Accounting, Organisations and Society 23*, 377-410.
- Radcliffe, V.S. (1999). Knowing efficiency: the enactment of efficiency in efficiency auditing. *Accounting, Organisations and Society 24*, 333-362.
- Rahaman, A., Neu, D. & Everett, J. (2010). Accounting for Social-Purpose Alliances: Confronting the HIV/AIDS Pandemic in Africa. *Contemporary Accounting Research 27*, 1093-1129.
- Rist, G. (2002). *The history of development: from Western origins to Global faith*. New York: Zed books.
- Ritchie, J. & Richardson, S. (2000). Smaller business governance: Exploring accountability and enterprise from the margins. *Management Accounting Research 11*, 451-474.
- Roberts, J. (1991). The possibilities of accountability. *Accounting, Organisations and Society 16*, 355-368.
- Roberts, J. (2001). Trust and Control in Anglo-American Systems of Corporate Governance: The Individualizing and Socializing Effects of Processes of Accountability. *Human Relations 54*, 1547-1572.
- Roberts, J. & Scapens, R. (1985). Accounting systems and systems of accountability -- understanding accounting practices in their organisational contexts. *Accounting, Organisations and Society 10*, 443-456.
- Roberts, S.M., Jones, J.P. & Fröhling, O. (2005). NGOs and the globalization of managerialism: A research framework. *World Development 33*, 1845-1864.
- Rose, N. (1991). Governing by numbers: Figuring out democracy. *Accounting, Organisations and Society 16*, 673-692.
- Rose, N. (1999). *Powers of Freedom: Reframing political thought*. Cambridge: Cambridge University Press.
- Rose, N. & Miller, P. (1992). Political Power beyond the State: Problematics of Government. *The British Journal of Sociology 43*, 173-205.

- Rose, N., O'malley, P. & Valverde, M. (2006). Governmentality. *Annual Review of Law and Social Science* 2, 83-104.
- Ryan, B., Scapens, R.W. & Theobald, M. (2002). *Research Method and Methodology in Finance and Accounting*. London: Thomson.
- Schulpen, L. (2001). *Hulp in ontwikkeling: bouwstenen voor de toekomst van internationale samenwerking*. Uitgeverij Van Gorcum.
- Schulpen, L. (2007). *The NGDO-battle - changes in the subsidy structure of private aid organisations in the Netherlands*. Assen: Royal Van Gorcum.
- Silverman, D. (2000). *Doing qualitative research: A practical handbook*. London: SAGE publications.
- Sinclair, A. (1995). The chameleon of accountability: Forms and discourses. *Accounting, Organisations and Society* 20, 219-237.
- Smillie, I. (1996). Painting Canadian roses red. In M. Edwards & D. Hulme's, *Beyond the Magic Bullet: NGO Performance and Accountability in the Post-Cold War World*. West Hartford CT: Kumarian.
- Smits, M. (2004). Geef ons nu maar subsidie en bemoei je er verder niet mee. *Trajecta* 13, pp. 147-162.
- Stuurgroep beleidsdialoog (2004). *Eindrapport van de beleidsdialoog 2004: Partnerschap in een polariserende wereld*.
- Stuurgroep beleidsdialoog (2008). *Internationale samenwerking in verandering: Syntheserapport van de dialoog 2008 Ontwikkeling is verandering*.
- Tandon, R. (1996). Board games: Governance and accountability in NGOs. In M. Edwards & D. Hulme's, *Beyond the Magic Bullet: NGO Performance and Accountability in the Post-Cold War World*. West Hartford CT: Kumarian
- Tregidga, H. & Milne, M.J. (2006). From sustainable management to sustainable development: a longitudinal analysis of a leading New Zealand environmental reporter. *Business Strategy and the Environment* 15, 219-241.
- Tweede Kamer (1967). *Vaste commissie voor Buitenlandse Zaken - Vergadering van donderdag 16 november 1967*. Den Haag: Tweede Kamer.
- Tweede Kamer (1969a). *66ste vergadering: Vergadering van donderdag 12 juni 1969 - nav Toetsing Nederlandse Ontwikkelingssamenwerking*. Den Haag: Tweede Kamer.
- Tweede Kamer (1969b). *Vergadering van woensdag 26 februari 1969*. Den Haag: Tweede Kamer.
- Tweede Kamer (1976). *Rijksbegroting voor het dienstjaar 1977 - Buitenlandse Zaken - Bijlagen I t/m IV van de memorie van toelichting*. Den Haag: Tweede Kamer.

Tweede Kamer (1978). Rijksbegroting voor het jaar 1978 - Nota naar aanleiding van het verslag over het onderdeel ontwikkelingssamenwerking. Den Haag: Tweede Kamer.

Tweede Kamer (1980). Rijksbegroting voor het jaar 1981 - 16400 Hoofdstuk V Departement van Buitenlandse Zaken (Ontwikkelingssamenwerking) - Verslag van een mondeling overleg. Den Haag: Ministerie van Buitenlandse Zaken.

Tweede Kamer (1982). Rijksbegroting voor het jaar 1982 - Hoofdstuk V Departement van Buitenlandse Zaken. Den Haag: Tweede Kamer.

Tweede Kamer (1983a). Rijksbegroting voor het jaar 1984 - Brief van de Minister voor Ontwikkelingssamenwerking. Den Haag: Tweede Kamer.

Tweede Kamer (1983b). Rijksbegroting voor het jaar 1984 - Lijst van antwoorden. Den Haag: Tweede Kamer.

Tweede Kamer (1988). Rijksbegroting voor het jaar 1988 - Brief van de Minister voor Ontwikkelingssamenwerking.

Tweede Kamer (1990). Nieuwe kaders voor ontwikkelingssamenwerking in de jaren negentig. Den Haag: SDU uitgeverij.

Tweede Kamer (1992). Vaststelling van de begroting van de uitgaven en de ontvangsten van hoofdstuk V (Ministerie van Buitenlandse Zaken) voor het jaar 1992 - Brief van de Minister voor Ontwikkelingssamenwerking. Den Haag: Tweede Kamer.

Tweede Kamer (1995a). Vaststelling van de begroting van de uitgaven en de ontvangsten van het ministerie van Buitenlandse Zaken (V) voor het jaar 1995 - Brief van de Minister voor Ontwikkelingssamenwerking.

Tweede Kamer (1995b). Vaststelling van de begroting van de uitgaven en de ontvangsten van het ministerie van Buitenlandse Zaken (V) voor het jaar 1995 - Brief van de Minister voor Ontwikkelingssamenwerking. Den Haag: Tweede Kamer.

