The Debate about Transparency in the Third Sector

A cross-examination through opinion articles
The Debate about Transparency in the Third Sector. A Cross-Examination through Opinion Articles

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We are grateful to everyone who, by through their opinion articles, have contributed to the enrichment of the debate over transparency and accountability in NPOs.

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Accountability and transparency are a challenge for third sector organizations today. It is a complex topic that does not have just one correct answer, but instead is directly related to the values of these organizations.

The debate, which has been caused as a result of the recent cases of irregularities in the framework of some organizations, has brought something that was until now basically internal within the sector itself into the public sphere. Truly, reflecting upon the importance of transparency is not recent and, in this regard, the debate in the media has become an opportunity to continue working on and therefore grow as a sector within the culture of transparency.

In this publication, some of the recent articles published on this subject are collected. The objective was to make a cross-analysis in order to bring the key topics of the debate to the table. In the OTS Debates Collection, a booklet that collects some reflections regarding transparency and building social trust, was created as a result of the act organized in November 2006.

The debate surrounding accountability and transparency in non-profit organizations is related to such relevant themes as the legitimacy and credibility of the third sector, the importance of social trust, and the communication abilities of organizations, amongst others. As such, we wanted to approach these topics using what has been said from both inside and outside of the third sector.

We believe that the result is interesting because it allows for an overall cross-reading through the compilation of different contributions and points of view. We hope that this effort will encourage the debate to continue and strengthen social trust in the third sector and its activity.

Pau Vidal and Laia Grabulosa
The Debate about Transparency in the Third Sector

A cross-examination through opinion articles

Pau Vidal / Laia Grabulosa
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If you know of or have available other opinion articles or reflections on accountability and transparency in non-profit organizations, you can send them to us at observatorio@tercersector.org.es.

All the materials collected for the development of this publication are available to everyone in the Library of the Third Sector.
1. Basic concepts

This publication is structured around a reflection on six key aspects of accountability and transparency, accompanied by a selection of recently published opinion articles. These aspects are: the loss of innocence, legitimacy and social trust, compromise and social demand, communication, tools for accountability, and the culture of transparency.

The objective is to positively capitalize upon the ideas expressed in this debate. Judging or evaluating the recent cases of non-profit organizations accused of irregularities is in no way an objective.

Keeping in mind that some concepts are still a bit mixed up and confusing, it is helpful to first review the sense in which we use those concepts in this publication.

**Accountability**

Accountability refers to the explanation of organizational aspects, such as an organization’s raison d’être and values; its activities and their impact; financing; its team and policies regarding management and development of personnel; its view of society; its communication policies, etc. As such, this concept offers an overall view of the organization that goes further than the economic aspects.

**Transparency**

Transparency is the degree to which information is shared and the attitude with which the process of accountability is confronted. This degree is influenced by variables such as organizational values, activities carried out, the recipients of the actions, and the participatory culture of the organization or the social environment, amongst others. For all this, it is necessary to analyze the degree of transparency consistent with the characteristics of each organization.

Far from avoiding responsibilities, this perspective is very demanding for third sector organizations, since it links transparency with their own organizational and sectorial values that are surely more demanding than the minimum legal requirement. In fact, this view of transparency involves a growing demand for the organization and for the sector itself, acting as a motor for evolution.
Certainly, it is a complex concept that requires effort and that has to be consciously managed by civil society organizations.

**The stakeholders**

These are those people, organizations, and collectives linked to the organization, be it to their operations or to the impact of their activity.

The stakeholders can be internal (paid or volunteer team, boards, associated people, recipients, etc.) or external (private and public financers, the media, experts in the field of activity, society, etc.). These collectives should be considered and defined by each organization depending on their reality.

From the point of view of accountability and transparency, the stakeholders are the ultimate recipients of the information and, in this sense, organizational reflection about the relevance and degree of involvement, links, and participation of each involved party (people or organizations) is important.

**Tools for accountability**

These are all those mechanisms that help organizations be held accountable to the different stakeholders. They can be tools related to communication, such as annual reports (of activities and economy) or an organization’s own publications or websites, or tools related to the area of participation, through meeting spaces, discussion groups, presentations, etc. Information technology and communication have resulted in an evolution concerning accessibility of information.
2. The loss of innocence

In recent years, the role of civil society organizations has grown in our environment. The actions of non-profit organizations in different fields of society (in the social, cultural, environmental, and international cooperation worlds, etc.) are still pretty recent. The different studies have taken place within the last 25-30 years in the most consolidated organizations (with the exception of those linked to the church), and the most common age within the sector is between 10 and 15 years. Nevertheless, there are still sub-sectors of activity and fields where the majority of the organizations are newly created; for example, the associative knit of immigrants. In this context, we are before a young and dynamic third sector that, until now, has placed more importance upon action and pursued objectives than organizational management or detailed explanation of these actions to the stakeholders.

Traditionally, the moral base of the actions carried out from the non-profit sector constructs a social image in which the organizations were good by nature, by their simple raison d’être. The same actions justified this supposed goodness.

