**NGO Accountability on Environmentalism – A literature review of relevant issues and themes**

**Abstract**

The review, which is in themes, starts with a survey of the rise of environmentalism for the purpose of sustainability. It then evaluates the roles of NGO’s self-regulation and government regulation on the need for accountability that ensures sustainability. NGO’s accountability is a way of making sure that stakeholders’ social, environmental and economic sustainability are protected and rigorously evaluated. The paper further examines what the enduring mechanisms should be if true accountability, which leads to sustainability, will be achieved to suggest a holistic accountability that involves downward and upward accountability. In doing so, the paper utilised the identified five mechanisms that ensure the continuity of world sustainability, which is *prima-facie*, the objective of funders/donors, beneficiaries/stakeholders and the NGOs loop.

**Keywords**: NGOs Environmentalism, sustainability, accountability, issues, themes.

1. **Introduction**

 Profit making organisations have in the past been urged to produce a sustainability report and this call has been championed by the NGOs. At that time, Non-Governmental Organisations, who are essentially ‘not-for-profit’ organisations, exist mainly for the public good in providing their services to the communities and individuals they are out to serve (Hall 2007; Voluntas, 2014). They addressed issues such as poverty eradication, homelessness and education for the less privileged, which were not thought to injure the environment. However, while addressing these issues in their community, they invariably engage in both the positive and negative environmental, and cultural, economic and social activities which needed to be accounted for. In particular, when these activities are negative, the need to account for them towards achieving the sustainability that NGOs stand for becomes more imperative. Sustainability is about providing for society, and everybody has the opportunity to enjoy it for the public good, which is dignifying to them in their own society (Littig 2001). It is creating a positive environmentalism for the society in the delivery of the public good or ameliorating the consequences of negative environmental activities arising from rendering the public good. Sustainability allows an increased quality of life, which may mean the poor can now afford the basic needs of life, the homeless will now have their own homes and people will now live in a healthy environment (WCED, 1987), and accounting for them will strengthen the legitimacy of NGOs. The link between environmentalism, being one of the four dimensions of the UN (1993) agenda, and sustainability becomes useful, given the achievement of the envisaged progress made in making the public good a reality in our society. This creates a balanced and an egalitarian society for all that the NGOs have championed.

 Another relevant theme is the link between NGOs’ activities on the environment and the role of regulation in ensuring accountability and transparency. Funders and donors need to keep abreast of the uses to which funds that are granted to NGOs are employed. NGOs themselves need to achieve their purpose and uphold their reputation and relevance. The beneficiaries of their activities – the communities and needy individuals - must be impacted to get them out of their economic, social, cultural and environmental problems: the reasons for which the funders released money to the NGOs for sustainability. Boomsma and O’Dwyer (2019) opine that to achieve the above laudable objectives, there must be both internal and external regulations in the form of internal processes and mechanisms to monitor the performance of their activities through voluntary disclosure, as well as regulations by the government or its agencies to check externalities, such as environmental pollution and other unethical practices. This paper explores the literature in this area.

 The twin concepts of accountability and sustainability need to be understood in any meaningful discussion of NGOs and their stakeholders. There are many areas in which the government cannot efficiently function, in terms of helping the communities and individuals that live below the poverty line (Soule, 2002). Inequality exists in our society and this affects some communities and individuals around the world, and for this reason individual NGOs have developed their purpose in response to the needs of these groups of people. Donors, both public and private, give money to help those affected groups achieve a level of social and economic balance in order for the inequality around the world to be ameliorated. Studies have noted that huge amounts of money flow to the NGOs to help the poor achieve a social, environmental and economic balance, referred to as sustainability (OECD, 2009; O’Dwyer and Unerman, 2010). For this to be achieved, NGOs must not only spend the funds in their domain for their intended purpose, but must also report back to donors who need this information to decide if the funds have been rightly applied or not; the conclusion of which will influence a further release of funds for NGO’s activities. The beneficiaries will also need to acknowledge the receipts of funding to meet their social, environmental and economic balance. The two way accountability balance – downward and upward accountability (holistic accountability) - is needed for a continuous flow of activities that will sustain the flow and ensure that the integrity of the NGOs is intact and their purpose is achieved. This is the accountability and sustainability continuum, which is relevant to a discussion of NGOs activities and sustainability issues.