Tweede Kamer (1996). Vaststelling van de begroting van de uitgaven en de ontvangsten van het Ministerie van Buitenlandse Zaken (V) voor het jaar 1997 - Brief van de Minister voor Ontwikkelingssamenwerking. Den Haag: Tweede Kamer.

Tweede Kamer (1999a). Interdepartementale beleidsonderzoeken 1999. Den Haag: Tweede Kamer.

Tweede Kamer (1999b). Regeling van werkzaamheden - Buitenlandse Zaken 8 december 1999. Den Haag: Tweede Kamer.

Tweede Kamer (2000). Interdepartementaal Beleidsonderzoek: Medefinancieringsprogramma. Den Haag: Tweede Kamer.

Tweede Kamer (2003). Interdepartementaal Beleidsonderzoek: Medefinancieringsprogramma-breed. Den Haag: SDU Uitgevers.

- Udink, B.J. (1969). Toetsing van de Nederlandse ontwikkelingssamenwerking. Den Haag: Ministerie van Buitenlandse Zaken.
- Unerman, J. & O'Dwyer, B. (2006a). On James Bond and the importance of NGO accountability. *Accounting, Auditing & Accountability Journal* 19, 305-318.
- Unerman, J. & O'Dwyer, B. (2006b). Theorising accountability for NGO advocacy. *Accounting, Auditing & Accountability Journal* 19, 349-376.
- Unerman, J., B. O'Dwyer & J. Bebbington (2007). Sustainability accounting and accountability. Routledge, London.
- USAID (2012), USAID history available at: <http://www.usaid.gov/who-we-are/usaid-history> (accessed May 15, 2012).
- Vakil, A.C. (1997). Confronting the classification problem: toward a taxonomy of NGOs. *World Development* 25, 2057-2070.
- Walker, S.P. (2010). Child accounting and the handling of human souls. *Accounting, Organisations and Society* 35, 628-657.
- Walsh, E. & Lenihan, H. (2006). Accountability and effectiveness of NGOs: adapting business tools successfully. *Development in Practice* 16, 412-424.
- Werkgroep Evaluatie Nederlandse Ontwikkelingssamenwerking (1968). Evaluatie van de Nederlandse ontwikkelingshulp: Onderzoek verricht in opdracht van de Nederlandse regering.
- Zadek, S. (1998). Balancing Performance, Ethics, and Accountability. *Journal of Business Ethics* 17, 1421-1442.
- Zevenbergen, A. (2002). De deskundige: leerling en leermeester, een halve eeuw uitzending van ontwikkelingswerkers. Hardinxveld-Giessendam: Tuysel BV.

APPENDICES

Appendix 1: Sample of analysed documents

Ministerie van Buitenlandse Zaken (1964), Rijksbegroting voor het dienstjaar 1965 – Hoofdstuk 5 Buitenlandse Zaken – Nota van wijzigingen, Zitting 1964-1965 – 7800, No. 13.

Eerste Kamer der Staten-Generaal (1971), Nota naar aanleiding van het eindverslag van de vaste Commissie voor Buitenlandse Zaken, Ontwikkelingssamenwerking en Europese Samenwerkingsorganisaties ter voorbereiding van het openbaar beleidsdebat over onderwerpen met betrekking tot het Departement Buitenlandse Zaken, Zitting 1971-1971 – 11500, No. 74c.

Tweede Kamer der Staten-Generaal (1974), Vragen door de leden der Kamer gesteld overeenkomstig artikel 107 van het Reglement van Orde, en daarop door de Regering schriftelijk gegeven antwoorden, Zitting 1974-1975.

Tweede Kamer der Staten-Generaal (1978), Nota naar aanleiding van het verslag over het onderdeel ontwikkelingssamenwerking, Zitting 1977-1978 – 14800V, No. 19.

Tweede Kamer der Staten-Generaal (1980), Verslag van een mondeling overleg over het ontwerp-programmafinancieringsmodel ten behoeve van het medefinancieringsprogramma, Zitting 1980-1981 – 16400, No. 17.

Tweede Kamer der Staten-Generaal (1981), Rijksbegroting voor het jaar 1982 - Begroting van uitgaven – Memorie van toelichting, Zitting 1981-1982 – 17100V, No. 2.

Tweede Kamer der Staten-Generaal (1983), Verslag van een mondeling overleg over de jaarverslagen 1981 van de medefinancieringsorganisaties, Zitting 1982-1983 – 17600V, No. 110.

Tweede Kamer der Staten-Generaal (1989), Verslag van een mondeling overleg over het rapport van de commissie-Rutten: Commissie ter evaluatie van de programma-medefinancieringsregeling voor het medefinancieringsprogramma, periode 1984-1988, Vergaderjaar 1988-1989 – 20800, No. 83.

Tweede Kamer der Staten-Generaal (1989), Brief van de minister van ontwikkelingssamenwerking betreffende nieuwe programmafinancieringsregeling, Vergaderjaar 1988-1989 20800, No. 155.

Tweede Kamer der Staten-Generaal (1990), Kwaliteit van de Nederlandse Ontwikkelingssamenwerking, Vergaderjaar 1989-1990 – 21622, No. 1.

Tweede Kamer der Staten-Generaal (1990), Nieuwe kader voor ontwikkelingssamenwerking in de jaren negentig, Vergaderjaar 1990-1991 – 21813, No. 2.

Tweede Kamer der Staten-Generaal (1993), Brief van de minister voor ontwikkelingssamenwerking betreffende de tekst van de nieuwe overeenkomst met betrekking tot het Medefinancieringsprogramma, Vergaderjaar 1992-1993 – 22800V, No. 61.

Tweede Kamer der Staten-Generaal (2000), Vragenuur 18 januari 2000 – Vragen van het lid Van Ardenne-Van der Hoeven aan de minister voor Ontwikkelingssamenwerking over de subsidietoekenning aan Foster Parents Plan, TK37.

Tweede Kamer der Staten-Generaal (2000), Interdepartementaal Beleidsonderzoek: Medefinancieringsprogramma – Brief van de minister voor Ontwikkelingssamenwerking, Vergaderjaar 2000-2001 – 27433, No. 1.

Ministerie van Buitenlandse Zaken (2001), Besluit medefinancieringsprogramma-Breed, No. DJZ/BR/1041-01.