The maturation of these organizations and the growing recognition of the third sector as an agent of social transformation have involved the need to work actively to achieve legitimacy and credibility. In this regard, the organizations have made significant efforts. In many cases, they have been lead by umbrella and third level organizations to build specific quality standards of actions and of the organizational operation itself. At the same time, the presence of some scandals and the eruption of critical discourse towards the sector have generated a rethinking of that initial goodness.

The social importance of the sector and its own growth has brought what can be called "the loss of innocence". Non-profit organizations have to be capable of transmitting the added value that they contribute to society. It is here that transparency and accountability become key elements in order to be able to practice and be recognized as important social agents.
Selection of article fragments

“In whom can we trust?” Many people may currently come to think in this way after the unrest caused by the recent investigations and accusations against some NGOs. And, really, we could be before a trust crisis in NGOs, similar to those that other sectors and institutions that previously seemed morally untouchable have lived through.


In these situations [of irregularity], one usually hears arguments that, to summarize, waver between those that maintain that all NGOs are sick organizations by nature, selfish and barely transparent; and those others that, on the other hand, defend that the space of solidarity itself in which these organizations work carries them away from any criticism, and that these kinds of anomalies are isolated and specific, having nothing to do with the sector. In my opinion, both positions are as inexact as they are unsuitable to understanding the causes of this cascade of problems that are occurring in the NGOs of our country, which have a much greater significance than appearances would lead one to believe.


[...] It is necessary to ask for critical understanding from those that are fulfilling their objectives with efficiency and dignity. But it won’t worry any good NGO, on the contrary, we can begin to separate the wheat from the chaff.

Xosè Luis Barreiro, «Anesvad e Intervida: la punta del iceberg», La Voz de Galicia, 3 April 2007

[...] For a few years, some public institutions have been those that evaluate NGDOs, but it should be the citizen as the partner, collaborator or donor who should ask the NGDO, in which he places his trust, how it responds to the questions raised here and how it can begin to collaborate beyond economic donation. Don’t doubt it, don’t be afraid to stain the angels, the NGDOs are not angels and without a doubt with one’s demand an increase in transparency will be achieved, but above all in efficiency [...]. And do not allow it to be carried by simplifications such as “all NGOs are the same” or “the money is lost by the wayside”. Being a full citizen demands looking for information to create for oneself one’s own criteria.

Comisión de seguimiento del código ético de la CONGDE, «Las ONGD: de ángeles a actores de desarrollo», Canal Solidario, 18 April 2007

Maybe the moment has arrived to demystify the world of solidarity and to practice with the same critical investigation what we practice in the world of
The loss of innocence

government. Solidarity is a metaphysical concept. But when it becomes purely physical, all natures, from the saints to the spurious, fit. And the drama is that everyone sells us the same child’s face and the same smile…wheat and chaff, and considerable chaos in separating it.

Pilar Rahola, «No es oro toda oenegé que reluce»,  
El Periódico de Catalunya, 9 April 2007

[...] The third sector has lived off of the interest of being by nature ‘good’, without thinking that it is necessary to both appear it and justify it. If NGOs are not capable of justifying good management, society is given reason to begin to distrust the third sector. We know that generalizing minority actions is a practice to which we have accustomed our society, but precisely for this reason is it necessary to find tools that facilitate an absolute transparency, not only as a justification tool, but above all as a preventative one.


Before the disappointment generalized by a system in crisis, NGOs represented a flag of hope that everyone who wanted to change the world joined up with, even if it was from individual enthusiasm. The good faith that the majority of these organizations encourage has greatly contributed to a more habitable planet. Their own growth, however, has provoked some crises. Today, with the investigation of Intervida by the Fiscalía (prosecuting attorney) anticorruption task force and the recent case of Anesvad, we are confronted with the worst situation: the loss of trust.

Editorial, «Crisis de confianza en las ONG»,  
El Periódico de Catalunya, 7 April 2007
3. Legitimacy and social trust

Civil society organizations exist because society trusts in them. This social trust is the motor of the non-profit sector since it is that which provides the organizations with an engaged social base, resources, and, in short, legitimacy in order to be able to act. At the same time, an entire non-profit organization will have more ability to act and to create social impact if it is capable of maintaining and increasing the trust that society has in it.

Nevertheless, social trust is difficult to build and very easy to lose and, in this regard, it is necessary to generate solid links with society from the third sector in order to strengthen it.

This is a complex factor but, similar to legitimacy and credibility, it can be worked on and managed. It is not something that arises spontaneously but rather is the result of a job well done, of having impact and results, of an organizational trajectory and operation, of a certain way of working and of some values that are present in the daily activity of the organization.

Accountability and transparency are factors directly related to the degree of legitimacy and social trust that each organization is capable of generating and, at the same time, it is that which permits organizations to act as true agents of social transformation.

Selection of article fragments

Our legitimacy is also derived from the quality of our work and from the recognition and support received from those people with and for whom we work, from our donors, from public opinion in general and from governmental organizations, and from other kinds from all over the world. We want to maintain our legitimacy through responding to intergenerational approaches and worries about public and scientific nature, as much as through the responsibility that we assume by our work and our achievements.