Accountability mechanisms are tools and/or processes through which accountability is established and are relevant if stakeholders will be sufficiently impacted. The mechanisms encompass the different metrics that NGOs use to present their stewardships, such that the relevant information is useful to all the stakeholders that are presented, such that the information release corroborates one another (Soule, 2002). Each of the mechanisms targets stakeholders, such as donors/funders, needy people and communities, but sometimes they provide overlapping information that supports one another. The five[[1]](#footnote-1) broad mechanisms are discussed and linked to internal and external accountability as well as downward and upward accountability. How they are operationalised is important, so that the information needs of an individual stakeholder are met in an integrated manner, thereby sustaining their confidence in the activities of NGOs with their integrity intact. The continuous willingness of funders/donors to release funding to their specialised pet projects is consequential upon receiving and evaluating reports from the field, regarding the benefits to stakeholders and by how well their social, environmental as well as their economic wellbeing are being sustained. The mechanisms are shown to be capable of ensuring a sufficient accountability that leads to sustainability. This paper sets out to describe a coherent bundle that can effectively articulate the depth of accountability that can help sustainability be consistent with the objectives of stakeholders – donors, beneficiaries and the NGOs. This departs from extant studies’ practice that has viewed accountability narrowly by referring to and utilising a framework or model of accountability, such as either ‘internal’ or ‘external’, ‘upward’ or ‘downward’ accountability etc. (see Fry, 1995; Behn, 2001; Ebrahim, 2002; Edwards and Hulme, 2002; Ebrahim 2003; O’Dwyer 2007; Jordan, 2007; O’Dwyer and Unerman 2008; O’Leary, 2017). We argue that these forms of accountability are a part of the whole and cannot be taken as complete accountability. Consequently, accountability for the environment that ensures true sustainability may continue to be a mirage. Mechanisms of accountability, identified in this article, should be integrated into a holistic accountability for a complete model. It is when this is done that true accountability can lead to genuine sustainability. The study further suggests that it is the joint roles of self-regulation and governmental regulation (not either) (see Pigeou, 1932; Schweitz, 2001; Soule, 2002; Agyemang, O’Dwyer and Unerman, 2019) that will ensure the depth of accountability that releases both voluntary and mandated information for complete accountability to stakeholders.

 The remainder of the paper is organised as follows. Section two discusses the link between environmentalism and sustainability. Section three evaluates the role of self-regulation and government regulation as interrelated ways of ensuring accountability. Section four discusses NGO’s accountability as a means of ensuring stakeholders social, environmental and economic sustainability. Section five reviews the mechanisms that can ensure holistic accountability, such that the cycle of funding requirement, provision and appropriate utilisation is not broken for the objective of sustainability, and the balance of living, so much envisaged, is sustained the world over. Section six concludes.

1. **NGOs Environmentalism and sustainability**

Non-Governmental Organisations (hereinafter NGOs) who are essentially non-profit making organisations engage in economic, social and environmental activities just like their profit making organisations (Hall 2007). However, many of the activities they focus on are for public good especially in the areas that government and for-profit organisations cannot function, such as the programmes that are targeted at reducing hunger and malnutrition, homelessness, provision of education for the less privileged and civil rights (Gulati-Partee 2001; Anheier and Salamon, 2006; Voluntas, 2014). It has been documented that the activities of these non-profit making organisations are on the increase across the world since the last century (Anheier and Salamon, 2006; Central Statistical Organisation, 2009; Urban Institute, 2012). The impacts of these activities on the society are also rapidly increasing necessitating some reporting to document these impacts, which may be negative or positive as a way of accountability to their stakeholders. To account and document activities and impacts requires evaluating these impacts and reporting them to stakeholders along the accountability spectrum[[2]](#footnote-2) (O’Dyer, 2007). There are many arguments that support the accountability of NGOs to stakeholders. First, NGOs are funded to carry out their activities by taxpayers to the extent that they are exempted from paying taxes in most countries. This suggests that income that would have otherwise been part of the national treasury is available for their operation. Second, other stakeholders are interested in their affairs; for example donors will like to see transparency in NGOs’ activities and be able to measure the impact of the activities in all areas especially in social areas and in the environment, which appear to be the focus of NGOs activities. For example, donors often ask for this information in their bid to determine which of the NGOs to support and fund. Furthermore, other stakeholders (e.g. environmentalists) are also expecting accountability like never before as they are interested in evaluating their performance based on their set out objectives.

