Abstract

Extant research in the nonprofit literature focuses on NGO accountability, framing it relationally. We examine the interplay of several constitutive elements of NGO–donor relationships based on narratives of NGO executives: NGO perceptions of accountability and of their donors, their assumptions about donor perceptions of the NGO role and expectations of NGO accountability, and their responses to shifts in donor funding. We argue that perceptions and practices of accountability not only determine to whom an NGO should be primarily accountable but also shape NGO behavior and alter dependence on donors. As such, accountability is not necessarily a consequence of a relationship but more likely a constitutive element of the relationship. While a favorable response to donor interests might signify upward accountability, it might also suggest that NGOs are more assertive about managing their institutional environments and thereby mitigate their dependence on donors.

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Cover photo

Picture taken by author Khaldoun Abouassi in August 2015. Lebanon has been facing a garbage problem for the few months, with a clear lack of accountability (and inability to take action) by different stakeholders.
Accountability is a relationship between an organization and its stakeholders in which each side assumes responsibility for its actions. As NGO relationships with donors change, so do accountability practices. Following the subsidiarity principle, an NGO should serve its community, appealing to its needs and demands. Morally, an NGO should be accountable to its values and its beneficiaries. However, over-emphasizing and over-professionalizing the financial dimensions of NGO accountability weakens this capacity for accountability. NGOs rely on donors for financial resources, and donors need to protect their interests and intentions. This situation compels NGOs to focus on upward accountability to donors.

At the same time, encouraging citizen-beneficiary participation in development management requires active donor involvement. Maintaining legitimacy and credibility as well as donors is a related accountability challenge for NGOs. Accepting a donor’s shifting of or reduction in funding can undercut an NGO's downward accountability. The dilemma is that these “multiple accountabilities,” as scholars refer to them, are often at cross-purposes.

This study examines the ways in which accountability practices have influenced and are influenced by NGO relationships with donors. First, we review pertinent theory and practice of accountability. We then explain the qualitative methodological approach; the case background on three local, indigenous, formally registered, membership-based Lebanese NGOs in the environmental sector; and the theoretical value of a small-scale, one-sector, single-country study.

We compare findings from the recent case analyses of these three NGOs’ accountabilities amid shifts in funding from one common donor, from economic development to delivery of social services. The comparison focuses on selected NGO leaders’ narratives about the sociopolitical tensions, power shifts, and information sharing (and hoarding) that affect their accountability relationships. Based on their narratives, we attempt to broaden our perspective on accountability by examining the interplay of five constitutive elements of NGO–donor relationships: their perceptions of accountability, their perceptions of donors, their assumptions about donor perceptions of the NGO role, their expectations of NGO accountability, and how they respond to shifts in donor funding.

The analysis indicates that the NGOs manage their institutional environments and resources more assertively than is generally assumed. NGO leader perceptions about accountability and realities on the ground may affect organizational outcomes, including legitimacy, that weaken or reinforce dependency on donors. Overall, we find that NGOs’ assertiveness, informed by their understandings and practices of accountability, not only determine to whom they should
primarily be accountable but also shape NGO behavior and mitigate dependence on donors. NGOs’ perceptions and capacities signify their growing influence, i.e., social power. These findings contribute to a more integrative research platform, for a more holistic understanding of accountability practice, and set the stage for future hypothesis-building and -testing.

**Accountability to whom?**

While accountability is central to NGO legitimacy, it continues to be a highly complicated and problematic concept. External and internal accountability are the two defining frames of reference for NGOs in Lebanon and other lower- and middle-income countries, subject to many perspectives. Other framings pertinent to a deeper understanding of NGO leader–donor relations and practices are inward and outward responsibility, upward and horizontal accountability, and functional and strategic accountability. In the first section of the literature review, these multiple accountabilities are explained. In the second section, four strategies for coping with them are explained in the context of five elements of NGO–donor relationships.

**Negotiating accountability outside, inside, and all around**

External accountability is “the means by which individuals and organizations report to a recognized authority (or authorities) and are held responsible for their actions,” or “a relationship in which an individual or agency is held to answer for performance that involves some delegation of authority to act.” Especially when that individual or agency “recognizes that it has made a promise to do something and accepted a moral and legal responsibility to do its best to fulfill that promise,” accountability is shown to be relational in its very nature.

Second is the internal dimension of the concept, which is less formal and often underemphasized. Here, accountability is not demanded by or bestowed from outside but generated from within, “motivated by ‘felt responsibility’ expressed through individual action and organizational mission.” Scholars argue that informal accountability is as important as formal accountability; it is shaped by NGO staff members’ individual and interpersonal values,
and by actions that are more discretionary and complicated, and less transparent and studied, than formal accountability interactions.

Herein lies a challenge. Accountability is at once inward (for its own) and outward (to others) responsibility. Accountable accountability is more aptly framed as one of the relational processes of responsibility, along with moral agency and obligation. Because these relational dimensions are inherently in tension, it is an unreliable strategy to try to achieve accountability by rewarding or sanctioning the actions of the less powerful. Conceptualizing and perceiving relationships of responsibility or accountability involve negotiating the stakeholders’ conflicts over power.

