Accountability and Inaction: NGOs and Resource Lodging in Development

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ABSTRACT

From the late 1980s, research on NGOs had a normative focus and was vulnerable to changing donor preoccupations. This article contributes a new conceptual approach, analysing the practices through which relationships and resources are translated into programmes and projects. The theoretical justification for this move combines the new ethnography of development practice with a re-agency approach to transactions across time and space. The study is based on data including thirty hours of video ethnography involving interviews and field visits with Kenyan NGOs in a variety of sectors. The analysis focuses on the problem of accountability that emerged through the interactions of donors and state corruption. We argue that NGOs operating in capital cities often provide organizational solutions to this problem. Depending on donor preferences, varying amounts of resources become 'lodged' or absorbed in 'capital NGOs' as they provide accounts of programmes that satisfy donors. However, no matter the donor preferences, capital NGOs provide accountability independently of increased action with communities or increased resources transferred to them. We conclude that the institutionalization of the NGO field as a well-grounded specialization depends in part on the degree to which researchers can sideline the stories generated in inter-organizational contexts such as workshops and policy meetings, and substitute understandings based on accounting practices, resource flows and social ties.

INTRODUCTION

In policy circles, non-governmental organizations (NGOs) are no longer viewed in simple terms as flexible, participatory and democratic organizational forms, adapted to any and all developmental tasks, an alternative to dysfunctional and corrupt governments (Clark, 1991; Korten, 1990). They are equally likely to be seen as unaccountable, non-participatory, and even unsustainable or obsolete sinks for donor funds (Mitlin et al., 2007; van Rooy, 2000). While the policy discourse of donors implies that NGOs have fallen out of favour, a subsequent decline of funding to NGOs has not been

observed (Agg, 2006). While the era of high optimism may be over, their presence as development actors endures in the midst of an increasing awareness that NGOs themselves have issues of accountability.

The objective of this essay is to provide some conceptual tools for understanding the social dynamics of NGO accounting practices.[1] If it is true that perspectives on NGOs are now more diverse, it is still not the case that NGOs are well understood. We introduce a conceptual approach combined with a methodological strategy, illustrated through a video ethnography of NGOs in the Nairobi area. The 'success' and 'failure' of NGOs may be explained by network practices that channel both social ties and resources: the same NGOs may be defined as 'working' or 'not working', depending on the relational lens through which they are viewed. But however characterized, all NGOs must cope with the problem of accountability. When resources originate in distant lands, donors — whether they are individual persons or large multilateral organizations — have developed a strategic interest in ensuring that their resources go to the objects or activities for which they are targeted while avoiding indiscreet knowledge of resource flows.[2]

We begin by reviewing two prior approaches to NGOs and discussing how each addresses issues of accountability. Next we describe a simple conceptual framework that combines elements of what has been called the 'new ethnography of development' (Mosse, 2004) with a 're-agency approach' to the development system (Shrum, 2005). The video ethnographic strategy is described, along with our interviewing practices and an overview of the NGOs that participated in the study. Our analysis begins with an examination of 'capital NGOs' — NGOs based in the capital city of a country — in the context of the shift in attention away from corruption as personal gain to organizational practices that sequester, or 'lodge', resources in particular places. We argue that strategic decisions are made with respect to a trade-off between efficiency and targeting, in which interests in specific beneficiaries lead to greater resource lodging. Capital NGOs cannot be motivated to increase the proportion of programme resources that are transferred to local communities except at their own expense, independent of action with communities. A comparison of two faith-based NGOs that are similar in many respects is employed to show how the accountability problem is approached in ways that are associated with different organizational designs. The last part of our analysis uses a specific example of an Information Communication Technology (ICT) organization that changed its organizational structure in ways that reveal the complexity of the accounting process.

1. By accounting we mean not just the production of financial audits and official reports, but also the production of less formal stories, models, arguments and conventionally understood symbols that are used by NGOs to represent projects and programmes to sponsors.
2. Indiscreet knowledge comprises shared understandings of the operation of the aid process — the kind discussed by both expatriates and nationals at informal gatherings — together with information about particular actors and activities that would be deemed inconsistent with donor purposes, were the full measure of those activities revealed.