The need for accountability to stakeholders has led to calls for sustainability assessment and reporting of their activities (Voluntas 2014). NGOs, like their for-profit organisation counterparts, need to be accountable, as they also engage in activities that impact the environment. Although it has been argued that sustainability assessment and reports could be expensive and time consuming for NGOs, given that they perform activities that are ‘for the public good’, they, nevertheless, need to be transparent in these activities. The stakeholders need to know the link between their performance and the objectives they set out to achieve. Nyamori, Abdu-Rahaman and Samkin (2017) noted that the society at large, which includes NGO’s strategic partners, is increasingly demanding information on fund utilisation. Making this information available benefits not only the NGOs but also the communities that they serve, as it shows transparency and improves efficiency through accounting for both the positive and negative impacts of their operations, which can be used to evaluate sustainability. Apart from the fact that sustainability assessment and reporting are enhancing accountability and transparency, it also provides clear but practical advantages for not-for-profit organisations. It helps to identify the areas needing improvement, or where inefficiency exists in the operation of NGOs. This leads to making corrections, which may include cost reduction, service improvement or a new introduction to meet the yearnings of society; thereby, aligning and refocusing the direction of operation towards the achievement of the objectives of the organisation (Hall 2007).

In summary, ‘for-profit’ organisations have in the past been urged to produce sustainability reports, and this call has been championed by the NGOs. As NGOs also engage in services that impact the environment, socially, culturally and economically with both positive and negative effects on the larger society, they must also begin to yield to this call, which they have championed over the years (Tilt, 2007). Acceding to this need, to communicate the impacts of their activities to the public, will be leading by example, and this can enhance NGOs visibility through an improved reputation and a public image that are bound to be rewarded by stakeholders (donors, employees, and beneficiaries of the services they provide, governments and the society at large). Many have critiqued the call and need for NGOs to prepare a sustainability report (Bebbington 2001; Dumay et al. 2010). Their concerns range from a shift from the NGO’s aim of the provision of services for the ‘public good’ and are now concentrating on environmental management and efficiency of resource use (Bebbington 2001) to focussing on areas of strong environmental performance for which they have been producing smokescreen reports (Monerva et al 2005), etc. While acknowledging the above concerns, it is important to note that if NGOs engage in reporting their social and environmental performance, however imperfect the report produced may be, this is a positive step in the direction of accountability, transparency and sustainability. This compares favourably with the prior practice of not acknowledging social and environmental concerns regarding their activities instead of concentrating on championing the production of a sustainability report by profit making organisations. However, for the progress to be worthwhile, the caveat is that NGOs should ensure that sustainability assessment and reporting, as a way of being accountable, should be firmly rooted in the principles of social, environmental and economic justice that will enhance the achievement of the NGO’s end goals that benefit the stakeholders, such that the intended objectives are achieved.

1. **Control of environmental pollution by NGOs and accounting for it.**

Environmental pollution and exploitation by many organisations negatively impacts the world in general and human health and well-being, in particular. There are wider expectations from the society at large for the government to demand an environmental stewardship through the regulation of the activities of corporations to be sustainable and to benefit the world at large (Burgos 2013). The United Nations led the movement for sustainability through the World Commission on Environment and Development (WCED) 1987 talk where approaches of mitigating the negative social and environmental impacts of corporate activities were discussed. Sustainability of the world’s common future, which emphasises meeting the need of the world’s poor, as well as acknowledging the limitations of the world’s resources became the building block of environmental pollution control. There are those NGOs that generate so much environmental pollution, therefore, suggesting a need for a unique and reliable accountability regime that preserves their role in society. Consequently their activities should be accounted for to strengthen NGOs’ established public trust that has been built on their legitimacy (Boomsma, & O'Dwyer, 2019). NGO’s legitimacy is a powerful asset which will continue to strengthen their observed capacity for impacts on their stakeholders, in particular, and on society in general. For this to be achieved, controls need to be established in the form of regulation and supervision to ensure that NGOs in this area (Environmental NGOs) have a set of rules that ensure accountability. The call for ENGOs to account for the environment stems from many factors. First, ENGOs engage in similar public service delivery as corporations with an increase in resources which enable them to gain an international reach and influence (Jepson, 2005). Second, many of the ENGOs became big corporations and government development agencies, and began to operate in the primary sectors of society. Edwards (2004) argues that if NGOs now operate in the primary sector, and have challenged the accountability of operators in the sector, they must themselves be accountable to sustain their legitimacy and be able to campaign for this cause. One way to ensure that this is for them, is for this to be mandated by regulators by prescribing the rules that should be followed to account for the environment, just as they have asked others to account for their activities (Salafsky et al., 2002; Christensen, 2002, 2003; Randerson, 2003).