Intra- and inter-organizationally, NGO managers and donors around the world face constant challenges to their power; processes exist for countering them. NGOs have significant stores of social power—the communicative and organizational capacity to set norms, rules, and procedures without payment or coercion. Their social power is growing along with social media and other information and communication technologies. Internal self-evaluative practices can help NGOs sense their personal responsibility and capacity to identify and address donor and governmental obstacles to accountability in development. The challenges might be manageable if construed “chiefly as a process of dialogue rather than as passive compliance in the face of anticipated reward or punishment.” The internal relational processes of governing generate accountability; these processes include engaging citizen-beneficiaries as well as donors. Beyond NGOs being accountable just to all stakeholders, these upward and downward dialogues reflect the need for creative self-development and “commitments to others in a moral community.”

Upward accountability reflects an NGO’s relationship with donors or government, as a consequence of control over financial or regulatory resources. Downward accountability denotes an NGO’s relationship with beneficiaries or with those indirectly affected by its activities. Horizontal accountability to other NGO peer organizations is usually demonstrated in self-regulation mechanisms. As such, there is a system of accountability and not just a set of unconnected binary relationships. We can also talk about an “NGO’s responsibility to its mission and staff, which includes decision makers as well as field-level implementers.”
Accountability as a resource strategy

Accountability faces several dilemmas. Multiple accountabilities can be complementary but also problematic and conflicting, e.g., up and down organizational hierarchies or functions. Motivations of accountability relate to political concerns, protection of the interests and intentions of the donors, sustainability of services, and protection of credibility in order to safeguard revenues and maintain public trust. Many local NGOs lack adequate financial management and are more interested in acquiring assets than in planning to utilize and maintain them. NGO motivations to stay above the political fray, protect beneficiaries’ and donors’ interests, and avoid corruption accusations are closely associated with multiple accountabilities. Political concerns might induce horizontal accountability, and, morally, NGOs should be accountable to values they profess and beneficiaries they serve.

However, the reliance on donor funding is what allows local NGOs to function and serve their constituencies. The focus then becomes more on functional accountability for resource use and immediate results, and less on strategic accountability related to long-term impact and sustainability of initiatives. This conflict between functional and strategic accountability is associated with the push by donors toward professionalism in the NGO sector. Professionalism has many forms: standardization, planning, evaluation, monitoring, and reporting. The push intends to promote greater managerial and policy expertise for NGOs, and transparency and efficiency in the appropriation of funding. However, several studies show NGOs being diverted from mission to attend to time-consuming, culturally insensitive, and complicated quantifiable data systems and procedures, which together deplete good intentions and purposes.

As several scholars have argued, donors’ preference for NGOs as recipients of development funding does not necessarily yield immediate positive results. As a matter of fact, this preference has been problematic for NGOs; donors develop policies and priorities and revise them at an ever-increasing pace, while NGOs lag behind, trying to figure out how to react to these developments. Khaldoun AbouAssi (2013) explores NGOs’ reactions, building on the typology of exit, voice, and loyalty. The author suggests that an NGO can react in four different ways to donor’s revised priorities and funding:

1. Exit: when an NGO decides to no longer seek funding from a particular donor and suspends the relationship
2. Voice: when an NGO relates its feedback and concern to the donor with the intention of influencing the donor’s decisions and sustaining the relationship through reaching common ground that balances the donor’s and NGO’s interests.

3. Loyalty: when an NGO automatically and unconsciously complies with the donor; this best describes the strategy of the so-called “donor-organized” NGOs, xxxiii which are characterized by a lack of agency and donor attachment.

4. Adjustment: when an NGO practices agency voluntarily and deliberately decides to adjust activities in favor of the donor’s new objectives in order to secure funding, xxxiv as a result of donor attachment and the funding the relationship generates.

These four strategies (EVLA) suggest that NGOs are more proactive in managing their institutional and resource environments than assumed. Using an exit or voice strategy, an NGO exchanges economic resources to control symbolic non-material resources, e.g., status, prestige, reputation, and information. Alternatively, exercising loyalty or adjustment offers more financial security. Emphasizing one or another EVLA strategy can reflect different kinds of accountability; “the stronger the downward or internal accountability, the more likely an NGO is to exit or exercise voice.” xxxv These two strategies also require social power. A nonprofit can protect its interests by actively differentiating from rivals when competing over external resources. This largely dialogue-based differentiation strategy allows the organization to pursue a favorable relationship with the donor, in which accountability could be a symbolic non-material, strategic resource—e.g., solidarity with and trust among beneficiaries—instead of a consequence of the relationship. Recent studies of cross-sector, transnational accountability relationships substantiate the growth of symbolic resource strategies. “Conversely, upward accountability is associated more with reactions of adjustment,” xxxvi suggesting a possibly smaller store of social power, other things being equal.