NGOS AND ACCOUNTABILITY

With some exceptions, previous scholarship on NGOs in development studies can roughly be divided into two camps representing instrumental and critical perspectives.[3] Most scholarship on NGOs to date fits within an instrumental framework. Instrumental perspectives view NGOs as not functioning as well as they should and carry an implicit or explicit normative motivation, asking how NGOs could be made to function better. Ideas about the functions that NGOs should perform are closely linked to the dominant historical narrative of NGOs and their 'rise' in development (Edwards and Hulme, 1992).[4] In this narrative, NGOs rose in prominence, becoming dominant actors in the development system in the 1980s, the 'NGO decade' (Bratton, 1989). NGOs were designed to provide services to communities that the state would not or could not provide (Beckman, 1991; Clark, 1991; Korten, 1990). In the 1990s, NGOs were viewed as organizational embodiments of civil society[5] and thought to facilitate political reform (Diamond, 1994; World Bank, 1997). These dual roles of service delivery and reform went along with a 'New Policy Agenda' of neoliberal economics and liberal democratic trends (Robinson, 1993). NGOs were seen as intermediate organizations that knew the needs of communities and could efficiently implement projects to address those needs. They were thought to have a comparative advantage over corrupt, inefficient and undemocratic states (Fowler, 1988) where resources did not reach end recipients, and over 'unfeeling' markets that did not represent the interests of the poor or consider social justice issues.

Almost as soon as these expectations were set for NGOs, their comparative advantage was called into question (Vivian, 1994).[6] Given the unfulfilled expectations, instrumental scholarship asks how NGOs can meet them. How can NGOs better leverage their comparative advantage (Fowler, 1997), or better manage relationships (Groves and Hinton, 2004)? There is an inherent 'Pro-NGO' judgement. As Igoe and Kelsall put it, 'the development machine is perceived not to be working so attempts are made to fix it' (Igoe and Kelsall, 2005: 18). David Mosse classifies scholarship in this vein as instances of 'new managerialism' (Mosse, 2004). Each successive failed expectation leads to a revision or new model for understanding NGOs with new prescriptions for operation.

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3. The categories instrumental and critical are taken from Mosse (2004). Mosse uses them to discuss critiques of policy and practice in general, while we map them onto NGOs specifically.
4. Lewis (2005) notes that the dominant history is remarkably short and analytically thin. This is indeed a criticism of instrumental scholarship discussed below.
5. This associational view of civil society is a dominant view in policy writing but not the only view (see Hyden, 1997; Mohan, 2002). A treatment of civil society is beyond the scope of this essay. Debates around civil society are not directly relevant to the re-agency framework described below.
6. Tendler (1982) was one of the first to question early pro-NGO scholarship.

Issues of accountability are a quintessential example of instrumental revisionism. In the 1980s, their perceived comparative advantage made NGOs almost inherently accountable (Hilhorst, 2003: 143). This was called into question and there were attempts at more sophisticated examination of NGO accountability (Brett, 1993). For Edwards and Hulme (1996: 8) accountability is defined as 'the means by which individuals and organizations report to a recognized authority (or authorities) and are held responsible for their actions'. By the 1990s, NGOs faced increasing issues of accountability. This paradigm of accounting was further advanced with developments in new information and communications technology, putting more demands on NGOs: 'the all-pervasive audit culture with its focus on targets, league tables and "performance indicators" has led to a situation where relationships between Northern and Southern NGOs are "dominated by the disbursement and accounting for aid money within tight frameworks"' (Hearn, 2007: 1103, quoting Wallace, 2003: 216).