The issue of governance and accountability is interlinked. ENGOs should show their stakeholders and society at large that they live up to their profession of insisting on an accountability of the environment. Those who manage the organisations and their disposition determine the mechanism and extent of voluntary accountability, especially when they find themselves in the business that has to do with the environment (Hilhorst, 2003). The accountability regime should be acceptable to the society not only through reporting and audit but also through engaging the public regarding the issues confronting them and the strategy used to overcome those issues (Jepson and Carney, 2001). This suggests that the boards on ENGOs must account for how they have impacted the environment as well as their continual relevance, and this is what gives them the legitimacy and integrity relevant to the shaping of policy and the delivery of the services they engage in, and they do this in self-regulating themselves. Self-regulation, as a way of achieving accountability, is known to be generally broad, less tangible and generally ineffective, especially if there is nobody to evaluate it. Furthermore, managers are generally known in all organisational settings that they will not willingly or voluntarily do this, which suggests that in the regulation of their activities, NGOs are not an exception.

 NGOs are typically regulated by their home countries which registered them, and so in major advanced countries, where most of these NGOs were registered, there are NGO regulation authorities such as the Charity Commission of England and Wales for the United Kingdom and (Charity Commission 2010) and India’s foreign contribution, the Regulation Act of 1976. These organisations monitor the activities of NGOs in their jurisdictions and demand for accountability of their activities. Other countries of the world have similar organisations and they have the power to demand stewardship, and upon examining their mode of accountability and the documents provided for their accountability, they can punish them for any wrong doing (Schweitz, 2001). They regulate their financial activities (Charity Commission 2010) to protect public funds and ensure that the communities and needy individuals benefit as expected. This is the reason regulatory agencies concentrate on financial reports and disclosure statements, and performance evaluation information and legal matters issues as the accountability mechanisms used in the exercise of their oversight function (O’Dwyer and Boomsma, 2015; .O’Leary, 2017). The shortcoming of regulatory body activities is their inability to oversee the INGOs activities whose main activities are overseas, which suggests that since they cannot see beyond the financial documents submitted, some mechanisms of accountability may not be verifiable. The idea of controlling and regulating NGOs can be situated within insights gained from the Public Interest Theory of regulation. The theory suggests that organisational self-regulation may allow for a voluntary disclosure of information, which may not be enough or efficient in the provision of services for the maximum benefit of stakeholders, which in the case of NGOs are donors/funders, communities and the needy individuals who constitute the public (Pigeou, 1932; Schweitz, 2001). In summary, for there to be accountability for the resources in the hands of NGOs, they will have to self-regulate and be regulated (Soule, 2002; Agyemang, O’Dwyer and Unerman, 2019). This is when the advantages of regulation can be met, which includes NGOs efficiency, achievement of their purpose and maintaining their integrity, as well as fulfilling the needs of the communities and needy individuals. In addition, externalities such as environmental pollution, diversion of funds, and unethical practices can be averted and accountability reinforced, and this is the link between accountability and regulation (Posner, 1975; Chettiparamb, 2016).