International Non-Governmental Organizations (INGO), Accountability Charter, 2006

Until now, every survey that measures the level of trust that people from all over the world have in different types of organizations has always placed NGOs in the first spot. This is affirmed in the eighth barometer of trust presented last February by the communication business Edelman, completed among 1500 opinion leaders of various countries. According to this study, NGOs are institutions that enjoy a high level of credibility (50% of those surveyed in Europe trust them, with an even higher percentage found in Spain), ahead of religious organizations (45%), businesses (36%), the media (28%), and the government (27%). It is positively valued that
NGOs work for the common good without defending personal interests. “One tree that falls makes more noise than one hundred that grow,” the popular saying reminds us. What doubt is there that the credibility of NGOs as a whole has been seriously affected in Spain by the alleged crimes of embezzlement, presumably attributed to the board of directors of two specific organizations: Intervida and Anesvad, both cases pending court decision. The very positive trajectory of hundreds of NGOs that do a very important job in the field of development cooperation or in other fields such as social action, the environment, or human rights have suddenly been placed under suspicion due to the supposed irregularities of these two NGOs. [...] If something characterizes the NGO sector it is its desire to get to the root of problems. The crisis of two specific organizations is making the sector as a whole advance. NGOs are conscious that their credibility is being questioned and that the age of innocence has ended, but they assume the challenge of daily earning the citizens’ trust with a clear desire to learn from the situation and make it into an opportunity to improve.

Ignasi Carreras, «La credibilidad de las ONG», El País, 1 September 2007

NGOs will continue improving our social responsibility, quality, and final suitability of our action systems, and also transparency in management. Because we need the support of society, because our opinion should count as legitimate citizen expression to political representatives, opinion leaders and the social media. On the subject of the citizenry in general and our supporters, we can suggest that which we have proposed before: that they are associated and participate in the first place, that their time (as volunteers, militants, collaborators) is much more valuable than their money, that they consume responsibly, that they demand the 0.7%, debt forgiveness, the necessity to slow climate change and that they fight for however many ways are necessary to achieve the fulfilment of the Millennium Development Goals. That they also keep in mind their political vision and the work proposals that are derived from it. That they positively value networking with other movements and organizations, if they belong to the CONGDE or to the autonomic coordinators of NGDOs, and therefore subscribe to the Code of Conduct. In the end, it is clear that trust deposited demands clarity, honesty, and legality, at least to the same extent that we expect with our bank, our community or our cell phone provider.

Pablo Osés, «De la confianza en las ONG», www.acsur.org, April 2007

Without true transparency, accountability, and independence from the government, we have a weak and dependent civil society, without the ability to criticize and weakening the just causes that it attempts to lead.

Legitimacy and social trust

[...] NGOs have opted to raise more and more economic resources and to increase the media impact of their actions, instead of enlarging their social base and offering new chances to participate and intervene effectively, bringing instead an enormous organizational weakness. [...] The ideological rearmament of NGOs is a necessary condition to articulate effective responses to globalization and its effects which, at the same time, will allow them to enjoy a level of social legitimacy that is more and more in doubt.

Carlos Gómez, «El debate sobre las ONG»,
El Correo Digital, 27 May 2007

[Transparency] In our line of thought, in our actions, in our management, and in our teams. This is the antidote for mistrust. We have to show our honesty; we have to demonstrate to our partners and collaborators, but also to society in general, that our accounts are clear, that our cooperation is really directed at the people that most need it, that our professionalism makes us effective, and that our resources are not being wasted.

Ariane Arpa, «Transparencia, honestidad y justicia»,
El Periódico de Catalunya, 5 April 2007

These days “of crisis” have demonstrated that different languages are being spoken. The public asks if its money arrives or not, and the “experts” in cooperation talk about accountability and best practices. People ask which are the good NGDOs and which are the bad ones, and the experts talk to them about social missions, counterparts, and strategic plans. The public asks simple things and it is given technical answers, from management or from the public relations manual, all calculatedly ambiguous. [...] It hasn’t been known how to explain what is done, or it hasn’t been sincere due to fear, ignorance, lack of resources or of scruples, innocence or ambition. With intention or without it.

Montse Santolino, «Fundación Intervida, ¿un caso aislado?»,
Canal Solidario, 20 April 2007

In many surveys, NGOs appear as entities highly valued by Spaniards, much more than public administrations, political parties, professional corporations, or churches and religious confessions. It indicates that citizens have placed a huge amount of trust in these associations and collectives that, with differing degrees of professionalism and means at their reach, try to attend to different realities, from social action to international and humanitarian cooperation and also including environmental intervention.

Editorial, «ONG y confianza», La Vanguardia, 15 April 2007

Third sector organizations, both foundations and associations, need social trust in order to be able to carry out their activities. Gaining social support means gaining resources, volunteers and legitimacy in order to act in whichever of their fields of intervention (cooperation, cultural, social, etc.). Social trust is like a fine thread that unites these organizations with society. This social trust is very difficult to gain and, paradoxically, very easy to
Lose. If this premise can be applied to all areas of life, when we do it from non-profit organizations its meaning acquires special relevance. [...] This depends on various factors, amongst which accountability and transparency stand out.


When an organization considers funds an end in and of itself, instead of seeing them as a way to achieve its ends, it ends up not being able to apply them in their totality. As a British proverb says, “money is like fertilizer: when there is too much, it poisons everything”. The problem is that it doesn’t only gravely affect those organizations that have ended up becoming fundraising machines, as we can see recently in the media. It could also create a certain crisis of trust in civil society in NGOs as a whole.