As such the EVLA strategy reflects to a certain degree perceptions and internal decisions NGO managers follow in their accountability relationships with donors. These perceptions and internal decisions are important, constituting informal accountability that is more complicated, less transparent, and less studied than formal accountability interactions. However, there is a gap between the rhetoric and reality in relationships among organizations in general and between the structured accountability and the less formal one.
We dissect the informal attitudes and discretionary behaviors here by considering five constitutive elements of NGO–donor accountability relationships. The elements are: 1) NGO perceptions of accountability overall; 2) NGO perceptions of their donors; 3) NGO assumptions about donor perceptions of their role; 4) NGO expectations of their own accountability; and 5) the EVLA resource strategies to indicate how NGO practices have influence on and are influenced by their dependence on donors. Mapping these elements, along with information sharing and other networked communication practices, helps focus and improve accountability practices. NGO perceptions shape their accountability mechanisms, and how they differ from other NGOs. All of these actions can serve to reduce their dependence on donors. We proceed with a description of the comparative case study and an explanation of the process for analyzing NGO managers’ accountability perceptions, assumptions, and donor dependency.

**Methodology**

Relationships with donors inevitably influence NGO accountability. Accountability relationships flow from hard-structured ties and power to less formal and increasingly influential social power. In this study’s methodological approach, we deepen our knowledge about accountability through a narrative analysis of NGO manager perceptions, assumptions, and financial situations vis-à-vis a single, prominent donor organization. This section lays out the selection and scope of the single-country, comparative case study from which the narrative data are generated. The study’s structural strengths and limitations are also noted.

**The case background**

The study focuses on Lebanon because it has characteristics similar to many nations in the global south. It is a small country of 4 million, with an additional population of approximately 1.2 million Syrian refugees. Lebanon maintains a fragile democracy and a developing economy, relying on external sources of revenue, e.g., foreign assistance, loans, treasury bonds, and grants. Decades of sectarian political conflict within and around the country have weakened trust in government and brought about greater reliance on the private sector and overseas remittances. Perhaps more than in many nations of similar size, Lebanon’s NGO sector is dynamic, although
rumors of corruption within the sector surface regularly. The country’s sociopolitical milieu and weak public-service-system delivery allow for NGOs to be active in all aspects of public life. A vibrant, sophisticated, and diverse media sector adds to NGO leaders’ advocacy opportunities.

One of the distinctive features of Lebanese NGOs is that they secure funding from various sources with less interference from the central government than is the case in other countries in the Middle East and North Africa. The Lebanese government has loose control over NGO funding and does not require prior notification or approval when funds are channeled through government agencies to NGOs. With outdated laws on tax exemptions for philanthropy, the major sources of funding for Lebanese NGOs are membership fees and international donors. There is a shared perception among NGOs that donors prefer working with NGOs over working with the government. This perception that more productive relationships are possible with private and international funders than with government further weakens NGO–government relationships. Because of this, there is a lack of clarity among some NGO executives about the role of government in development and a hesitancy on the part of NGOs to identify such a role.

Three registered NGOs, and one bilateral donor common to the three, were selected for this study. The analysis of their relationships excludes narratives about any funding from multilateral donors and international philanthropies. To control for the type of industry that influences accountability structures, the three organizations operate in the same field, environment, which was selected because this study falls within a broader research project on environmental NGOs.

These NGOs are membership associations with dues-paying members, but the mission of each is to serve the general public. NGO1 supports environmental sustainability by addressing environmental hazards and air pollution. NGO2 focuses on conservation through reforesting and fighting forest fires. NGO3 promotes environmental protection by implementing educational campaigns and activities. All three operate through executive committees consisting of five to seven members. NGOs 1 and 2 have fairly low reliance on the bilateral donor because of relatively high numbers of volunteers and funding sources, along with strategic planning exercises, regular monitoring, and both formative and summative evaluation. NGO3 has a higher reliance on the bilateral donor. Table 1 provides comparative data on the three organizations.
Table 1. Comparative data on the three NGOs

<table>
<thead>
<tr>
<th></th>
<th>NGO1</th>
<th>NGO2</th>
<th>NGO3</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Mission</strong></td>
<td>Sustainable environment</td>
<td>Conservation of natural resources</td>
<td>Protection of environment</td>
</tr>
<tr>
<td><strong>Number of active members</strong></td>
<td>100</td>
<td>50</td>
<td>60</td>
</tr>
<tr>
<td><strong>Executive committee</strong></td>
<td>7 members</td>
<td>5 members</td>
<td>7 members</td>
</tr>
<tr>
<td><strong>Internal governance</strong></td>
<td>High leadership turnover/clear division of authorities</td>
<td>High leadership turnover/clear division of authorities</td>
<td>Low leadership turnover/clear division of authorities</td>
</tr>
<tr>
<td><strong>Number of paid staff</strong></td>
<td>3</td>
<td>8</td>
<td>1</td>
</tr>
<tr>
<td><strong>Number of volunteers</strong></td>
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<td>112</td>
<td>20</td>
</tr>
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<td><strong>Annual Budget</strong></td>
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<td>$400,000</td>
<td>$150,000-$200,000</td>
</tr>
<tr>
<td><strong>Internal revenue sources</strong></td>
<td>Membership fees/donations</td>
<td>Membership fees/income generating projects</td>
<td>Membership fees</td>
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<td><strong>Percentage of total annual budget</strong></td>
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<td>17</td>
<td>6</td>
</tr>
<tr>
<td><strong>Number of external donors</strong></td>
<td>8</td>
<td>9</td>
<td>3</td>
</tr>
<tr>
<td><strong>Reliance on donor</strong></td>
<td>Low</td>
<td>Low</td>
<td>Medium</td>
</tr>
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</table>
Methodological scope and approach