1. **NGOs accountability vs stakeholders’ social, environmental and economic sustainability**

 The role of NGOs in helping the poor overcome current and future suffering is vital if the society will achieve social and environmental sustainability. The rationale for the role of NGOs can be viewed from three important angles. First, the amount of expenditure on public services, such as health and education, is huge (Agg, 2006; UK Treasury 2009: 66). Second, the size of the NGO sector of the world economy is huge and can better be situated within the magnitude of development aids that pass through the NGOs worldwide (Morena, 2006; Sadoun 2006, OECD 2009). In addition to this, NGOs also receive huge sums of aid from donors outside the government through public donations, corporate donations and charitable trusts (Atkinson et al, 2008:2), which, arguably, may even be more than what NGOs obtain from governmental sources (O’Dwyer and Unerman, 2010). This suggests that the aid sector constitutes a large part of public spending from the public resources passed through the NGOs; the total of which is opaque suggesting the need for appropriate reporting and transparency. The third reason is that the funds are targeted at helping the poor in the society.

 Consequently NGOs have increasingly been asked to account for the huge resources that have passed through them to help poor individuals and communities with low levels of income. The need for accountability can be seen from the perspectives of the two distinct groups between whom the NGOs are expected to perform their social and environmental activities – donors (both public and private) and beneficiaries of these aids – (individuals and communities) (Gibelman and Gelman, 2001; Jepson 2005; O’Dwyer and Unerman, 2010; Agyemang, O’Dwyer and Unerman, 2019). Accountability then takes the form of upward and downward trends known formally in the literature as upward and downward accountability of their social services and environmental deliveries, strategically placing NGOs in between donors (public and private) and beneficiaries (Jordan, 2007; O’Leary, 2017). For accountability to be complete, it has to be rendered to the two groups. This is when it is holistic and able to achieve sustainability and transparency. Some studies observe the concentration of downward accountability to the exclusion of upward accountability (see O’Dwyer 2007; Jordan, 2007; O’Dwyer and Unerman 2008), and explain why such accountability may not achieve the intended purpose of accounting for NGOs activities, which is to enable sustainability and transparency. Further, Taylor *et al.,* (2014) argue that downward accountability alone cannot be sufficient in stakeholder-oriented accountability or a principal-agency framework conceptually envisaged for sustainability to be achieved, thereby aligning to the idea of holistic accountability as suggested by O’Dwyer and Unerman, (2008).

 It is imperative to link the issues of accountability and sustainability together at this junction. The mission of most NGOs is to assist impoverished individuals and needy communities and maintain them so that they can be socially and economically sustainable. The World Bank had estimated that there are over 1.4 billion people below the poverty line[[3]](#footnote-3) in 2005, and the role of the NGOs is to help these people as well as those who live above the threshold but are still needing help within communities with a very low level of income (World Bank, 2008, 2015; Chen and Ravallion 2008, Collier 2008). This is to bring them to the core of why NGOs exist i.e. to develop people and communities so as to be socially, environmentally and economically stable, thereby fulfilling the purpose of sustainability across the world. To measure the achievement of sustainability, which is the central undertaking of NGOs, their holistic accountability becomes imperative in order to evaluate the extent of the achievement of this mission for the continuity, or otherwise, of maintaining and developing the affected communities and targeted individuals. The solutions to many of their problems are expected to help their long term social and economic viability through NGO activities (Unerman and O’Dwyer 2010). However, for NGOs to carry on these activities that will solve the sustainability issues, development aids will have to continue to flow to them but there is a major concern especially from donors – public and private. For public donors, the flow of funds may be constrained by the economic crisis facing donor countries especially in developed countries, such as those in OECD countries that give official development assistance (ODA) in substantial amounts. Although these countries have pledged 0.7% of their GNI, the ability to redeem this pledge will depend on their economic conditions as well as the political willingness to fulfil the pledge. NGOs activities aimed at alleviating poverty and solving problems of lack may be hampered, and this is a potential threat to the achievement of the objective of sustainability (United Nations 2009). In the same way, for private donors, disposable income and the profitability of corporations are dwindling in the face of the global economic recession across the world. This suggests that less money will be available to help developing economies, through aid to NGOs to achieve poverty reduction and other altruistic causes.

 Further, to meet sustainability challenges, funding aid must not only be available for NGOs activities but also there must be effectiveness in how the fund is spent. This suggests there must be a way of accounting for development aid, such that it impacts the quality of life of the affected people and their communities, and that is when aid resources can be said to have been effectively utilised.