Víctor Pinto, «¿Crisis de confianza en las ONG?», www.agorasocial.com, 1 May 2007

In fact, the [organizations] that have more credibility are the ones closest to reality. It is good that someone that wants to be bound to making a donation to a NGO is well-informed and evaluates how they work.

Carles Barba, «La majoria de les ONGs no enganyen», AVUI, 7 April 2007
4. Commitment and social demand

The role of third sector organizations as agents of social transformation establishes a commitment that involves social demand.

This demand requires working transparently and consistently with the principles and values expressed by the organizations. At the same time, the third sector organizations’ certain way of doing things raises the challenge of involving society in the work that they do and the objectives that they pursue. As such, this social demand acquires meaning from the co-responsibility of the citizenry in the construction of society. In this framework, transparency and accountability become important.

For non-profit organizations, acting in a demanding society is an opportunity to demonstrate that they are working well and firmly grounded in their mission and certain values. As such, as a sector it is necessary to work to increase this social demand that is a motor for advancement and a clear result of co-responsibility.

Selection of article fragments

Some of the questions citizens frequently ask regarding NGOs (Why are there so many? Who drives them? How are resources financed and managed? How much reaches the recipients of their social programs? What results are achieved?) express the worry about knowing more about them and demand from the NGOs themselves an active policy of transparency and accountability.

Ignasi Carreras, «¿Confiamos en las ONG?», 
La Vanguardia, 6 March 2006

[...] The collaboration with a NGDO has to be a reasoned and informed action. Those that generously collaborate with the NGDO have to closely and continually track their donations, and take advantage of all the mechanisms at their disposition.

Federació Catalana de ONGD (FCONGD), Comunicado sobre las investigaciones a ONGD, www.pangea.org/fcongd, 4 April 2007

It will be possible to strengthen mechanisms of control but the key is that all of us, volunteers, associates, and collaborators, demand the maximum amount of transparency.

Núria Carbajal, «A las ONG hay que exigirnos una transparencia absoluta», El Correo Digital, 17 April 2007
We are delighted that today there is a public debate about this subject and we hope that a better degree of social control over our activity will evolve as a result. We are convinced that the majority of non-profit organizations dedicated to the improvement of the lives of our fellow citizens are committed to the idea that it is necessary to reinforce and improve all the possible mechanisms that have to do with our organizations’ accountability and transparency before society.

Josep Gassó, «Benvingut al control social de les ONG», 
_El Punt_, 16 April 2007

[...] The same way that the public administration demands the development of rigorous standards, transparency, efficiency, and accountability from the NGOs with which it cooperatively works, citizens that make private contributions to NGDOs should also ask for the same requirements from the organizations in which they entrust part of their savings to help people and the impoverished towns of the south. Because of the difference from any other public policy, be it from education, health, transport or urbanism, the ultimate beneficiaries of the public policy of cooperation for development live in countries further away, and do not have the same mechanisms available that we at the time of demanding some standards of quality in international help for their development have when bad practices take place. For this reason, it is fundamental that we are the citizens that, defending the rights of those that will have to receive our help, assume our responsibility and demand all the necessary information from those organizations that manage part of our solidarity.

David Minoves, «Las buenas prácticas de las ONG», 
_El Periódico de Catalunya_, 10 April 2007

NGOs are private organizations that work in the public sphere. As such, the guarantees that we have the obligation to show the public the social quality of our work and the honest use of the funds that we manage should be fundamentally assumed by public institutions; the private accounting auditors can fulfill a useful complementary role, but know very little about the fulfillment on the part of the NGOs of the objectives in which they base their legitimacy before society.

Miguel Romero, «Intervida, la excepción y la regla», 
_El Viejo Topo_, May 2007

A strong and free democratic society needs a world of organizations independent of political power that practices what it preaches, that is capable of explaining on what it spends the money that it receives from public administrations or the public, that promotes the responsibility of being citizens, that promotes trust and a sense of community.

Carles Campuzano, «ONGs: transparència, rendició de comptes, independència», 
_http://carlescampuzano.blogspot.com_, 12 April 2007
We recognise that transparency and accountability are essential to good governance, whether by governments, businesses or non-profit organizations. Wherever we operate, we seek to ensure that the high standards which we demand of others are also respected in our own organizations. [...] We respect the rights of donors to be informed about the causes for which we are fundraising; to be informed about how their donation is being used; to have their names deleted from mailing lists; to be informed of the status and authority fundraisers; and to anonymity except in cases where the size of their donation can compromise our independence.

International Non-Governmental Organizations (INGO), Accountability Charter, 2006
5. Tools for accountability

In order to be able to be held accountable, civil society organizations have various mechanisms and tools available. Utilizing one or another depends on numerous variables: the action field of the organization, the different identified stakeholders, the size of the organization or the participative culture, amongst others. These variables, together with the degree of transparency of the organization, will determine the tools that form the organization’s own accountability system.

These tools can be classified into different categories:

- Tools that respond to legal demands, like the annual report of activities or economic accounts, periodic liquidations, registration, or others that the public authorities may require (be it local, autonomous, or state).

- Individual and volunteering tools, such as organization websites, intranets for volunteers, their own publications, etc.