Tweede Kamer der Staten-Generaal (2003), Ontwikkelingssamenwerkingsbeleid voor de komende jaren – Beleidsnotitie ‘Aan elkaar verplicht, ontwikkelingssamenwerking op weg naar 2015’, Vergaderjaar 2003-2004 – 29234, No 1.

Ministerie van Buitenlandse Zaken (2005), Beleidskader Medefinancieringsstelsel (MFS) 2007-2010.

Rijksarchiefdienst/PIVOT & Ministerie van Buitenlandse Zaken (2006), Het Nederlands buitenlands beleid binnenstebuiten gekeerd – Een institutioneel onderzoek naar het beleidsterrein buitenland en ontwikkelingssamenwerking 1990-2006, PIVOT-rapportnummer 186.

Van Tuijl, P., Gruiters, J., Vogt, M. (2008), Beleidsdialoog: Naar een nieuw MFS – Het nieuwe MFS beleidskader en menselijke veiligheid.

Stuurgroep dialoog (2008), Internationale samenwerking in verandering – Syntheserapport van de dialoog 2008 ‘Ontwikkeling is verandering’.

Inspectie Ontwikkelingssamenwerking en Beleidsevaluaties (2009), Maatgesneden Monitoring ‘Het verhaal achter de cijfers, - Beperkte beleidsdoorlichting Medefinancieringsstelsel 2007-2010, IOB evaluaties, No. 321.

Ministerie van Buitenlandse Zaken (2009), Beleidsnotitie Maatschappelijke Organisaties ‘Samenwerken, Maatwerk, Meerwaarde’.

Ministerie van Buitenlandse Zaken (2009), Subsidiebeleidskader Medefinancieringsstelsel II 2011-2015.

Ministerie van Buitenlandse Zaken (2009), Questions and Answer Financieel – Geactualiseerd 18/11/09.

Appendix 2: Guide for interviews with Oxfam Novib (2008)

- Can you describe your function within Oxfam Novib?
- How do you define accountability?

Accountability motivation

- Why does Oxfam Novib want to be accountable?
- Why is accountability perceived in its current way?
- What values drive accountability within Oxfam Novib?
- To what extent do values drive accountability and to what extent do the values drive accountability?
- What internal and external forces drive accountability within Oxfam Novib?
- Which of these sources is considered most important and why?
- From the documents it can be deduced that Oxfam Novib considers accountability an important issue. How is this sense of accountability translated into everyday practice?
- Downward accountability stems from the strategic report of Oxfam International and Oxfam Novib. This notion of downward accountability is however not directly portrayed in accountability initiatives or mechanisms. Can you comment on this observation?

Relation quality and accountability

- Quality seems to be an important issue within Oxfam Novib. In an initial meeting it was mentioned that Oxfam Novib uses quality management to approach accountability. How does this notion of quality fit into accountability?
- Why is quality (management) chosen to approach accountability?
- In the INK philosophy, the balance between stakeholder demands and interests is important. How is this balance put into practice within Oxfam Novib?

Experience of accountability

- What is your personal view on accountability?
- What is your opinion about accountability within Oxfam Novib?
- How does accountability affect you on a daily basis?
- Do you think the focus being put on accountability adds value?

Informal accountability mechanisms

- Is accountability mainly a formal process within Oxfam Novib or are there also informal processes and mechanisms of accountability (not formally described mechanisms)?
- What values or forces underlie these informal processes of accountability?
- How do these informal mechanisms work?
- What is the value of these informal mechanisms for Oxfam Novib?

Appendix 3: Guide for interviews with governmental officials

1. Introduction

- What is your function within the Ministry?
- How long have you been working for the Ministry?
- What is your professional background?
- To what extent are you involved in the development and execution of accountability policies in the co-financing program?

2. Accountability in the co-financing scheme

- What is your perception of accountability?
 - o Probe: relation with quality and transparency
- How would you describe the accountability relationship between the Ministry and co-financing NGOs?
- How would you describe the co-financing scheme's approach to accountability?
 - o Probe: Upward, downward, internal?
 - o Probe: Planning, monitoring, evaluation?
 - o Probe: Elements of the accountability system?
- What is your perception on the purpose and aim of the accountability system in the co-financing scheme?
- What does the Ministry want to achieve with the adopted approach to accountability?
 - o Probe: Efficiency, effectiveness, focus on results, learning.
- How does the Ministry work towards achieving these goals of accountability?
- What is expected from co-financing organisation regarding accountability?
- How are the accountability requirements communicated to co-financing organisations?
- Can you provide some information on the events that have influenced the current approach to accountability?
 - o Probe: Policy dialogue, evaluation studies?

4. Operationalisation

- What is your perception of the operationalisation of the accountability system?
- To what extent are the objectives of the accountability system achieved in its current operationalisation?
- How do you cope with unexpected (positive and negative) effects of the accountability system?
- What is your perception of the responses of NGOs to the introduced approach to accountability?
- Do you experience bottlenecks related to the adopted approach to accountability in your function?

Appendix 4: Guide for interviews with NGO managers (2011)

1. Introduction

- What is your function within the organisation?
- How are you involved in the development and execution of accountability policies?

2. Accountability in the relationship with the Ministry

- How would you describe accountability (requirements) in the relation with the Ministry?
 - o Probe: Elements of monitoring and evaluations
- What is the purpose of accountability in the co-financing scheme (perception)?
 - o Probe: What does the Ministry wants to achieve?
 - o Probe: Making NGO results calculable?
 - o Probe: Purpose of monitoring?
 - o Probe: Purpose of evaluation?
- To what extent are the Ministry's accountability requirements clearly described?
 - o Probe: Communication of requirements?
 - o Probe: Terminology?
 - o Probe: Difference between monitoring and evaluation?
 - o Probe: Relation between the IOB and DSO?
- Would you argue that there are bottlenecks in the accountability system of the co-financing system?
 - o Probe: Lack of knowledge, lack of capacity, unclear ambitions/expectations, lack of clear guidelines, bad communication?