Different levels or accountability mechanisms have been suggested in the literature. There must be values-based accountability, often referred to as identity accountability. NGOs should channel the aid received to fulfil their purpose and this is the least that will be expected of development NGOs; the ethics of this is reflected in the line items in their accounts to both donors – public and private, and in the accounts they prepare. The major form of accountability that is largely pronounced in the literature is upward and downward accountability. Upward accountability is showing how the money received from donors has been spent (Edwards and Hulme, 2002; Ebrahim 2003; O’Dwyer 2007). This entails preparing an explicit account that follows the structure and format of accounts expected by donors as well as specific information required by each major donor (Agyemang et al., 2009). The accounts provide the much needed information regarding the use of aid money by development NGOs, and donors are able to ask further questions to clarify what is not clear. Downward accountability, on the other hand, means NGOs must engage in a downward dialogue with aid beneficiaries (Edwards and Hulme 2002; Ebrahim 2003; O’Dwyer 2007). This is to understand their needs, expertise and knowledge so that donors can channel aid to the grassroots and where it is needed most for the utmost benefits to beneficiaries (Unerman and O’Dwyer 2010). Such downward accountability, as demanded by governments from international NGOs, need not be rigid by giving an exact shape that the accountability should take, but rather be flexible and adjustable to the situation of beneficiaries, while giving sufficient information that enables both government and international donors to be transparent (Agyemang et al. 2009; Unerman and O’Dwyer 2010).

 The existence of both forms of accountability – upward and downward accountability (holistic accountability) - enables an evaluation of sustainability. This is NGOs channelling funds to where they are most needed, beneficiaries giving their opinion of the usefulness of the aid received, so that donors are aware of this from both ends. The improvement of the beneficiaries’ economic and social condition through the aid received from NGOs is dependent upon funders’ contributions and the achievement of the objective of sustainability, which is the major purpose of NGOs that is achieved through appropriate accountability by the NGOs (Gray *et al* 2006).

1. **NGOs accountability: Possible Mechanisms for attainment.**

 The question of how accountability is operationalised by different NGOs across different analytic criteria is the key to understanding the policy that is adopted by them. Accountability has been variously defined by various authors to mean more or less the same thing. One contextual definition is seeing accountability as a tool or a process through which actors are held responsible for their action by a recognised authority (authorities) for which they (the actors) take responsibility (Fox and Brown 1998, p12; O’Dwyer and Boomsma, 2015; .O’Leary, 2017). This definition creates a dual perspective - an internal and external dimension. In the context of the NGOs, to provide accounting is to be obliged to report certain standards of behaviour because of the feelings of responsibility for individual actions and the pursuits of their organisations’ goal and operation (Fry, 1995; Behn, 2001). Accountability mechanisms that are used to report may take the form of project reports or the financial records prepared for funders/donors who gave NGOs the funding for a project that they helped the donors publicise (Ebrahim, 2002). This places donors in the middle of the mechanism, while the NGOs and the reputation for development are on the other two sides, showing accountability as resource interdependence (Hudock, 1999). However, accountability demand goes beyond preparing a project report or keeping financial records for donors only (Clarkson, 1995). It involves fulfilling competing accountability demands not only from donors but also from other stakeholders in what looks like a ‘stakeholders approach’ that better fits accountability with an integrated outlook (Jawahar and McLaughlin 2001; Soule, 2002). These are the various mechanisms[[4]](#footnote-4) that are the processes through which accountability is now rendered, dependent upon corporate collapses and the need to render an account to all stakeholders. The stakeholders, in the context of NGOs, include donors and government to which upward accountability is rendered through matching budgeted funds to the expenditure relating to its purpose. Needy people and communities constitute the stakeholders to whom NGOs provide services and render a form of accountability referred to as downward accountability (see the previous chapter). In summary, both downward and upward accountability are rendered using an integrated format to satisfy both categories of stakeholders by meeting the information need of all; hence, the call for use by NGOs of *five* broad mechanisms of accountability (Najam, 1996, Wenar, 2006, ACCA 2009).