Scholarship on NGO accountability has multiplied and become more sophisticated. For example, Ebrahim (2003a) analyses several different mechanisms of accountability along multiple dimensions. Mitlin et al. (2007: 1700) note that, despite many incremental revisions, '[w]e are arguably no clearer now concerning questions of effectiveness, accountability, and successful routes to scaling-up than we were when these questions were raised over a decade ago'.[7]

The second main type of NGO scholarship adopts a critical perspective and observes the unmet expectations of NGOs with an alternative message. For critical scholars, NGOs function in a different way entirely. Development planning and practices, into which NGO activities are grouped, are seen to reproduce power relationships, 'bureaucratic control', and patterns of authority between states, within society and between state and society. Development interventions, unknowingly or unintentionally, reproduce hierarchies ('scientific over indigenous' knowledge, 'developer' over 'to be developed') (Mosse, 2004: 643; cf. Ferguson, 1994). In the critical view, development represents 'domination to be resisted' (Mosse, ibid.). For instance, NGOs are seen not as intermediaries or representatives of the poor, but as part of a 'new colonialism', a new way to affect control over communities (Opoku-Mensah and Lewis, 2006: 670). This is an 'anti-NGO' judgement.[8] Mitlin and colleagues (2007: 1703) argue that perspectives on NGOs as 'vehicles of neoliberal governmentality' are growing (for instance, Manji and O'Coill, 2002; Townsend et al., 2002). If critical perspectives

7. Mitlin et al. (2007) discuss accountability along with another favourite catch phrase of instrumental scholarship — 'scaling-up', or expanding projects from one locale deemed to be successful to other locales. These are both related to re-agency or the interaction of identity and place during the resource transfers described below.

8. NGOs are perhaps the last head to fall by the critical axe. This is because NGOs are still seen as related to social movements that could put forward alternatives to development (Escobar, 2004).

dismiss NGOs as not being able to help the poor and marginalized, then NGOs are inherently unaccountable. Critical perspectives therefore generally do not address NGO accountability in much detail.

There have been several recent calls to find new approaches to studying NGOs (Hearn, 2007; Mitlin et al., 2007; Opoku-Mensah and Lewis, 2006). A main problem in previous approaches was the positionality of researchers; researchers were too close to the aid system and NGOs themselves. Case-based, normative studies lacked theory and a sense of history; they followed the whims of policy changes. To get away from this normativity, we must acknowledge that:

> Foreign aid to Southern NGOs has created a social group that is dependent on external resources and patronage and in return is central to and popularizes Northern development policy. Clearly, this is a complex, two-way process in which discourse is adapted and subverted as well as strengthened. Rather than dismiss the idea *prima facie* that such a process could be taking place, the challenge is to find and construct analytical frameworks that allow detailed research to be undertaken into the mechanisms of this process. (Hearn, 2007: 1108)

In what follows, we answer these calls and plot a different course in order to 'both keep abreast of changing policy in relation to NGO practices and do justice to the complexity and diversity of NGO forms and contexts' (Opoku-Mensah and Lewis, 2006: 670). Our approach is to eschew both evaluations of performance and questions of domination and resistance. We examine the structures and discourse of NGO accountability, not in the broadest possible sense — which both instrumental and critical perspectives can also claim — but in terms of producing accounts that satisfy a sponsor that resources are being used as intended.[9] This is consistent with the components and elements of accountability identified by Hilhorst (2003): an account (audit, report, pictures, etc.), the interaction of multiple parties, and legitimation. While rational elements (focused on operational transparency) are foregrounded, moral elements (evidence that 'good' is done) are present in the background, part of the 'mundane reason' (Pollner, 1987) of participants in the development system. In the next section, we develop the idea of capital NGOs and a micro-sociological framework for analysing accountability.