3. Operationalisation of accountability mechanisms

- To what extent do the Ministry's accountability requirements influence the accountability policy of your organisation?
 - o Probe: Balance with own accountability requirements?
 - o Probe: Mission drift?
 - o Probe: Separate accountability systems?
 - o Probe: ERP/SAP system?
- To what extent do you perceive the accountability requirements of the Ministry to be realistic/feasible?
 - o Probe: Unrealistic deadlines?
 - o Probe: Inconsistencies?
 - o Probe: Ex-ante accountability in funding proposal?
- To what extent does the introduced approach to accountability lead to a proper overview of the results of your organisation?
 - o Probe: Fake certainties?
 - o Probe: Denying reality?
- How do you perceive the introduced way of measuring results?
 - o Probe: Does it allow to bring out complexities
 - o Probe: What is the effect of standardising and simplifying results?
 - o Probe: Does the level of quantification causes problems?
- What is your perception of the monitoring protocol?
- What is your perception of the evaluation protocol?
- What is your perception of the funding application procedure?
 - o Probe: Transparency Ministry?
 - o Probe: Clear evaluation guidelines/expectations within Ministry?

- Would you argue that the current approach to accountability leads to improved efficiency and effectiveness?

3. Selection of accountability mechanisms

- What is your perception of the development of accountability requirements within the Ministry?
 - o Probe: Role of IOB?
 - o Probe: Role of Partos and NGOs?
 - o Probe: Resistance?
- Is it possible to exert any influence of the Ministry's accountability requirements?
 - o Probe: Role of Partos?

Auditability: Making NGOs auditable/ Making 'NGO performance' auditable:

- What role does audit play in the government accountability process?
- What form of audit reports are issued?
- Who conducts the audits?
- What do the auditors focus on in their audits? – systems or performance
- Probe on the two accounting systems – one for audit the other for internal management?
- Have the NGOs changed focus/ identity due to the accountability requirements and the exposure to audit?
- Evidence of resistance among NGOs?
- Do the audit results have any funding consequences? – *have* they had consequences or are they primarily symbolic 'disciplinary' mechanisms

Appendix 5: Loose codes – Documentary analysis

1. (External) inspection
2. (Mis)Interpretation of MFS requirements and guidelines by NGOs
3. 25% rule funding
4. 75% rule evaluation
5. Accountability
6. Accountability instruments
7. Accountability system
8. Accountability to parliament
9. Accra Agenda for Action
10. Added value of development cooperation
11. Added value of Development NGOs
12. Added value of Partos
13. Administration/management
14. Advisory committee
15. Aid by trade
16. Aim for structural poverty reduction
17. Aim to increase visibility results
18. Aim to increase effectiveness
19. Aim to increase focus on accountability
20. Aim to increase quality
21. Annual plans
22. Annual report
23. Annual report on OS
24. Annual reporting content
25. Anti-corruption policy
26. Assessing quality
27. Attention to downward accountability
28. Attribution problem
29. Audit
30. Audit statement
31. Auditing
32. Autonomous NGOs
33. Autonomy
34. Block grants
35. Capacity building
36. Capacity of the Ministry
37. CBF seal of approval
38. CGD coherence index
39. Changing rationalities
40. Code of conduct
41. Coherence
42. Commercialising development aid
43. Compartmentalisation in MFP
44. Competition
45. Complaint procedure
46. Complementarity
47. Concerns effectiveness
48. Confusion in policy
49. Content meetings MFO directors
50. Content MFP policy framework
51. Control framework
52. Cooperation
53. Cordaid
54. Counterpart project proposals
55. Country focus
56. Credibility
57. Criteria for expanding MFP
58. Criticism approval process
59. Criticism expressed by NGOs
60. Customer satisfaction
61. Decision making procedure MFP
62. Decision to start MFP
63. Decompartmentalisation
64. Definition executing NGOs
65. Definition of NGDO
66. Development aid is complex
67. development crisis 1990
68. Distribution in MFP
69. Donor alliances
70. Donor centrism
71. Donor pressure
72. Downward accountability
73. Economies of scale
74. Effectiveness (Doeltreffendheid)
75. Efficiency (Doelmatigheid)
76. Efficiency audit
77. Entry of FPP
78. Equality
79. Evaluation
80. Evaluation committee Rutten
81. Evaluation system
82. Evaluations of MFP and projects
83. Ex-ante project assessment
84. Expand MFP
85. Expired requirements
86. Ex-post accountability
87. Ex-post assessment
88. External evaluation
89. Feasibility (haalbaarheid)
90. Field visits
91. File holders
92. Financial accountability
93. Focus on results
94. Formulating results
95. Funding proposal evaluation criteria
96. Globalisation
97. Goal Dutch development aid
98. GOM
99. Good donorship
100. Good governance
101. Good relationship Min en MFOs
102. Govern at a distance
103. Government is steering
104. History of Dutch development aid through NGOs
105. Hivos
106. ICCO
107. Impact
108. Impact study
109. Implementation financial regulation
110. Increased autonomy
111. Information loss due to form of reporting
112. INK

- 113. Innovation
- 114. Input
- 115. Insight into MFP
- 116. Institutional support
- 117. Internationalisation
- 118. IOB advice
- 119. IOB evaluation MFP 1999
- 120. IOB evaluations
- 121. IOB: Adjustment (suggestions) in MFS
- 122. IOB: Elements of MFS accountability system
- 123. IOB: MFS focuses on quantitative indicators
- 124. IOB: No clear information on MFS accountability system
- 125. IOB: TMM did not lead to an improved MFS accountability system
- 126. IOB: TMM did not lead to less administrative burden
- 127. IOB: TMM is an accountability instrument instead of monitoring
- 128. IOB: TMM lead to better visibility of results
- 129. IOB: TMM limited influence on structure of policy meetings
- 130. IOB: TMM limited role in learning
- 131. IOB: TMM provides no information on content of results
- 132. ISO standards
- 133. Key Performance Indicators (KPIs)
- 134. Lack of capacity within Min
- 135. Lack of communication between Min and NGOs
- 136. Learning
- 137. Legitimacy
- 138. Linking results and resources
- 139. Log frame TMM
- 140. Management and control instruments
- 141. MDGs
- 142. Measurability concerns
- 143. Measure for effectiveness
- 144. Measuring results
- 145. Media
- 146. MFP
- 147. MFP consultation content & operations
- 148. MFP criteria projects
- 149. MFP efficiency concerns
- 150. MFP efficient
- 151. MFP unique model
- 152. MFP waste of money
- 153. MFS: Quality criteria
- 154. MFS: Reason for implementing new MFS system
- 155. Minister for development cooperation
- 156. Mission
- 157. Monitoring
- 158. Monitoring indicators
- 159. Monitoring protocol
- 160. Monitoring system
- 161. Monopoly MFOs
- 162. Monopoly position MFOs
- 163. Mutual accountability
- 164. Mutual interest
- 165. Mutual learning
- 166. Mutual obligations
- 167. Mutual responsibility
- 168. NGO critique on TMM
- 169. No communism
- 170. Open up MFP
- 171. Outcome
- 172. Output
- 173. Oxfam Novib
- 174. Paris declaration
- 175. Partnerships
- 176. Partos umbrella association
- 177. Penvoerder
- 178. Performance
- 179. Perverse effect steering on results
- 180. Pyramid information system Ministry
- 181. Planning
- 182. Planning system
- 183. Policy development
- 184. Policy dialogue
- 185. Policy meetings
- 186. Political questions on co-financing
- 187. Priority themes
- 188. Programme evaluation
- 189. Programme subsidy
- 190. Project evaluations
- 191. PRSP-process
- 192. Public accountability
- 193. Public support
- 194. Quality
- 195. Quality aspects (funding proposal)
- 196. Quality discussion
- 197. Quality improvements
- 198. Quality management
- 199. Quality system
- 200. Quantitative information prevailing (QL info quantified)
- 201. Realising results
- 202. Sense of reality
- 203. Reasons for four MFOs
- 204. Reciprocity
- 205. Reduce administrative burden
- 206. Relation Ministry and NGOs
- 207. Relevance
- 208. Reliability
- 209. Report results
- 210. Research
- 211. Resistance in MFP
- 212. Responsibility
- 213. Result-Based Management (RBM)
- 214. Risk management
- 215. Rome declaration (harmonisation of aid)
- 216. Sanction policy
- 217. Self-governance
- 218. self-reliance
- 219. Shifting responsibilities
- 220. SMART-systematic