 *Reports and Disclosure statements* are the usual tools used to achieve accountability by NGOs. These are the financial statements or the report of the organisation and its ancillary parts that document the financial information which can be used to understand the activities of the NGOs by the stakeholders, especially donors, aid beneficiaries and governments (Balda, 1994, p. 72; Chisolm, 1995, p. 147; ACCA 2009)**.** They provide evidence that NGOs activities are in conformity with their purpose by satisfying the donors, and may qualify them for tax exemption from the tax authority (the government). It is a legal requirement in many countries to produce a financial statement, and compliance can be enforced by the state through the relevant department (Schweitz, 2001; Charity commission, 2010)**.** Donors also require regular reports, which differs from funder to funder and may be project specific and be prepared quarterly, half-yearly or yearly; sometimes, NGOs may be required to conform to a particular standard of auditing system by different funders and this becomes a burden to NGOs with many funders (ACCA, 2009; Charity commission, 2010). In summary, reports and disclosure statements are legal disclosures for NGOs through which they are accountable to stakeholders with the content of the reports majorly upward looking with limited downward accountability. For this mechanism of accountability, there is limited information of the quality of the work of the NGOs. The downside of this external approach to accountability is that NGOs are under compulsion to produce this report otherwise there are punishments, such as loss of status as NGOs, as funders may not want to continue to release money to them if they are not satisfied with the report of how previous funds are utilised. The danger of concentrating on this mechanism of accountability is that it is shifting the focus of NGOs, albeit temporarily, from their main purpose but it gives room for improving and strengthening internal processes that can help achieve the NGO’s organisational missions and performance.

 *Performance assessment and evaluation* are also tools of accountability, which may include evaluations of performance and the impacts NGOs have on the beneficiaries targeted to achieve their purpose. This is a form of external accountability with donors asking for an intermittent evaluation of a program or an aid grant, which is used to determine the granting of future aids (Levy, Meltsner, & Wildavsky, 1974). While this emphasises external evaluation, NGOs also engage in an internal evaluation to streamline their internal processes towards the achievement of their purpose or mission and also to benchmark external expectations. The problem with the evaluation is whether it should be by processes or by products (tangible) with donors in favour of a concrete evaluation, which, though short term, is easily measurable. Donors are able to monitor NGOs performance though some say it distorts accountability because it emphasises short term quantification, which is a metric for accountancy and not accountability.

*Participation* is a process through which accountability is rendered by reference to routines within the internal organisation. There are different levels or kinds of participation, which include making information available to the beneficiaries by holding meetings with them or surveying them and involving the community by making them participate physically or contributing in the form of labour or funds (Gardner & Lewis, 1996). Other levels include a citizen influencing decisions through a dialogue with the NGOs on development activities and resources in the community, which gives them greater control, and, lastly, the community have their own initiated project independent of the NGO’s project (Guha 1989; Khagrm 1998). For there to be a form of accountability through a *participation* mechanism, the four kinds must be encouraged. While the first two satisfy donors and NGOs, the last two involve the grassroots and beneficiaries, and the four put together as an accountability mechanism makes the community and the NGOs feel good (Najam 1996). Edun (2000) examined six world bank projects funded by the world bank and some western countries utilised this as an accountability mechanism and found that although the community felt involved, they did not meet the community needs and strength because the community were not consulted. This underlies the importance of properly involving the beneficiary community at the stage of need, so that appropriate projects, consistent with the need of the community, will be executed, and *participation* as an accountability mechanism can then be applied.

 *Self-regulation* is another accountability process initiated by the NGOs formally by developing standards or checklists against which their performance can be evaluated internally. It is a means of forestalling possible government regulation arising from complaints of non-performance from the public and also for the NGOs to retain their integrity (Schweitz, 2001). In self-regulating, NGOs develop codes that aligns with their purpose or mission against which their performance is check-listed regarding each project. The codes represent how the NGOs see themselves in terms of their mission, principles, values and methods, and internally evaluating these to establish the extent they are achieving the milestones. What gives the codes legitimacy is the involvement of the society that the NGOs serve and the length of time the codes are used in the self-regulation process.