CONCEPTUAL FRAMEWORK

David Mosse, describing the new ethnography of development, claims that '*policy (development models, strategies and project designs) primarily functions to mobilize and maintain political support, that is to legitimize rather*

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9. The terminology of accounts is used in the re-agency framework below and is ultimately drawn from Scott and Lyman's classic sociology of accounts as 'manifestations of the underlying negotiation of identities within speech communities' (1968: 46).

than to orientate practice' (emphasis in original) (2004: 648). Addressing the relationship between policies and the practices of development agencies on the ground, he views policy as stabilized interpretation, actively constructed not just by donors, but project managers and recipients. During twelve years of consulting with a participatory rural development project in India, Mosse observed the reciprocal adaptation of managers, villagers and consultants to the metaphors of participation and partnership, 'whose vagueness, ambiguity and lack of conceptual precision is required to conceal ideological differences, to allow compromise . . . build coalitions . . . and multiply criteria of success within project systems' (ibid.: 663). He concludes that 'good policy', viewed as a discursive framework that can legitimize and mobilize support, is unimplementable in an important sense: it does not guide action. A less extreme and more practical idea is that shared discursive frameworks are more useful for understanding conferences, meetings, workshops and policy consultations than they are for understanding the content of social interactions of development actors in workplace settings and fieldwork.

New development ethnographies, by virtue of their micro-sociological focus and insistence on interactional data, are uneasy with macro concepts such as dominance, resistance and hegemonic relations.[10] Mosse concludes that governance cannot be imposed by development schemes, but requires collaboration and compromise (ibid.: 645). In a literal sense this is accurate — all social organization requires some degree of collaborative orientation. The danger of managerialism returns when the position is interpreted as evaluative, as a call for more or better collaboration and compromise. When this occurs it is not far from participation, partnership and the other metaphors that have legitimated programmes during the NGO era described above. The development system — the actors and relations that are defined and define themselves in terms of the development problematic — are more realistically viewed in terms of the activities generated through *cross-national resource transfers* than as a general process of increasing income, decreasing inequality, or democratization.

More generally, we view the processes set in motion by these cross-national resource transfers not as 'development' but as 're-agency' — that is, redirection of action involving a contingent reaction between identities (Shrum, 2005).[11] Re-agency processes are set in motion by initiatives that trigger chains of interactions among specialized groups of professionals within multilateral or bilateral donors, state agencies, community-based organizations, or NGOs in the African context, the focus of our attention here. Identities within the institution of development are primarily organizational (not white and black or European and African, but USAID, AMREF,

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10. Although new ethnography is not uneasy with the macro altogether (see Tvedt, 2006).
11. 'Development' is a poor description of the processes that have occurred in Africa during the post World War II era, but a reasonable label for a group of actors and relationships that have been active in this period.

World Bank), and places (locations in physical space) where resource generation, decision-making to channel funds, and action are often far removed from one another.

When we focus on the constraining and enabling contexts of action, and how these are sustained or altered, concepts of identity and place are crucial to understanding the development system (Harsh and Smith, 2007). The development system is conceived as a network of actors in which organizational representatives from afar enter countries with programmes and initiatives. Discourse and resources are mobilized to formulate, send and receive initiatives (i.e., planned action) that are transformed and repackaged on location by a network of development agents within which NGOs have become highly significant. We describe this process as re-agency, and the development actors as *re-agents*, who have the capacity to instigate and participate in reactions, but not to control them.[12] The over-theorized instrumental approaches or under-theorized critical approaches discussed by the new ethnography of development are equally suspect in a re-agency framework whose basic problem is to understand the way in which place and identity interact as resources are channelled from distant lands to organizations that are designed for their distribution — a principle function of NGOs.

Our interest here is in re-agency processes involving 'capital NGOs'. In using the term 'capital' to describe this category we denote primarily the city that is the seat of government in a country, since it is often the centre of NGO activity as well. We recognize and welcome other meanings and associations of the concept. Capital (economic, human, cultural and social) is generally conceptualized as wealth that can be used to produce further wealth — in simple terms, advantages that accrue from particular kinds of resources. Capital NGOs have a special position in development networks owing to a locational advantage, midway between donors and recipients. They operate in large urban areas with infrastructure that is often significantly better than other areas of the country — an international airport, comfortable hotels, a hub for transportation and communication links to remote regions, and frequently, as in the case of Nairobi, proximity to an international community of significant size. Capital NGOs also have an