- 221. Socio-economic developments
- 222. Southern partner relationships
- 223. Standardisation
- 224. Strong civil society
- 225. Substantive accountability
- 226. Sustainability
- 227. Synergy
- 228. Tailor made development cooperation
- 229. Tailor made monitoring
- 230. Tension in relation MFOs and MIN
- 231. Track record
- 232. Transparency
- 233. Transparent accountability
- 234. Trust in MFOs
- 235. Unclear goal of OS
- 236. UNDP reports
- 237. Uniformity
- 238. Unintended effects of reporting
- 239. Upward accountability prioritised
- 240. Usefulness of accountability
- 241. Validity
- 242. Vision
- 243. Voluntary providing information
- 244. World Summit on Sustainable Development
- 245. Zandvoort 1 conference
- 246. Zandvoort 2 conference

Appendix 6: Loose codes - Interview analysis

1. (Downward) accountability in partner assessment tool
2. 5 Core capabilities
3. Abstraction is enabling
4. Accountability as important value
5. Accountability for complementing and synergy
6. Accountability for good (quality) functioning
7. Accountability for learning
8. Accountability for results
9. Accountability institutionalised
10. Accountability is corruption policy (ex-ante)
11. Accountability not concerned with content
12. Accountability not problematic but governmental pressure/
13. Accountability policy tensions IOB and DSO
14. Accountability too complex
15. Accountable for flexibility
16. Active accountability
17. Adhering with minimum requirements government
18. Aligning competing (accountability) interests
19. Alliances efficient
20. Alternative to aggregating (measuring) results
21. Alternative ways of funding/cooperating
22. Annual report important for accountability
23. Balancing accountability
24. baseline
25. Basic amount of trust is important
26. Benefits of involvement with Ministry
27. Bureaucratic systems
28. Can deliver but does not make sense (civics baseline)
29. Changed role and accountability of NGOs
30. CIVICUS not useful for organisations
31. Civil society
32. Co-responsibility
33. Combination of QN and QL information
34. Communication issues with government
35. Complaining in MFS1 - heavy load
36. Complex reality
37. Concerns with counterfactual assessments - negative effect of accountability
38. Contradictions in formal funding requirements
39. Converting results from reality to ministry
40. Cooperation of MFOs
41. Corruption definition
42. COSO risk model
43. Counterpart choice (easy vs difficult)
44. Creating awareness through accountability

45. Creating fake certainties and reality (making calculable)
46. Creation of two results measurement systems
47. Decentralisation - ICCO
48. Decrease in public trust - public demands for accountability
49. Decreasing effectiveness and efficiency due to governmental requirements
50. Defining 'sustainable' development
51. Defining efficient aid
52. Demand for more timely information
53. Different monitoring and evaluation system within Alliance
54. Difficult (but important) to measure and communicate results
55. Donor dependence becomes unwise
56. Downward accountability
57. Downward accountability to partner/beneficiary
58. DSO focus on monitoring
59. Efficiency requires transparency
60. ERP & SAP system
61. Evaluation does not suit purpose of capacity building civil society
62. Evaluation is accountability
63. Explosion of NGOs
64. External evaluation
65. Field offices
66. Flexibility in applying accountability requirements ministry
67. Focus is mainly on financial accountability (negative point)
68. Focus on filling boxes
69. Focus on paper rather than reality
70. Focus on results is enabling
71. From autonomous to contractor
72. Goal of quality management system
73. Governing - country focus problem
74. Governing at a distance
75. Governing through accountability requirements
76. Governmental officials not interested in content
77. Impact on partner selection
78. Impact study
79. Importance of (public) support
80. Importance of audit
81. Increased competition
82. Influence and flexibility dependent on individuals in Ministry
83. Influence Ministry through lobby
84. Influence on Ministry requirements
85. Informal (less tacit) accountability
86. INK Quality model
87. Institutional logics
88. Institutionalised distrust
89. IOB became more narrow result focused
90. IOB focus on evaluations

91. IOB only evaluates - no sanctions
92. Joint (public) responsibility to be accountable
93. Lack of attention to content of reports (ministry)
94. Lack of capacity Ministry
95. Making results quantitative (calculable/reportable)
96. Managerial logic
97. Managing on spending funds
98. MFS1 monitoring perceived as tailor made
99. MFS1 monitoring protocol enables organisations to become more systematic
100. MFS1 perceived as positive
101. MFS2 evaluate 75%
102. MFS2 application process problematic
103. MFS2 effect on organisation structure
104. MFS2 Monitoring not tailor made
105. MFS2 requirement enabling (and logical)
106. MFS2 shift administrative burden from ministry to NGOs
107. Ministry assessment of monitoring protocol not transparent (room for interpretation)
108. Ministry demands perceived as interfering
109. Ministry feedback on protocols
110. Ministry more stubborn in MFS2 - less flexibility
111. Ministry not unwilling
112. Ministry reporting requirements not used/useful internally
113. Missing link required info and staff
114. Mission drift
115. Monitor important gov accountability instrument
116. Monitoring enabling
117. Monitoring protocol
118. Multiple stakeholder accountability
119. new public management (public and politic demand)
120. No MFS3
121. Nobody can be against accountability - public money
122. Not always able to aggregate results
123. Not much NGO sector accountability initiatives - causing pressure
124. Objective becomes means (accountability)
125. Only measure what can be measured
126. Organisation scan (ICCO/Cordaid)
127. Outcome mapping
128. Own information requirements
129. Political influence in organisation
130. Power relations
131. Pragmatic solution to ministry requirements
132. Pressure of accountability requirements enabling
133. Prevent regulation by first mover
134. Priority result areas
135. Professionalisation