This study is exploratory in nature, seeking better understanding and insights about accountability by analyzing narratives of 16 practitioners in three NGOs. We query those practitioners on five interactive perceptions, assumptions, expectations, and actions that might shape and interrelate to shape their accountability. This bottom-up, integrated approach should be a welcome alternative to the segmentation of accountability research across disciplines and sectors hampering the understanding of relational accountability.

This is also an observational and comparative study. It is observational because the conditions of the selected sample of NGOs are beyond the researchers’ control. The cases were selected because they have not yet been subject to an analysis of NGO accountability and because of mixture of similarities and differences among the three. The key difference among them is the diversity of their reactions to a shift in donor funding. These features address the requirements for homogeneous sampling to reduce variation and simplify analysis and allow comparability across the cases.

Data collection, analysis, and limitations

The study relies on qualitative data collected through 16 semi-structured in-depth interviews with executives and project managers of three NGOs. To ensure validity of the data, approximately five members from each organization were engaged for interviews. To ensure compatibility of information quality across organizations, one of the interviewees of each NGO was an executive director; the others were members of the senior management or officers involved in managing projects. For confidentiality, the exact titles of the other four are not disclosed. In addition, three experts on the NGO sector in Lebanon were consulted to verify information and provide additional context and insight.

Semi-structured interviews with NGO representatives provide multi-year, detailed description of the background, work, and management of their organizations and relationships with the donor, as well as their perceptions and practices of accountability. Interviewees were invited to describe their organizations’ efforts to secure funding from the donor and to assess the relationship with the donor, their understanding of donor expectations, and any apprehension about having the
capacity to maintain an acceptable standard of accountability. Responses elicited various perspectives of this group of practitioners. Discourse analysis was used as an analytical tool to understand variations in interpretations, since all meaning is context specific, multifaceted, and ever evolving. It helps us arrive at more generalizable conclusions about the actors’ perceptions and, consequently, organizational behaviors and positions vis-à-vis the donor.

We acknowledge that the single-country study and small sample are not necessarily representative, limiting generalizability of results. A larger sample, as in the study of the use of outcome measurement to bolster nonprofits’ accountability to beneficiaries, would permit hypothesis-testing of the relational dimensions of accountability using software to analyze narrative data, applying the research more broadly. Future studies should also investigate perceptions, reactions, and practices of other stakeholder groups—donors, governments, and beneficiaries—and compare them with those of NGOs. Because other countries in the global south share one or more of Lebanon’s demographic and sociopolitical features, this study prepares a platform for painting a clearer, more inclusive picture of perceptions of NGO accountability, moving beyond descriptive presentations of mechanisms. The following section provides narrative data to generate research propositions that can then be tested as hypotheses with larger samples in Lebanon and beyond.

**NGO accountabilities vis-a-vis donors: perceptions, practices, and strategies**

Perceptions and practices of accountability determine to whom an NGO should be primarily accountable, shape NGO behavior, and alter dependence on donors. In this findings section, we develop two other parts of the argument. First, that these NGOs manage their institutional environments and resources more assertively than is generally assumed. Second, that various accountability relationships give them different degrees of leverage to reject donor demands and potentially forgo funding.
**Internal/inward accountability**

NGO1 works on environmental sustainability through innovative production technologies. According to one interviewee, this NGO “believes in engaging local communities through various democratic means to express opinions and demands and bases their work on the situations in these communities.” NGO1 has diversified sources of funding that are selected deliberatively among members, using thorough criteria. NGO1 works to base relationships with donors on mutual benefit and exchange of ideas and continuously evaluates them to ensure autonomy and credibility.

Interviewing NGO1 members provided evidence of a mission-centered organizational culture. Members, interviewed separately, express a similar line of thought: specific principles and values reflected in the mission drive their NGO. One interviewee states, “We take pride in being committed solely and utmost to what our mission reflects; that takes precedence over anything else.” A junior staff member adds, “We do not twist our environmental mission to fit a certain theme; we should twist the themes to fit the mission. That is why we do not chase donors and follow funding objectives.” This stance is reflected in an unwritten policy on donor funding based on NGO1 principles and values. NGO1 was working on an environmental study funded by the donor; when the donor shifted the focus of funding with new criteria concentrating on social services that did not align with NGO1’s mission and line of work, NGO1 deliberately decided to no longer seek that donor’s funding. Simply stated by an NGO1 program manager, “All our activities should be very much related to our mission and values; otherwise I do not see how we can exist as an environmental NGO.” This strategy is described as *exit*.