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12. The re-agency concept overlaps with a dependency view of NGOs, since capital NGOs are dependent on external sources in developed countries for funds. Capital NGOs are an instance of Hudock's (1995) class of 'Southern NGOs' that are dependent on Northern NGOs for funding. However, the re-agency process highlights the fact that power is not a simple function of resource differentials, but is shaped by mutual or interactive dependencies. Donors are also dependent on capital NGOs to satisfy spending requirements and NGOs have the capacity to instigate transactions with multiple donors. The relationships between donors, NGOs and community-based organizations operating in different spaces with a variety of ICTs make it impossible to establish the one-way channel of influence that is implied by the conventional concept of power, and render the nature of collaborations with partners problematic (cf. Guo and Acar, 2005).

advantage in terms of proximity to the government, specifically to the offices of ministries and other state institutions.

Location is a resource, even a form of capital, that can be used to generate linkages and, equally important, is also *viewed as* a resource in development networks that will assist others in generating wealth.[13] A capital NGO is an organizational entity that generates wealth by converting locational advantage to social linkages that result in programmes, projects and, ultimately, financial resources. For the historical reasons discussed above, capital NGOs have proliferated in development networks and are particularly susceptible to *resource lodging*, the 'sticking' of financial, human and material resources at various points in the chain from donors to recipients. This lodging is by no means peculiar to capital NGOs — it applies to some degree to all organizations in the development system. With migration to urban areas and an increase in education, capital NGOs have grown in visibility. It has become common for educated Africans to aspire to work for NGOs, particularly those with international affiliations.

Capital NGOs have three related functions within the development network. First, they create employment. As one informant told us, during an interview where members of our team had trouble understanding the specific benefits that her NGO provided, 'at least it is providing jobs for Africans'. This feature is widely recognized, which is why some are called 'livelihood NGOs': the provision of downstream benefits is not as significant as the employment opportunities they provide for locals.[14] Once jobs are created, the maintenance of these positions generates its own activities, including a continuous search for donor funds. Second, capital NGOs are hosts for development tourism: when field visits to projects take place, capital NGOs are typically the first point of contact and the first opportunity to manage images, stories and accounts of work. Third, and the focus of our interest here, is their provision of accountability in response to long-term concerns about losses, corruption and diversion of resources.[15] In the analysis below, we compare two faith-based NGOs in Nairobi in terms of their differing approaches to handling the downstream beneficiaries of their programmes. Such a comparison offers insight into a case where donor requirements for accountability are *not* stringent, which is increasingly rare in Kenya, and elsewhere in Africa.

Our central assumption is that two problems of re-agency exist (interaction processes set in motion by transfers from afar): resources get lost or diverted

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13. A rare meaning of capital is evaluative, referring to an entity perceived as excellent.
14. This is in contrast to frameworks of development organizations with a stated focus on improving downstream livelihoods (i.e. means of living), such as the sustainable livelihoods approach of the UK's Department for International Development (DFID, 2001).
15. There is clearly a temporal component of this accountability function. Beyond a history of corruption, accountability is linked to ideas about 'learning'. Accounts produced by NGOs which aim to show learning from past mistakes provide a sense of continuous improvement. This legitimizes aid to NGOs, not least for political constituencies in donor nations.

(a consequence, or latent function, of poverty) and resources get lodged or 'stuck' in various places from source to target (a latent function of account-ability). The production of accounts (both formal audits and reports and informal success stories) is resource intensive: it requires money, time and effort. Our core argument involves a dynamic tension: organizations cannot be simultaneously concerned with targeting (ensuring that all resources are going to a purpose specified by donors)[16] and efficiency (minimizing audit-ing and operational charges necessary to ensure targeting). Capital NGOs are an organizational form that provides solutions to this problem. They provide accountability, backing up resource transfers with systematic accounts, with-out being accountable. That is, they cannot be motivated to increase the share of programme resources to local communities except at their own expense, independent of action with local communities. Monitoring and evaluation are always possible, but serious efforts would overwhelm the programmes they are meant to oversee. The resources required would be self-destructive, exhaustive and unsustainable.