136. Programmatic way of working
137. programme evaluations
138. programme evaluations (shifts in)
139. Programme financing and ex-post accountability
140. Project subsidy
141. Public demand for managerial logic
142. Quality and Control department
143. Quality management system
144. Definition of legitimacy
145. Relation with ministry
146. Requirements for funding clear in MFS1 and MFS2
147. Resistance to ministry requirements
148. Results report
149. Risk management partner selection
150. Risk of being accountability (negative)
151. Role of Partos
152. Segregation of duties
153. Selective hearing Ministry
154. Setting indicators for impact on beneficiaries (monitoring)
155. Shift away from solely focusing on MFS
156. Shift from ex-post to ex-ante accountability (2000s)
157. Shift from focus on monitoring to evaluation - MFS1 to MFS2
158. Shift from process to result focus
159. Shifts in attention to measuring results
160. Shifts in governmental accountability requirements - more pressure
161. Single management structure Oxfam
162. Strict requirements due to lack of capacity within Ministry
163. Steer on efficiency
164. tendency to aggregate results (ministry)
165. Tension accountability and autonomy counterparts
166. Tension accountability and development work (mission drift)
167. Tension accountability requirements alliances
168. Tension goal and attracting funding
169. Tension IOB and DSO
170. Tension learning and accountability
171. Tension within organisation to gather information
172. Toolbox
173. Transfer of decision making to South
174. Translating own approach to government demands
175. Trust decreased
176. Uncertainty due to funding
177. Uncertainty leads to strict requirements
178. Unclear assessment criteria/requirements ministry
179. Unclear split between monitoring and evaluation
180. Unexpected changes requirements
181. with-without measures

Appendix 7: List of Ministers of Development Cooperation

Time period	Name (political party)
Prior to 1965	None
1965-1967	Theo Bot (KVP)
1967-1971	Berend Jan Udink (CHU)
1971-1973	Kees Boertien (ARP)
1973-1977	Jan Pronk (PvdA)
1977-1981	Jan de Koning (CDA)
1981-1982	Kees van Dijk (CDA)
1982-1986	Eegje Schoo (VVD)
1986-1989	Piet Bukman (CDA)
1989-1998	Jan Pronk (PvdA)
1998-2002	Eveline Herfkens (PvdA)
2002-2003	None (State Secretary Agnes van Ardenne)
2003-2007	Agnes van Ardenne (CDA)
2007-2010	Bert Koenders (PvdA)
March 2010-October 2010	Maxime Verhagen (CDA)
From October 2010 onwards	None (State Secretary Ben Knapen (CDA))

(Source: Based on several governmental documents analysed in this study)

NEDERLANDSTALIGE SAMENVATTING

Onderzoeksoverzicht

Nederlandse overheidssteun voor non-gouvernementele organisaties (NGOs) die activiteiten verrichten op het gebied van ontwikkelingssamenwerking (*development-NGOs*) is geïnitieerd in 1965. Dit financieringsstelsel, aangeduid als het medefinancieringsprogramma of medefinancieringsstelsel, verstrekke aanvankelijk financiering aan drie development-NGOs: Oxfam Novib, Cordaid en ICCO. Tegenwoordig is het medefinancieringsstelsel open voor alle Nederlandse development-NGOs mits zij aan bepaalde voorwaarden voldoen. De relatie tussen de Nederlandse overheid en door de overheid gefinancierde development-NGOs was in eerste instantie gebaseerd op een hoge mate van vertrouwen, wat resulteerde in een terughoudendheid om hun werk te bekritisieren. Ontwikkelingen zoals de toegenomen omvang van financieringen en NGO-betrokkenheid bij publieke schandalen hebben geleid tot een meer sceptische houding van politici, de media en burgers ten opzichte van NGOs en hun activiteiten. In de evolutie van het Nederlandse medefinancieringsstelsel van 1965 tot de dag van vandaag, is het afleggen van verantwoording (*accountability*) daarom uitgegroeid tot een centraal kenmerk van debatten over Nederlandse ontwikkelingssamenwerking en de rol van de NGOs daarin. Ook in de wetenschappelijke literatuur is de aandacht voor NGO-accountability toegenomen. Er is echter relatief weinig diepgaand onderzoek gedaan naar de evolutie van NGO-accountability. Ook is er slechts beperkt onderzoek verricht naar het effect van steeds strengere accountability vereisten op het vermogen van de NGOs om te werken aan hun organisatorische missies. Deze studie richt zich op beide kwesties.

Het doel van dit onderzoek is beschrijven, beter begrijpen en verklaren hoe accountability zich heeft ontwikkeld in de relatie tussen de Nederlandse overheid en Nederlandse development-NGOs en hoe NGO-managers de operationalisering van accountability in het meest recente Nederlandse medefinancieringsstelsel (MFS2) ervaren. Op basis van deze doelstellingen zijn de volgende twee onderzoeksvragen geformuleerd:

1. Hoe is accountability vormgegeven in de relatie tussen Nederlandse development-NGOs en de Nederlandse overheid gedurende de periode van het midden van de jaren 1960 tot 2012?

2. Hoe ervaren NGO-managers de operationalisering van accountability in het meest recente Nederlandse overheidsfinancieringsstelsel voor development-NGOs?