The NGO1 director provides further thoughts on the subject of exit: “We know our mission. We know what is needed and what we should work on. We develop project ideas that serve only our own objectives and try to secure funding.” Interviewees were clear that mission-centeredness deserves the most credit for influencing NGO1 actions. Likewise, volunteers are motivated by mission and not by their individual interests. Even local needs play a secondary role in this regard. A board member explains, “It is very normal in the work of NGOs to interact and respond to the surrounding environment where change takes place all the time and in all fields—not just purely on the environment, but also in the social, economic, and humanitarian areas. However, we are not interested in modifying our activities, let alone abandoning our principles and identity, especially for the sake of some funding.”
Rigid adherence to organizational values and mission reflects inward accountability, driven by “felt responsibility” for mission and actions. NGO1 strictly adheres to its missions and values. A program manager elaborates: “These are the guiding stars; we know where we are and where we should head. It is not only what my boss tells me to do, but what the values I am committed to compel me to do.”

The process of approaching a donor yields a relationship based on perceived mutuality and equality. As the executive director further explains, “When our agendas are compatible, funding objectives match our goals and the donor’s plans accommodate our programs.”

NGO1 aspires to a relationship with the donor that is based on partnership, though employees recognize that the donor does not necessarily share this perception. Another senior staff member comments, “The donor might portray us as implementers of projects or an agenda. No matter how much you try, the donor keeps a distance.” NGO1 rejects donor funding if the donor is perceived to jeopardize the identity of the organization or question its values.

How does NGO1 perceive the donor’s expectations for NGO accountability? One senior staff member questions whether the donor expects local NGOs to be accountable for long-term development of local capacity:

I am not sure how much donors are really interested in developing local capacity when many assistance agreements impose intermediary northern NGOs into the process. These organizations enter the country with their own human resources and do involve local NGOs, but most of the time on a contractual basis, neither investing in capacity-building of local organizations nor in sustainability of initiatives. And on top of that, accountability is jeopardized.

In the estimation of this interviewee, the donor’s expectation of the NGO is low, suggesting that it is up to NGOs to maintain a focus on the effectiveness of their accountability practices and the needs of beneficiaries. This is echoed by the executive director: “Accountability is usually associated with accounting; that’s mostly what a donor focuses on. But that is not the essence of the matter; to us, it is our adherence to our mission and values and our commitment to what we promised to do.”
External/downward accountability

The mission of NGO2 is the protection of natural resources through conservation, forest-fire fighting, and reforestation. According to the interviewed members, stakeholders are the local communities the organization serves and partners with. One NGO2 interviewee notes that “The work evolved over time; it was demand-driven. People were driving and following our progress, satisfied with it.” The organization has established strong legitimacy among stakeholders by actively involving them. They are queried about what they want and need before a project is designed, as opposed to being given what one program manager calls “a prefabricated project that they do not understand, that will definitely fail.” Stakeholders’ involvement is also institutionalized into voluntary units to follow up on project implementation.

NGO2 works to meet the needs of the people it serves through funded projects. The organization engages the public in participatory rural appraisal to conduct need and impact assessments. NGO2’s executive director notes that, “Our legitimacy stems from the local community. We use our knowledge and expertise to serve local needs. We always make sure that our work is more aligned with local changes and not dramatically influenced by donor priorities.”

The perception of accountability is similarly traced. NGO2 employees consider their organization to be accountable to stakeholders. A program manager reiterates the position that, “We are always working with and for the local communities. We make a strong case to the donor. Our project ideas are strong because they are based on local needs. You provide these ideas to donors to convince them to fund your projects.” A senior staff member adds, “Accountability is embedded in the relationship with the people, in the services we provide to the people.” Sensitivity to local needs and bottom-up initiatives allows the local communities to empower themselves, following up on the work of the organization and holding the staff responsible. This is a clear illustration of an external dimension of accountability, where the focus of responsibility is downward toward beneficiaries.

Herein lies the strength of NGO2’s interaction with the donor. All interviewed NGO2 members believe that the donor cannot force anything on their organization. “The donor comes with limited knowledge and sometimes changes prerequisites and requirements. We have our studies and expertise and make suggestions to make donor interests relevant to local needs,” one NGO2 member clarifies. NGO2 leverages legitimacy and reputation as non-material resources in the relationship with the donor.
The NGO’s perception of a balance of social power with the donor leads to a more open relationship. The donor is perceived as a partner. The NGO2 director comments that, “Our relationship with the donor has evolved; the donor is not the moneymaker who gives you money when you knock on its door. The donor has objectives. We do too. As the objectives have meshed, we have become partners.” This favorable perception is assumed by NGO2 to be mutual. NGO2’s employees strongly believe that the donor also considers them a partner. “We worked hard to build this trust and continue to value this ongoing relationship. Although sometimes donor requirements are cumbersome and the donor wants to support other NGOs, we are still involved together; the donor always approaches us not only when funding is available but also for consultations and brainstorming ideas.”