METHODOLOGICAL APPROACH

Our interest in accountability was not the initial purpose of this study, which was to examine the ways that NGOs were using new information and communication technology. We sought to employ the qualitative method of video ethnography in the context of our individual experiences with NGOs in Nairobi. The capital city of Kenya epitomizes the locational advantages provided to NGOs discussed above. With a population of about three million people, it is in many respects a modernized city, served by a developed infrastructure and hospitality industry, attracting international businesses and international NGOs since the 1970s. Nairobi is the headquarters of all government offices as well as the national and regional offices of major NGOs operating in the sub-Saharan and Eastern Africa region. It also serves as headquarters for many prominent international organizations including offices of several organs of the United Nations system and international agricultural research institutes.

As we began conducting interviews, questions of accountability began to emerge that shifted our focus away from technical issues of ICT use to the practical and conceptual problem of accountability and the ways in which NGOs approached this issue. The video ethnography component of the research took place between 2006 and 2008. Video ethnography is a relatively new methodology in the social sciences (Shrum et al., 2005; Pink,

16. Krishna (2007) shows that targeting is a contested concept in development. We are not making normative arguments about how and whether targets should be used. Rather, targeting is used as an analytical concept denoting specificity in donor preferences for how resources should be used by NGOs.

2001). The method employs a combination of traditional ethnography and audiovisual recording of events as they occur, including both interviews and field visits. For this study, we collected over thirty hours of footage on tape, later dubbed to DVDs and transcribed. Interactions with informants vary, depending on both our pre-existing relationships with them and their general willingness to go on camera. In some cases we simply entered into casual discussions without taping — a central principle of video ethnography is that pre- and post-recording time is as revealing as on-camera interviews. Often a visit to an NGO included a videotaped tour of the NGO's offices and facilities along with interviews with NGO managers and staff. The interviews were semi-structured and were designed to obtain information about the history of the NGO, its organizational structure, operations, sources of funding and networking with partners. Often NGOs stated that they operated project sites or worked directly with other NGOs in the greater Nairobi area. Sometimes we conducted field visits to these sites, but these visits were un-announced in an effort to avoid management and staging for our visit.

The use of video presents both special challenges and opportunities. Sensitivity to informants is crucial, but when it is possible, the creation of a video record offers a unique opportunity to preserve both the evidence of infrastructure, as well as the mood and emotional energy of the setting. Some of our work was conducted during an election year marked by tension and significant violence and we changed our approach during the course of the study. Despite the fact that the Kenyan government had cleared this research and issued a permit, obtaining access to organizations was initially problematic. Videotaping of interviews was a concern to some potential informants, and such concerns must be genuinely respected. Some responded that they would require permission from their organization or higher authorities. While this could have been done, it entailed time-consuming requirements such as a request letter to the targeted organizations that may or may not be answered within a reasonable time frame.

Our approach was based on the realization that there was no need to set a barrier that generated a population of informants who were essentially strangers. Instead, we could turn to those managers of NGOs who were already well known to members of the team.[17] We scoured prior contacts made through previous individual experiences, including research, consultancy, friendships and project work over the past thirteen years. The research team

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17. Video ethnography shares with traditional ethnography the need to develop close relationships with subjects and the dynamic tension of the informant friendship. In this study, we expressly sought a methodology that would allow some of the advantages of a sample, but also some of the relational advantages of close association with a particular social group. As in other ethnographic studies, purposive sampling was used to select these NGOs. According to Singleton et al. (1988: 153) 'in this form of sampling, the investigator relies on his or her expert judgment to select units that are "representative" or "typical" of the population. The general strategy is to identify important sources of variation in the population and then to select a sample that reflects the variation'.

at this point began to rely primarily on the expertise of its Kenyan member, who had many years of experience working as an NGO consultant. As a lecturer and head of department at the University of Nairobi, he was connected to an extensive network of people working within the NGO sector, many of whom were former students or colleagues. We utilized his interpersonal network as our initial sampling frame, visiting the managers and seeking permission to use video equipment to collect data.[18] When the opportunity arose (for example, through the personal friendships of these managers), we included other NGOs within the same sector. Using this technique, we generated a final non-probability sample of twelve NGOs. While the analysis was based on all of our interviews and video notes, our presentation focuses to a greater degree on three specific NGOs that reveal trade-offs and constraints confronted by all.