- Volunteering certifications, such as, for example, some quality control systems, the beginning of the Fundación Lealtad, or others like the NGO Benchmarking of SGS.

- Mechanisms for sectorial self-regulation, generally driven by umbrella and third level structures, such as ethical codes or codes of conduct, together with their own indicators of fulfillment, etc.

Efficiency and the limitations of sectorial self-regulation have been discussed a lot. They are an important tool since they facilitate collaboration and cooperation between organizations, while also making the shared values of third sector organizations visible. The limitations are given by their own characteristic of voluntary adhesion. Furthermore, in general, they are useful in anticipating those elements that in the future can come to represent legal norms demandable by public authorities.

The search for equilibrium between the different mechanisms is complex and requires a management strength that will have to agree with the degree or culture of transparency of the organization. It is not a movie of “good guys and bad guys” depending on the tools that are used, but rather with a focus of consistency between the accountability system and the previously mentioned variables.
Selection of article fragments

[...] A good practice that some organizations are already applying consists of the annual report that they present to their associates, collaborators, and to society in general including complementary information about the activities they’ve done and the state of their audit accounts. For example, the reason for the main agreed-upon strategic decisions; a balance of the social results achieved, specifying both positive and negative experiences and incorporated knowledge; and an explanation of the criteria that has been followed concerning the allocation of economic resources. All this using a format that allows for an easy comparison with other organizations that do similar activities.

Ignasi Carreras, «¿Confiamos en las ONG?»,
*La Vanguardia*, 6 March 2006.

[...] It is necessary to improve the mechanisms for accountability, transparency, and social control of organizations in a minimum of five areas: generalization of external economic audits; improving (providing with more and qualified resources) public control in the situation of those organizations that receive public funds or fiscal benefits; advancement in accreditations measuring achievement of transparency and best practices (in Anglo-Saxon countries there are very extensive practices in this regard); publishing annual reports and reporting the results of impact on part of the organizations; and fifth, establishing internal control mechanisms through representative systems of the associates/donors, or of others that the board may establish.

Josep Gassó, «Benvingut al control social de les ONG»,
*El Punt*, 16 April 2007

Traditionally, transparency and accountability are linked to the implementation of some robust internal processes; the relation of strategic plans with annual plans through indicators; the design of control processes of the flow of sufficient cash; the development of reporting mechanisms that systematically reflect the results of the organization, etc. However, the importance that prestigious organizations like MANGO (Management NGO) or BOND (British Overseas NGOs for Development) give to participation in decision-making processes has caught our attention. Both organizations understand participation to be a mechanism that improves transparency, to the point of being obliged to design pretty delimited internal processes and procedures and of utilizing faithful reporting systems. [...] The reality is that valid control systems today are more severe than, for example, the applications for private businesses, and an increase in the complexity of justification mechanisms would be counterproductive for the efficiency of organizations themselves. [...] However, we believe that greater participation from the relevant people involved in decision-making will improve transparency and the results of organizations, at the same time reducing the opportunities for fraud or bad usage of NGOs’ funds.

Víctor Pinto, «¿Crisis de confianza en las ONG?»,
It was ten years ago already that Spanish NGDOs, united in the Coordinating committee state, believed it necessary to reflect upon the role that they should play in development cooperation and reach a consensus about some principal minimums of action. Given the multiplicity of organizations and interests, which reflects the pluralism of society, it was necessary to establish a framework for ethical self-regulation of the sector. The result of this reflection was the “Code of Conduct of Development NGOs”, which has been subscribed to by all those integrated into the Coordinating committee state and in the seventeen autonomous coordinating committees.

Comisión de seguimiento del código ético de la CONGDE, «Las ONGD: de ángeles a actores de desarrollo», Canal Solidario, 18 April 2007

NGOs, which in Spain can legally be associations or foundations, are subjected to some norms that are established by accountability duties; periodically we must present activity and economic reports (in many cases with audit accounts) to the corresponding public authorities, association registries, or the highest levels of authority in foundations. The habitual practice of NGOs is to also send these reports to their associates and collaborators, to the institutions they work with, and even to make them available to the public, generally through their website. [...] La Agencia Española de Cooperación Internacional in 2005 put a qualification procedure for cooperation NGOs into action, with the aim of identifying those with which relationships of greater trust could be established. [...] At an internal level, the Coordinadora de ONG de Desarrollo de España (CONGDE) was provided with a Code of Conduct in 1998 together with the ethical principles, in order to guide the action of their member NGOs, as a tool for self-regulation, with a Tracking Commission in charge of watching for their adequate fulfillment. The principle of transparency is one of the general organizational principles for those that assent to our Code of Conduct, of obligatory fulfillment for all NGOs federated in the CONGDE.

José María Medina, carta al director de El País, www.congde.org, 10 April 2007

The NGO sector is a transparent, healthy, and well-managed sector. In fact, the result of the last Guide for Transparency and Best Practices shows that the principles of transparency and best practices [defined by the Fundación Lealtad] are being fulfilled in 88% of cases.