As expected, NGO2 has sustained its relationship with the donor and secured funding for projects at times when the funding focus was changing. The organization balanced the donor’s interests in social services and its own environmental agenda by designing an income-generating project focusing on recycled materials. The organization did not risk alteration in the nature of its activities, practicing voice\textsuperscript{lxvi}; it demonstrated commitment to stakeholders by not conceding to donor interests, instead balancing these interests with demands and needs of local communities, thus reinforcing downward accountability. Even in reporting, NGO2 was providing information to beneficiaries and explaining results, achievements, and constraints,\textsuperscript{lxx} rather than just to donors, demonstrating a special interest in strategic accountability for impact and sustainability.\textsuperscript{lxxi}

Regarding perception of how the donor wants NGOs to be accountable, an NGO2 member reports that, “We do not need to worry, because we know what we are doing. We cover every aspect of donors’ criteria. We respond quickly to requests. We are transparent and professional in our reporting. We should not dwell on these issues. The focus is somewhere else, where our efforts need to be.” A senior staffer relates, “Donors can play a positive role to remedy low accountability, as they are now imposing certain requirements on NGOs, such as in grant applications and reporting.” This interviewee reflects that the donor has recently required more accountability from NGOs, making it reasonable and beneficial for NGOs to improve their administrative practices. “NGOs might respond to these requirements on paper but not with real change in practices; you can provide the donors with adequate financial reports without being transparent; you can claim good governance while the staff does not know what is going on.”
Amid these perceived moderate expectations, the NGO has to determine how to act. A junior staffer explains that, although the donor does not necessary require much from the organization, the beneficiaries do:

Big NGOs execute a project without involving, or caring for, the local people and leave without turning the ownership over to the local people, [risking] projects to fail as if nothing was done. Locals know each other and would follow up closely and hold people responsible. Here we are talking about accountability, we as an NGO have a moral accountability to the local people based on the close personal connections; we won’t be able to avoid people’s complaints.

The narrative above reflects a framing of accountability, along with agency and obligation. Accountability, agency, and obligation are pursued to fulfill a moral sense of responsibility to beneficiaries. Responsiveness to citizen-beneficiaries is evidence that participation is an accountability process.

**External accountability—multiple mechanisms**

The third organization, NGO3, focuses on basic conservation and promoting green spaces. The organization has been struggling since its inception, especially with financial resources. Sources of funding are limited. Members’ donations barely cover operational costs. To implement any project, NGO3 has to rely on external funding, mainly from international donors and organizations. NGO3 finds itself in a very uncomfortable position; as the donor shifted funding priorities from environment to social services, NGO3 changed the nature of some of its work to provide services to the elderly. This is called *adjustment.*

Alternating among these project areas manifests itself in the NGO’s perception of the donor as strictly a source of funding. “It is like you are dealing with a bank and taking a private loan,” an NGO staff member says. The director of the NGO elaborates, “We cannot find donors all the time, and no one donor can finance you all time. We do not have much leeway.” The relationship with the donor is project based. The director admits that the donor most likely looks at the organization as a subcontractor, providing financial resources and imposing specific conditions and guidelines. The NGO develops proposals and then executes approved grants accordingly. A junior staff member says of the situation, “I feel I have two bosses: my boss and my boss’s boss who is providing the money.”
Attentiveness to local needs is NGO3’s justification for these adjustments. Interviewees tried to demonstrate that they are in touch with and accountable to beneficiaries. “It is what the people want,” states a program manager. The director elaborates, “If you are working on environment, you have to get into social, cultural, and socioeconomic issues. We are still serving our people and satisfying needs and expectations. After all, if we limited ourselves to environmental issues and projects, we might not be able to fully serve our people.” An interviewed NGO expert challenges NGO3’s claim, saying that the NGO has been “following the money and doing what the donor wants”:

The NGO paid people to write good proposals and secure funding. It got the grant, but the team did not have an idea of what was in the proposal. Developing a good proposal does not mean the organization is connected to the ground and to the beneficiaries it promised to serve. Who held them accountable? The donor.

Another NGO expert interviewed notices that the attempt to claim downward accountability is countered by donor control over financial resources and intervention when an organization fails to perform. NGO3’s increased reliance on donor funding is accompanied by an excessive upward accountability; the donor–NGO relationship turns into one of contracting, focusing on accounting for financial resources, their usage, and immediate results. This is reflected in an observation by a senior staff member about functional accountability or rather accounting, contrasting it with a perception, which incorporates transparency:

Accountability, as I see it, is more financial; how much an NGO gets and spends. We believe in transparency; all our payments are issued in checks—regardless of the amount—payable to the first beneficiary only; we keep our records updated, and we have everything listed in our bank statements.

NGO3 is more concerned with handling functional accountability and ignores the broader goal of long-term impact and sustainability of initiatives. An interviewed junior member was not very clear on accountability: “Regretfully, there is no one holding us accountable. We lack this culture of accountability; people do not care. I prepare some reports, and we submit general statement to the government and more detailed reports to the donors; the public does not know what I am really doing and therefore cannot hold me accountable.”