Theoretisch kader

Het toegepaste theoretisch kader in deze studie is gebaseerd op het concept 'governmentality'. Dit concept is ontwikkeld door Foucault (1979) om hedendaagse politieke machtsverhoudingen te analyseren. Het focust zich op de activiteiten van instanties welke gericht zijn op het sturen van het gedrag van personen of organisaties om bepaalde idealen te bereiken. Deze studie maakt specifiek gebruik van de governmentality benadering ontwikkeld door Miller en Rose (1990; Rose and Miller, 1992), welke drie dimensies van governmentality onderscheidt: *rationalities of government* (de idealen waarop het aansturen van gedrag en activiteiten dient te worden gericht), *programmes of government* (de programmatische benaderingen die gericht zijn op het bereiken van de overeengekomen idealen), en *technologies of government* (de praktische mechanismen die gebruikt worden om de programmatische doelstellingen te operationaliseren). Deze drie dimensies maken het mogelijk om te analyseren en verklaren hoe de betekenis en operationalisatie van accountability zich heeft ontwikkeld in de relatie tussen de Nederlandse overheid en Nederlandse development-NGOs.

Onderzoeksmethoden

Het onderzoek betreft een kwalitatieve studie naar de (verschuivende) doelstellingen en benaderingen omtrent NGO-accountability en de perspectieven van NGO-managers omtrent de operationalisering van accountability-mechanismen binnen hun organisaties. Dit onderzoek omvat een longitudinale analyse van 283 (voornamelijk) overheidsdocumenten om een chronologie van accountability binnen het Nederlandse medefinancieringsstelsel te kunnen construeren. Tevens omvat dit onderzoek een analyse van 22 semigestructureerde diepte-interviews met 16 NGO-managers in vier development-NGOs (Oxfam Novib, ICCO, Cordaid en Hivos) en twee overheidsfunctionarissen werkzaam bij het Ministerie van Buitenlandse Zaken.

De focus van deze studie ligt op de ‘traditionele’ medefinancieringsorganisaties (Oxfam Novib, ICCO, Cordaid en Hivos), welke, met één uitzondering (Hivos), sinds 1965 financiering ontvangen via het medefinancieringsprogramma (later stelsel). Deze keuze is gebaseerd op de grootte van deze organisaties en het feit dat deze organisaties nog steeds ongeveer 70 procent van het beschikbare budget voor medefinanciering ontvangen. De focus op deze vier organisaties maakt het ook mogelijk om aspecten van de interviewanalyse te koppelen aan de chronologische studie naar de vormgeving van accountability.

Onderzoeksresultaten

De resultaten laten zien hoe een gebrek aan inzicht in en controle van NGOs binnen de overheid in de late jaren 1960 hebben geleid tot de opkomst van kwaliteitsverbetering als het ideaal (rationality of government) waar NGOs naar toe moeten worden gestuurd in het medefinancieringsstelsel. De enige maatregelen om dit te bereiken waren echter impliciete programmatische doelstellingen en beperkte accountability-technologieën (jaarverslagen en formele projectvoorstellen). In de jaren 1980, toen projectfinanciering is vervangen door programmafinanciering, werd kwaliteitsverbetering gerelateerd aan retrospectief toezicht op beleidsniveau als expliciet programmatisch doel (programme of government). Dit doel is geoperationaliseerd door middel van accountability-mechanismen (technologies of government) die uitgebreidere jaarlijkse rapportage, programma-evaluaties en externe inspecties van NGO-activiteiten omvatten. Het onderliggende ideaal van kwaliteitsverbetering werd verder uiteengezet door de focus te leggen op structurele (duurzame) armoedebestrijding. Meer specifieke programmatische doelstellingen gericht op kostenbewustzijn, verhoogde professionalisering en meer samenwerking tussen NGOs werden geïntroduceerd om dit ideaal te bereiken. Medefinanciering-NGOs werden vrij gelaten om hun interne administraties te reorganiseren om te werken aan het bereiken van deze programmatische doelstellingen.

De analyse richt zich ook op de vraag hoe en waarom een meer systematische aanpak van de medefinanciering van development-NGOs ontstond in de jaren 2000. Deze aanpak werd ondersteund door twee belangrijke programmatische doelstellingen: concurrentie om financiering en betere accountability (met een belangrijke focus op het zichtbaar maken van resultaten). Deze doelstellingen werden geoperationaliseerd door middel van bestaande

accountability-mechanismen zoals jaarlijkse rapportage, programma-evaluaties, externe controles, en daarnaast twee aanvullende technologieën - financieringsvoorstellen en monitoring. Hoewel deze accountability-mechanismen werden behouden gedurende de drie subsidieregelingen in de jaren 2000, werden de accountability-eisen steeds minder flexibel.

Betreffende de operationalisering van accountability, laat de analyse van de interviews zien hoe NGO-managers, verantwoordelijk voor de toepassing van accountability-mechanismen in het meest recente medefinancieringsstel (MFS2), de programmatische doelstellingen in deze regeling als potentieel waardevol en nuttig ervaren. Dit geldt echter niet voor de geïntroduceerde accountability-mechanismen, deze werden vaak gezien als belemmering van de organisatorische autonomie van NGOs en het werken aan de missie van de NGO. Hierdoor werd NGOs het leren soms onmogelijk gemaakt en werden zij gestimuleerd om successen te benadrukken en mislukkingen te negeren. Aanvullend laat de analyse zien hoe drie development-NGOs (ICCO, Cordaid en Hivos) strategieën ontwikkelden om te voorkomen dat zij, door het direct doorschuiven van inflexibele accountability-eisen aan hun counterparts (lokale NGOs in ontwikkelingslanden), te ver afweken van hun organisatorische missies. Ondanks dat deze NGOs probeerden om te opereren als een buffer tussen de MFS2 accountability-vereisten en hun counterparts, beweren sommige NGO-managers dat de dreiging van het afwijken van de organisatorisch missie (*mission drift*) hen heeft gedwongen om hun aanpak betreffende accountability te heroverwegen.

Bijdragen en beperkingen van het onderzoek

Dit onderzoek levert een aantal empirische bijdragen aan de NGO-accountability literatuur. Tot nu toe zijn er weinig studies op het gebied van NGO-accountability die zich richten op de bredere politieke context waarin accountability-vereisten zijn ontstaan. Deze studie draagt bij door een focus op de accountability-relatie tussen NGOs en een overheidsdonor en de mate waarin de NGOs worden beïnvloed door accountability-vereisten van een (overheids)donor. Daarnaast hebben weinig studies zich gericht op de perceptie van NGO-managers van geïntroduceerde accountability-benaderingen en het effect van steeds strengere accountability-eisen op het nastreven van de missie van hun organisatie. Ook laten de resultaten zien hoe NGOs omgaan met het potentiële conflict tussen het waarborgen van (toekomstige) financiering en het werken aan hun organisatorische missie.