Since 1997, the FCONGD has made an ethical code of its own available that all federated NGOs have to fulfill. This self-regulation instrument includes economic controls (requiring the completion of economic audits) and above all, it gathers some common ethical principles that must inspire the philosophy of action of federated NGDOs. This ethical code is accessible on the website of the Federació.
Having transparent accounts is obligatory but not sufficient for high-quality and responsible cooperation. The ethical code requires NGDOs to subscribe to, amongst others:

- Transparent and participative government mechanisms.
- Independence from businesses and private, for-profit organizations.
- Issuance of documentation, quantitative and qualitative, that facilitates the external control of their activities and resources.
- The desire to act as an agent of social change.
- Giving prominence to the local populations they work with.
- General coherence between the pursued objectives and the means utilized that determine the instruments that can be employed, paying particular attention to fundraising that should fulfill some specific guidelines in advertising and in images.

The ethical code also establishes that NGDOs have to be open to scrutiny and to public debate about their policies, practices, and budgets. In this regard, the Federació understands that it will be necessary to make an effort to explain, clearly and understandably, the work of NGDOs, and to spread their ethical code.

Federació Catalana d’ONGD (FCONGD), Comunicado sobre las investigaciones en ONGD, www.pangea.org/fcongd, 4 April 2007

[...] Keeping in mind the enormous ideological diversity that NGDOs show, the collective itself has contributed to and demonstrated its interest in the use of different evaluation tools, in order to try to be more efficient and efficient in their work, to improve the quality and the impact of their actions, to apply said principles [the code of conduct] in their own organizations.

Pablo Osés, «De la confianza en las ONG», www.acsur.org, April 2007

[...] We must keep in mind that if NGOs need ethical codes it is because organizations have emerged that do not defend the universal ethical principles and that, therefore, cannot consider themselves as such. They are the same NGOs that we should be more interested in distinguishing ourselves from that have adopted this organizational formula in order to take advantage of the social kindness and the economic support that NGOs have gathered. The convenience or not of the sector being regulated should be openly considered, such as the possibility that this process will be carried out by the NGOs themselves, depending on their ability to do it. It seems to be necessary to create spaces of verification and control of NGOs by means of organisms formed by the organizations themselves but not related to their running or financing, provided with competence and authority to intervene before manifest irregularities. At the same time, it is convenient to delimit the basic elements demanded of NGOs and the measures that should be applied in their respect in case of non-fulfillment. But it is NGOs that have to travel this road, identifying and structuring this minimum common denominator that they share, together with the effective mechanisms for their defense.

6. Communication

Third sector organizations, in contrast with businesses, reinvest their benefits in their own activity. They have the objective of helping construct a better society through their action as agents of social transformation.

A fundamental aspect in carrying out this mission is communication. Communication with the different stakeholders of the organization, about the activities, transmitting a specific vision of society, networking with other important social agents and, above all, doing it in a respectful way, consistent with the organizations’ own values: rigor and veracity regarding the receiving collectives, etc.

In spite of the fact that there is still a long way to go concerning recognition of the importance of communication, organizations are consciously taking into account the essential role of this for organizational operations and for social transformation. Part of this growing importance has to do with the key areas of accountability and transparency. An entity’s communication strategy is necessarily directly related to the degree of transparency of the whole organization.

In this sense, communication strategies and tools can be helpful so that the stakeholders know, understand, and participate in the fundamental variables of the organization. And to achieve this, it is necessary to find equilibrium between a lack of and an excess of information (the best way to hide something is to bury it within huge quantities of facts and information).

When being held accountable, it is also necessary to consider another key stakeholder for reaching society in general: the media. This involves a relationship not easily constructed since the rhythms and habits of work on both sides are out of sync. The media work under demands that do not always allow for the style of background and long-term work of organizations and, in this regard, it is necessary to continue to improve relations.
Among the problems and the big challenges that confront foundations, one can find that of communication, not only internal but also external, toward the media, so that society is aware of its social work, its mission, and the characteristics of the activities that these institutions carry out.

Miguel Ángel Cabra de Luna, debate «¿Qué pasaría si no existieran las fundaciones?», *Europa Press*, 23 May 2007

Often, people that work in and collaborate with associations and foundations complain that Spanish society only responds with solidarity in the face of large humanitarian catastrophes. [...] Humanitarian catastrophes are news, and the media throw themselves into covering them. The rest of the time, the actions of the large majority of non-governmental organizations are unknown by the public at large. An effort must be made to better acquaint Spanish society with third sector organizations. It is not necessary for them to be in the news continually, on the first page of the newspaper, but it would be sufficient to have their actions clearly and continually explained. Non-profit organizations have to be capable of being a major player in Spanish society. Only in this way will they be able to generate trust.

Alfred Vernis, «El reto de explicar a la sociedad las realizaciones de las organizaciones no lucrativas», *Barcelona associacions núm. 40*, October 1999

How is such ignorance possible? Because there is no other professional sector where the abyss between daily reality and social imagination is so large. Over the years our NGDOs have acquired a very important degree of professionalism and specialization. Serial NGDOs negotiate their policies of cooperation with the government, lobby at Brussels, watch for influence to incorporate their proposals into school curricula, are deployed into territories in emergency situations, coordinate with the armies or local civil services, or carry out complex research... but when we ask the people on the street what they do, they only clearly see two things: sponsoring children and emergency relief.