The focus is on reporting and monitoring systems and complicated funding criteria, as an interviewed member complains:
If I am applying for funding, I will be more focused on these criteria than on my own project. The value of a proposal is in its idea, financial feasibility, and the way money would be spent. I do agree that donors have the right to know how money is spent, but that is after the NGO gets the money and not far in advance.

This interviewee has a perception of donor expectation of accountability different from those of the NGO1 and NGO2 interviewees discussed above. Donors should and do expect NGOs to account for expenditure of funds that might jeopardize project impact and sustainability.

Unintended consequences

The interplay of various accountabilities leads to and is reinforced by NGO–donor relations. As the figure below reflects, the stronger the inward accountability to values and mission, the more likely an NGO is to fend off any changes due to donor funding and therefore practices exit. Also, the stronger the downward accountability, the more able the NGO is to use its connection with its local communities as a differentiation strategy that sets it apart from other organizations. This empowers the NGO to practice voice with donors. At the same time, the more an NGO secures funding without altering its activities, the more likely the organization is to uphold community stakeholder interests and, consequently, to reinforce downward accountability.

The reliance on external sources of funding to sustain operations jeopardizes organizational credibility and service sustainability. According to an NGO3 interviewee, “Credibility is not

Figure 1. Interplay among NGO strategies and accountabilities.

The reliance on external sources of funding to sustain operations jeopardizes organizational credibility and service sustainability. According to an NGO3 interviewee, “Credibility is not
related to accountability, which is just financial. Whenever we hold a meeting and get a good crowd or when reporters approach us, this demonstrates credibility.” This framing of credibility is oversimplified and dissociated from accountability. As NGO3 chased funding in the name of satisfying needs, the organization diverted from its environmental mission to other types of activities. This behavior confirms that perception of accountability is also adjustable, and that upward accountability shapes NGO practices and can undermine its credibility.\textsuperscript{lxxviii}

NGOs’ limited accountability toward the rights of holders (citizens/beneficiaries) as duty bearers is a persistent problem, despite their critical role.\textsuperscript{lxxix} In the Lebanese situation, development is supply-led by the donor.\textsuperscript{lxxx} In general, many NGOs do not have comprehensive strategies and find themselves at the mercy of donors. As donors set their own agendas, these organizations often cater their programs and activities accordingly, to secure funding.\textsuperscript{lxxxi} With limited financial resources, Lebanese NGOs have become more responsive to donors’ interests. Donors opt for non-risky, low-return, and highly visible interventions at times when aid assistance is being scrutinized and funds cut back.\textsuperscript{lxxxii} In response, NGOs risk going into new fields beyond their own missions, leaving many needs unmet or neglected.\textsuperscript{lxxxiii} Some NGOs prefer to remain in their comfort zones of work and limit their services to the same target groups. This leads to a common observation by scholars and practitioners that accountability is taken seriously only by and between NGOs and donors.

This discussion can be thorough only by bringing together the different constitutive elements of NGO–donor relationships as they relate to accountability.\textsuperscript{bxxiv} The table below displays NGO perceptions of accountability and of their donors, NGO assumptions about donor perceptions of their role and expectations of NGO accountability, and NGO responses to shifts in funding. These elements help us better understand how various accountabilities affect or are reinforced by NGO–donor relationships.
Table 2. NGO accountability perceptions and practices

NGO1’s perceptions are that accountability is an expression of its organizational values, that the donor is its partner while assuming that the donor perceives it as an implementer, and that the donor does not expect it to be very accountable. These elements of the donor relationship are in tension, leading to NGO1 exiting the relationship. In contrast, NGO2 associates accountability with beneficiary needs and interests, sharing a common perception with the donor of reciprocal partnership and obligation to be accountable. With this more closely balanced accountability relationship, NGO2 expresses voice to the donor. NGO3 perceives accountability as being to both beneficiaries and donors, and the donor’s role as funder and its as subservient contractor with high accountability to the donor; it adjusts its strategy with each shift in funding.

Existing research\textsuperscript{\textsuperscript{xxxv}} suggests that informal accountability dynamics are less transparent than formal ones and linked to certain rewards. We want to add further that these dynamics are common throughout an organizational hierarchy and relate to individual perceptions, despite existing institutional accountability mechanisms.

In addition, we ought to recognize that, although personal ethics and relationships are key components of accountability,\textsuperscript{\textsuperscript{xxxvi}} individual perceptions could supplement or undermine these mechanisms. The focus should move beyond whether and how individuals and organizations hold one another accountable informally\textsuperscript{\textsuperscript{xxxvii}} to explore perceptions of those individuals that not only derive from personal values, ethics, and relationships but also relate to social power. In some cases, such as with NGO1 and NGO2, we noticed shared perceptions of accountability.
and donors. With shared norms and understanding, formal accountability is solidified, and these organizations can manage their behaviors and relationships with the donor. The variation in these perceptions—regardless of how nuanced—could have broader implications for organizational behavior when it comes to accountability.