Verder is er geen voorgaand onderzoek over NGO-accountability welke specifiek gebruik maakt van governmentality als theoretisch kader. Hoewel andere studies in accounting een vergelijkbaar theoretisch kader gebruiken, focussen deze zich met name op de technologische aspecten in plaats van de rationalities en programmes of government. Tevens draagt deze studie bij door een focus op de operationalisering van accountability als technology of government, hierbij voortbordurend op het argument dat het onzinnig is om abstracte rationalities en programmes of government te onderzoeken zonder te kijken naar de operationalisatie van technologies of government (Peterson, 2003; Garland, 1997). Daarnaast, door te onderzoeken hoe de Nederlandse development-NGOs zich verzetten tegen of aanpassingen doen aan vereiste accountability-mechanismen, richt deze studie zich op de klacht dat elementen van verzet en kritiek vaak afwezig zijn in studies gebruik makende van een governmentality kader (O'Malley *et. al.*, 1997).

Deze studie biedt ook een aantal praktische inzichten voor een breed scala van development-NGOs en (overheids)donoren. Het biedt hen een beter inzicht in de effecten van beleid op het gebied van accountability. Dit onderzoek laat zien dat hoewel onderliggende idealen zich vaak richten op betekenisvolle accountability, de vertaling van deze idealen in steeds nauwere, functionele en inflexibele vereisten leidt tot het stimuleren van NGOs om te streven naar korte termijn en makkelijk meetbare resultaten. Deze aanpak kan belemmeren dat NGOs leren van hun fouten en kan daardoor resulteren in minder effectieve en efficiënte ontwikkelingssamenwerking.

In het analyseren van de operationalisatie van accountability heeft deze studie zich voornamelijk gericht op de perceptie van NGO-managers. Toekomstig onderzoek kan wellicht ook andere perspectieven belichten. In het bijzonder kan hierbij gedacht worden aan de perceptie van lokale NGOs, begunstigden van NGO-activiteiten en ambtenaren van het Ministerie van Buitenlandse Zaken. Daarnaast kan toekomstig onderzoek een meer diepgaande studie verrichten naar geuite kritiek en weerstand betreffende geïntroduceerde NGO-accountability benaderingen. Dit zou direct bijdragen aan de bestaande literatuur op het gebied van NGO-accountability.

ACKNOWLEDGMENTS

Despite the fact that only my name is on the front of this thesis, it could not have been completed without the support of many others. After four years of hard work, it is now time to reflect on the journey taken and thank the people who were, in different ways, part of the process.

First of all, I would like to thank my supervisor Brendan O'Dwyer for providing me with the opportunity to pursue a PhD at the University of Amsterdam. I am very grateful for all the inspiration, encouragement and great supervision you have provided. I could not have wished for a more knowledgeable, committed and supportive supervisor. I have enjoyed working together on the thesis as well as undertaking other activities such as drinks, dinners and playing squash.

In addition, I would like to thank all the members of the Doctorate committee that took the time to examine my dissertation: Ans Kolk, Ed Vosselman, Jeffrey Unerman and Thomas Riise Johansen. Your comments and suggestions were very welcome and useful.

This thesis would not have been possible without the interviewees. Due to the agreed upon anonymity I cannot mention you all by name, but I would like to thank you for granting me access to your organisations and for taking the time and effort to participate in this study. I would also like to thank Anne-Marie Heemskerk of Partos for our discussions and arranging contacts within the Dutch Ministry of Foreign Affairs.

I also want to thank all my current and former colleagues at the Amsterdam Business School (ABS) for providing a friendly and stimulating environment and for commenting on my thesis. I would especially like to acknowledge my colleagues in the accounting section and fellow PhD candidates at the ABS for their support during my PhD. Niamh O'Sullivan thanks for triggering my interest in NGO accountability. Georgios Georgakopolous, thanks for all the helpful discussions and laughs. Dieter Wirtz I enjoyed sharing an office with you for the past four years. A special thanks goes out to René Bohnsack for being a great friend and colleague. I am very grateful for your support and all the extra-curricular activities we have undertaken in the past four years.

Furthermore, I would like to thank my friends who were of great importance in order to relax and step back from working on the thesis now and then. I would especially like to thank Hugo for his work as research assistant and for reviewing parts of my thesis. Juriaan, cousin and friend, I thank you for all our chats, trips, dinners and drinks.

I would also like to express my gratitude to my family. I thank my parents, Sieger and Emmie, for all their support and trust throughout my life. Jorn, I thank you for your insightful and sharp comments on the thesis and for being a great brother in many ways. Irene, I would like to thank you for commenting on my Dutch summary. Finally, I want to thank Marloes for her patience and encouragement. I am grateful to you for all the pleasant moments we have shared and for showing me that planning makes life easier.

ABOUT THE AUTHOR

Roel Boomsma was born on May 13, 1986 in Venhuizen, The Netherlands. He obtained a Bachelor of Science (BSc) degree in Economics and Business at the University of Amsterdam in 2007. During his BSc studies, he spent five months doing an internship at BDO CampsObers Audit and Assurance in Hoorn. In 2009, after finalising a thesis on how accountability was perceived within the Dutch non-governmental development organisation Oxfam Novib, he received his Master of Science (MSc) degree (cum laude) in Accountancy and Control at the University of Amsterdam.

In 2008, Roel started the PhD research described in this thesis. Throughout his PhD he presented his research at a number of international conferences, including the Centre for Social and Environmental Accounting Research (CSEAR) annual conference in St. Andrews University, Scotland in 2008 and 2009; the Interdisciplinary Perspectives on Accounting (IPA) conference at the Innsbruck University School of Management, Austria in 2009; the Annual Alternative Accounts conference at York University in Toronto, Canada in 2010; the Asia Pacific Interdisciplinary Research in Accounting (APIRA) conference at the University of Sydney, Australia in 2010; the European Accounting Association (EAA) doctoral colloquium and conference in Siena and Rome, Italy in 2011; and the Critical Perspectives on Accounting (CPA) conference in Florida, United States in 2011. Roel was also an active member of the Centre for Social and Environmental Accounting Research (CSEAR) and Research Center on Accounting and Control Change (RACC).

During his PhD, Roel taught a number of courses, including Financial Statement Analysis, Financial Accounting and Sustainability, Accountability and Ethics, and provided Bachelor and Master thesis supervision on a broad range of topics.

In 2013, Roel started working as an Assistant Professor of Accounting, with an emphasis on accounting and accountability in non-governmental organisations, at the Amsterdam Business School, University of Amsterdam.