*Social auditing* is both a tool and a process of accountability mechanism through which NGOs evaluate their reports and activities with a view to establishing the rate of alignment with its purpose(Wenar 2006). Using this as a mechanism, this aims at improving the NGOs performance, evaluating ethical behaviour through integrating many of the elements of accountability already discussed. There are many variants of social auditing. There are variants that focus on stakeholder dialogue and perception as well as the production of social performance reports that are utilising stakeholder perspectives. Other variants include the development of ethical metrics that include social identification, stakeholder dialogue, checklist to evaluate, continuous improvement and public disclosure (Dawson, 1998;Ebrahim, 2003). The above variants have an ethical alignment of the work of NGOs as its central focus and will enable stakeholders to have a positive view of them, which upholds their integrity. Management will be able to internally monitor their performance through the development of a social and environmental information system, which can be used to develop organisational goals and values, which in turn are used to assess performance i.e. downward and upward accountability. It is an important strategic tool that can be used to gain an insight into stakeholder perspectives by enabling them to feed social performance back to the decision process.

1. **Summary and conclusion**

 This paper has critically examined the concepts of accountability for the environment in order to achieve sustainability. In particular, the paper has comprehensively looked at many facets of accountability that have been put forward and utilised by extant studies as to what constitutes accountability. Since accountability is not an end in itself but a phenomenon that is supposed to be able to help an end which is sustainability, the paper has evaluated the sufficiency or otherwise of the constituent parts of accountability, such as external, internal, downward, upward accountability as well as the role of regulation (governmental or self), and has suggested a holistic accountability package that can help achieve enduring sustainability.

 The paper started by noting that the problem of societal imbalance, inequality and lack has pervaded the world for many years and this has been a thing of concern to academics, governments, corporations, donors/funders and NGOs. The call for a sustainability report, which was initially concentrated on profit making organisations, has now been made to ‘not-for-profit’ organisations in the last decade. The argument was that, because profit making organisations engage in the production of a variety of goods and services that produce externalities, such as pollution, ozone depletion, global warming and green-house effects, they should produce a sustainability report that discusses how they are correcting the effect of these externalities. However, although NGOs engage in the provision of the ‘public good’, such as provision of poverty alleviation palliatives and helping society meet its needs, they have been found to also produce externalities that damage the environment just like profit-making organisations that were hitherto asked to produce a sustainable report. It is expected that NGOs doing so is capable of sustaining their legitimacy and reputation in the eye of the public (stakeholders) as it is then that they can be said to truly help the society they are burdened to assist, which is their main purpose.

 NGO’s accountability is warranted to achieve sustainability. Components of accountability, as proposed and utilised in achieving sustainability, may need to be reviewed and reinforced to achieve enduring sustainability. This departs from the opinions held by stakeholders, and extant studies on what constitutes and delivers accountability that ensures sustainability. In this paper, we explore accountability mechanisms as a component part of accountability that have been missing but which are an integral part and suggest that these mechanisms, which completes the right model, should be incorporated going forward. Mechanisms of accountability involve the utilisation of tools and processes, such as reports and disclosure statements, performance assessments and evaluation, self-regulation approaches and a social audit to communicate accountability to all stakeholders. The incorporation and utilisation of the entire tools have the advantage of transparently informing the stakeholders interactively of the steps taken by the NGOs on accountability. This will produce a measure that will help the cycle of funds released by donors/funders for the projects they believe in, NGOs will be transparent in showcasing the areas where they have utilised the funds to achieve their purpose, and the beneficiaries (communities and needy people) will be able to evaluate what they have received and conclude if their needs have been met. Only when this cycle or loop is integrated into an accountability bundle or model will there be true sustainability. This is what we referred to as holistic accountability that is capable of delivering complete sustainability. We suggested the use of this holistic accountability as a model into what is described as internal, external, downward and upward accountability, as this is capable of ascertaining whether the right accountability has been rendered before evaluating the impact of accountability on sustainability. Only the right bundle or model will deliver the true sustainability expected to solve the social, economic and environmental imbalance in our society.

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1. Reports and disclosure statements, performance assessments and evaluations, participation, self-regulation and social audits. [↑](#footnote-ref-1)
2. Accountability spectrum covers both downward and upward accountability and could be specifically linked to the NGO patrons, such as donors, partner organisations, employees, volunteers and the society at large. [↑](#footnote-ref-2)
3. This is currently set at $1.25 per day in 2005 and $1.90 in 2015 [↑](#footnote-ref-3)
4. The mechanisms include reports and disclosure statements, performance assessments and evaluations, participation, self-regulation and social audits. [↑](#footnote-ref-4)