We want to conclude this discussion by drawing additional observations and presenting some propositions. First, accountability’s characteristics and mechanisms differ over time and by organizational mission.\textsuperscript{lxxxviii} Upward accountability might be dominant in service-delivery NGOs focusing on securing operational capacity to sustain service provision, while advocacy NGOs have to be internally accountable to their values and should not fit themselves into prescribed models of relationships.\textsuperscript{lxxxix} However, we need to recognize that organizational missions are not always clear or related to organizational activities. NGO3 conducted social services activities unrelated to its environmental mission. To be more specific and consider that organizational activities—rather than missions—influence accountability structures, some research\textsuperscript{xc} underscores the impact of donor funding on activities an NGO decides to pursue. The impact of donor funding is not universal, showing variation in NGOs’ responses, particularly to changes in funding.\textsuperscript{xi}

Second, while this study focuses on accountability to a donor, we need not forget that upward accountability can be toward the government, not necessarily as another source of funding but as a regulator. Interestingly, the interviews suggest that upward accountability falls along a continuum. Accountability increases when it is toward international donors who require and impose strict reporting mechanisms; it decreases toward the government, since there is a lack of confidence in government and a perception that government is not entitled to hold others accountable, since it is not accountable itself.\textsuperscript{xii} “It looks like, in the former case, NGOs here are accountable by force, while in the latter it is by choice,” an NGO expert says, implying a distinction between the incentive to perform responsibly for the donor and the lack of incentive to do so for the government.\textsuperscript{xiii}

And third, the inherent contradiction between upward accountability to donors and downward accountability to citizens and beneficiaries can also be framed as a challenge.\textsuperscript{xiv} If confronted and deliberated through inclusive stakeholder dialogue, this challenge can result in creative, situational approaches to maintaining organizational responsibility, including accountability.\textsuperscript{xv} According to Alnoor Ebrahim, “Accountability is also about power.”\textsuperscript{xvii} The more powerful organization is the one controlling resources needed by others, influencing who holds whom
accountable.

It is evident that we can analyze accountability more rigorously as power; this study provides more evidence pointing in that direction. NGOs should strive to reduce the asymmetric, contradictory nature of their accountabilities—namely the upward, toward donors and the downward, toward beneficiaries. Recognizing that accountability, along with agency and obligation, are all social dimensions of responsibility, NGOs should utilize the process of dialogue to negotiate the conflicts they create, deepening their commitment to all stakeholders.

Motivated by the discussion above, we offer several propositions to consider in future research. They can also be used by NGO practitioners in their internal (and perhaps external) dialogues about power, responsibility, and conflict in accountability:

1. NGO executives and staff, their members, and members of other stakeholder groups have differing perceptions of their and others’ roles in accountability.

2. Junior and senior NGO staffers have differing perceptions about accountability, which then reflects on the formal mechanisms of accountability and their directions (upward, downward, or inward).

3. Accountability relationships can be strengthened by staff members’ sense of resolve (i.e., empowerment) about their relationship with their donors and their overall credibility and reputation; they should endeavor to understand why. Whether or not they realize it, NGOs’ social power affects their accountability strategies.

Analysis of the narratives generated in dialogue probing these propositions will provide context for future research hypotheses. Using the propositions as dialogue topics can also be helpful to donors, government agencies, and beneficiaries seeking to understand NGO perspectives and improve communication across stakeholder groups generally.
Conclusion

NGOs struggle between pursuing donor interests and maintaining their role to uphold local interests and be accountable to beneficiaries. The dominant assumption is that the variation in NGO dependence on donors reflects on the accountability (or responsibility) an NGO usually accepts. To some, accountability can be an outcome of one relationship. However, echoing some arguments, accountability changes over time; it should not be perceived as an outcome of one relationship but of a network of multidirectional relationships.

This study finds that perceptions, assumptions, and expectations, along with the actions of environmental NGO managers, have an impact on NGO accountability in Lebanon. It also provides limited but clear evidence that NGOs can manage their institutional and resource environments more assertively than is generally assumed. Various accountability relationships—and perceptions of these relationships—can give NGOs different degrees of leverage to reject donor demands and potentially forgo funding.

Understanding NGO perceptions of accountability and donors and tracing NGO actions after the donor shifts funding reveal the effect on NGO accountability. At the same time, accountability can influence the degree of dependence on funding. The stronger the inward accountability to values and mission, analogous as they are to identity and commitment, the more likely an NGO is to fend off any changes due to donor funding. The stronger the downward accountability to local stakeholders, the more able the NGO is to use the connections with local community stakeholders as a differentiation strategy. By distinguishing itself from other organizations, the NGO is empowered to interact with the donor on an equal footing. The stronger the upward accountability, e.g., identity with and commitment to the donor, the less able the NGO is to buffer or resist donor demands.

The interplay of the perception and practice elements can result in the dominance of one accountability over another. Whether these insights hold in other NGO–donor relationships and in other countries should be pursued in further research. The research should be extended to accountability perceptions and practices of donors and governments.

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