[...] Proximity has been neglected and, meanwhile, the idea that a NGDO is only trustworthy if it is large has been given weight, and has appeared on television. So it is as if the publicity of some NGDOs has determined the image of all of them, and this image, necessarily simplistic and sentimental and oriented toward the consumption of solidarity, has dragged along the rest and has opened the door to “everything is worthwhile”.

[...] They communicate like businesses, they reduce communication to a tool for fundraising or having public visibility, instead of considering it as it is a frank exchange between two parties.

Montse Santolino, «Fundación Intervida, un caso aislado?», *Canal Solidario*, 20 April 2007
The distancing between the third sector and the media indicates that something is not being done well. The media practically do not talk about the sector and are not accustomed to spreading the work of organizations. [...] Organizations have to dedicate efforts to knowing how the media work. They have to know their routine and their agenda, to be conscious that, often, social topics live as an anecdote and are not deeply looked into.

Mercè Conesa, jornada «Other views of the third sector», OTS Debates Collection, 29 November 2006

Frequently, NGOs are asked by the media more or less explicitly for a benevolent report that would itself be justified by the “humanitarian” mission of NGOs. On the contrary, it is very infrequent that NGOs publish self-criticism about the direction or the impact of their activity. Both attitudes are contradictory to a good policy of communication, which is the more genuine sense of “transparency” habitually considered to be simply an accounting category. NGDOs should be the first to be interested in being the objects of attention of good journalism, not of adulations, in showing a critical evaluation of our own work to the citizenry that is based on solidarity not awaking compassion even toward the towns of the south, not even toward ourselves.


The history of non-profit organizations consists of initiatives, personal or collective, that have been born with the aim of helping specific causes and promoting those changes necessary to achieve better effects. Due to this orientation toward social change, organizations of the third sector report to and make society aware of those questions that they consider necessary to promote or change: from associations dedicated to the protection of the environment to foundations for support for people that suffer from a specific illness, and also organizations of cooperation for the development of the third world, all of them working daily, assuming their responsibility as agents of transformation and social improvement. For that reason it is a basic need to be capable of communicating with the society in which they act. Communication is, in this way, an essential part of these organizations because it is linked to their own raison d’être. So, for example, while businesses communicate in order to exist (to sell more), non-profit organizations exist in order to communicate (for a better society).

7. Towards a culture of transparency

Frequently, we can find articles that qualify an organization as “transparent” or, on the contrary, “not at all transparent”. In spite of the fact that it is true that these categories can be applied in extreme attitudes, these types of labels are very far from the definition of transparency as the degree to which organizations are held accountable.

The evaluation of this degree of transparency, such as it has been described initially, is related to the consistency between the characteristics and the values of the organization. Nevertheless, it deals with a constantly evolving, dynamic concept that changes throughout the process of maturation of the organization, and also of its stakeholders. This evolution involves a proactive attitude that permeates organizational operation and forms the path that brings organizations closer and closer to the culture of transparency.

The culture of transparency is a state in which accountability is not an addition to the running of the organization, but rather is a ground-level approach in any activity that is carried out. It is not a passing fad, because the attitude that it entails is directly related to the values of civil society organizations. It deals with an evolution, without going back, in which different rhythms and ways of confronting it coexist. As such, the culture of transparency in accountability is linked to each organization’s own organizational and sectorial maturity.

Selection of article fragments

From the Coordinadora de ONG para el Desarrollo de España, we consider transparency to be one of the strategic values of our member NGOs, so that we can act and explain our work in all areas –financial, governmental and decision making, communicative, internal management, mission, objectives and strategy… - responsibly, clearly, and simply.

José María Medina, letter to the editor of El País, www.congde.org, 10 April 2007

Transparency, as an organizational style, means radical internal democracy. That at the same time means making decisions with the necessary information, decentralizing decision-making, making it possible for every member of the association to feel responsible, because it is their decision…It means circulating information quickly, knowing how to come to an
agreement, knowing how to take responsibility for the good and the not-so-good results...

Toni Puig, «Les associacions ciutadanes s’identifiquen i creixen en la transparència», Barcelona associacions núm. 40, October 1999

[...] The positive consequence that we could extract from the Inservida case would be that it opened up reflection in the sector about the social challenges and policies of solidarity action. To confront them, the most important things are not tools and accounting certifications but rather the practices of some participative citizen organizations, engaged in an action of solidarity, through projects, campaigns or mobilizations, based on moral and strategic consistency between the end and the means. Rigorous and appropriate public control, that is to say, carried out from public institutions and whose results are available to citizens, is without a doubt an indispensable complement of an associative practice with a quality of solidarity. But it is only a complement; one can have the accounts in order and do a deplorable job of solidarity. There do not and will not lack examples.


[...] An organization can only seriously create a culture of transparency in its internal operations when it is sure of its behavior, of its quality of action and of the way it runs. For example, if we imagine an organization that makes its salary scales public, it is because it considers them to be consistent with its mission and activity, while at the same time fair and equitable for its team; while if it harbors doubts about whether they are too high or low, being transparent will make it more difficult for the organization. This example can be generalized to the rest of the areas of management, values, and impact of the organization.

