

NGO Transparency

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If you work for an NGO put yourself in the shoes of each of your organisation's key stakeholders, those that are most integral to your operations and mission. Do each of these stakeholders have access to timely and accessible information on the activities and decisions that affect them? Do private donors have access to concise financial information on how their grants are being used? Are beneficiaries provided with information in a form that is meaningful to them on how financial resources are being used to their benefit? Is information actively communicated to supporters on: who the organisation is accepting money from and partnering with? If the answer is no, then your organisation needs to reconsider its transparency practices.

Transparency is much more than merely complying with regulations around disclosure of annual reports and financial accounts; it is about engaging with key stakeholders to understand their information needs and responding to these needs so that they can make informed choices in relation to the organisation they are affected by.

But why provide more information than is legally required? Firstly, the increasing role of NGOs in society necessitates it. As NGOs' influence over public policy and service provision has increased, so too have the number of voices criticising their role. Greater transparency will help shore up NGO legitimacy and credibility.

Secondly, greater transparency will improve performance. Being transparent opens up channels of communication with stakeholders, builds trust and improves impact. ActionAid International, for example, found that providing information to their beneficiaries on how money is spent, and then opening up the space for them to comment on this, has led to a more effective allocation of scarce resources and better alignment of expenditure and needs.

Yet there are risks associated with transparency, if it is not thought through properly. Transparency has a habit of reinforcing itself. Opening up about one issue often results in questions about another. For example, with increased transparency around the use of financial resources, NGOs are finding it necessary to also explain how their activities translate into impact. In some situations, transparency could also have damaging consequences. In a country such as the Philippines, for example, there have been genuine concerns among NGOs that if details of salaries or financial information about the organisation were made public, staff could become prime targets for kidnap attempts.

Embarking upon increasing transparency therefore, requires careful thinking and strategic planning. Transparency needs to be unpacked according to the specificities of individual organisations, their sector and the context in which they operate. There is no one size fits all approach.

Providing NGOs are aware of these caveats and approach transparency strategically, opening up can only strengthen the sector.

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