As such, the evolution towards a culture of transparency is a global challenge for the third sector, across all organizations independent of their size or field of action. In this sense, umbrella organizations as coordinators and federations can play a very important role transmitting and driving the necessity and importance of transparency in order to gain social trust. Numerous tools and management habits exist that can help to drive transparency in organizations (ethical codes, audits, certifications, etc.) but the tools by themselves do not guarantee anything: they only acquire meaning in an organizational environment conscious of the value of transparency as a sustainable way to connect with society. Accountability and transparency should not be additional activities in the organization, but rather the key is in incorporating them into the values and habitual way of running the organization.

Annex I. List of articles and documents

After having compiled around a hundred articles about transparency and accountability in non-profit organizations, we have developed this publication with the following:

Barba, Carles; «La majoria d’ONGs no enganyen», AVUI, 7 April 2007.
Cabra de Luna, Miguel Ángel; «¿Qué pasaría si no existieran las fundaciones?», Europa Press, 23 May 2007.
Carbajal, Núria; «A las ONG hay que exigirnos una transparencia absoluta», El Correo Digital, 17 April 2007.
Carreras, Ignasi; «¿Confiamos en las ONG?», La Vanguardia, 6 March 2006.
Carreras, Ignasi; «La credibilidad de las ONG», El País, 1 September 2007.
Conesa, Mercè; «Other views of the third sector» OTS Debates Collection number 3., 29 November 2006.
Gassó, Josep; «Benvingut al control social de les ONG», El Punt, 16 April 2007.
Minoves, David; «Las buenas prácticas de las ONG», El Periódico de Catalunya, 10 April 2007.
Vernis, Alfred; «El reto de explicar a la sociedad las realizaciones de las organizaciones no lucrativas», Barcelona asociacions núm.40, October 1999.
Annex II. Notes about the authors of the articles

Agulló, F. Xavier; Expert in social responsibility.
Arpa, Ariane; General Director of Intermón Oxfam.
Barba, Carles; President of the Taula d’Entitats del Tercer Sector Social de Catalunya and Vice President of the Fundació Catalana de l’Esplai.
Barreiro, Xosè Luis; Professor of political science at the University of Santiago of Compostela and columnist for the Voz de Galicia.
Cabra de Luna, Miguel Ángel; Director of social and international relations of the ONCE.
Campuzano, Carles; Member of Parliament in the Congress for Convergència i Unió.
Carbajal, Núria; Representative in Álava in the Coordinadora de ONGD de Euskadi.
Carreras, Ignasi; Director of the Institute of Social Innovation of ESADE.
Commission of monitoring the ethical code of the CONGDE: Luis Arancibia, Cecilia Carballo, Loles Díaz, Emilio Martínez, Fernando Navarro, Mª Luz Ortega, Paloma Román and María Luisa Toribio.
Conesa, Mercè; Journalist for El Periódico de Catalunya.
Gassó, Josep; President of the Fundació Catalana de l’Esplai.
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Puig, Toni; Expert on associativism.
Rahola, Pilar; Politician and journalist.
Roda, Patricia de; Director of the Fundación Lealtad.
Romero, Miguel; Coordinator of Studies and Communication of Acsur Las Segovias.
Santolino, Montse; Technician at the Federació Catalana d’ONGD (FCONGD).
Vernis, Alfred; In charge of training at the Institute of Social Innovation of ESADE.
Vidal, Pau; Coordinator of the Observatorio del Tercer Sector.
www.tercersector.org.es

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Accountability and Transparency: The role of OTS

The Observatorio del Tercer Sector has completed or is in the process of completing various activities in the area of accountability and transparency.

- Work completed in November 2006 “Non governmental organizations and the building of trust: the importance of transparency”. The results of the work are archived in journal number 2 of the Collection Debates OTS.

- Participation in the project “Accountability and transparency of civil society organizations”. This is an international investigation involving the participation of centres of investigation in various Latin American countries and OTS, in Spain, with the study “Accountability and Transparency in NGOs”.

The participating organizations are:

Argentina:
- Association of Rankings in Organization and Institutional Management

Honduras:
- Honduran Center for the Promotion of Community Development

Bolivia:
- Catholic Relief Services
- Fundación Jubileo

Paraguay:
- Sumando

Brazil:
- Data Network for the Third Sector
- Group for Research of Solidarity and Policy

Dominican Republic:
- NGO Alliance

Catalonia-Spain:
- Observatorio del Tercer Sector

Uruguay:
- Institute of Communication and Development

Costa Rica:
- Fundacion Acceso

Chile:
- Fundación Soles

More information on the iberoamerican Project at: www.lasociedadcivil.org

- Completion of the publication “The Debate over Transparency and Accountability. A Cross-Examination through Opinion Articles.”


More information on the projects focusing on accountability and transparency in NPOs available at: www.tercersector.org.es
**OTS Debates** is a collection of publications that collect and summarize the principal contributions, ideas and conclusions of the conferences or actions organized by the Observatorio del Tercer Sector.

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01. What will be the key topics of the third sector in the next three years? July, 2005

02. Third sector organizations and the building of trust: the importance of transparency. December, 2006

03. Other views of the third sector. December, 2006


05. The building of social capital from the third sector. July, 2007

06. The debate over transparency in the third sector. September, 2007

07. The role of organized civil society during democratic transition. September, 2007

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