All of these NGOs are examples of capital NGOs as described above, operating in the greater Nairobi area, each with linkages to both donors and other agencies that have their own, sometimes overlapping, remit. In essence, they are all Nairobi nodes of development networks that provide jobs, facilitate visits from outsiders and generate financial flows from afar. All of the NGO managers interviewed were Kenyan nationals. However, the NGOs differ in many respects. Before selecting the three specific cases to be described in more detail, we interviewed NGOs in various sectors ranging from corporate governance to health (HIV/AIDS), ICTs, gender, agriculture and education. Some had multiple focal areas, some had a religious focus and some were strictly secular. The NGOs varied in terms of number of staff, mission, mode of operations and organizational structure. They also differed in terms of remit or geographical identity (for example, how far an NGO's mandate extended geographically from the Nairobi office). Remits ranged from Eastern Africa to a specific community in the greater Nairobi area or a specific project site within that community.

An important aspect of video ethnographic practice is reflection. In the present study, we videotaped a version of ethnographic field notes, focusing on the interpretive interaction of our team of three persons rather than the private response of a single investigator. Members of the team filmed themselves reflecting on the ongoing research, proposing hypotheses and explanations. This occurred throughout the research process, but especially before and after interviews and field visits. In post-interview reflective sessions, we would begin by taking most optimistic view of the organization (giving 'maximum benefit of the doubt'), generously viewing claims about beneficiaries and practices. We would then balance this by discussing the most critical or sceptical view of the organization, based on what we heard and what we saw. We considered evidence (or claimed evidence, for instance, of resource transfers), with particular attention to claims that could

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18. Throughout the paper we use pseudonyms in discussing NGOs to protect the anonymity of these organizations.

be backed with evidence (number of communities working with a specific local partner) versus claims that are inherently subjective (such as participants' 'increased empowerment'). We begin our analysis in the next section, exploring the problem of accountability in the context of 'corruption' and its meanings.

ACCOUNTABILITY AND ACTION

The historical trajectory of development aid and the political development of Kenya as a predatory state during the Moi years yields an exemplary case for the twin processes of lodging and loss, set in motion by remote resource transfers. Growing awareness of diverted funds was generally defined as corruption, and by the early 1990s was openly discussed as a problem of governance amidst frequent threats to terminate bilateral and multilateral aid. One reason for the movement of resource flows away from government institutions and towards the non-governmental sector was the perception of greater openness and transparency by NGOs themselves and higher levels of participation by the targets of aid at local levels. Lurking in the background — but often discussed explicitly in our interviews[19] — was this history of diversion, and the reputation for corruption: 'Corruption is there. I . . . we can never run away from it. And the issues that are being raised more so with HIV/AIDS money . . . this is a justice element that basically has to be addressed'.

Yet the striking feature of our interviews was not the widespread awareness of corruption but the *extension* of the concept beyond the meaning of dishonesty or bribery for personal gain. Instead of payoffs and illicit procurement, corruption has now acquired meanings related to the organizational and administrative practices of NGOs themselves, as the following quotations demonstrate:

> There is also a way to categorize NGOs: there is red, there is green and there is amber . . . Red means you will never get money again. Because you are very corrupt in spending or you are lingering. Green means you are picking up and you are moving. Amber means you are there and they are watching you very carefully.

> Corruption of course comes in different forms. It could be even hiding of information.

> NGOs are very good about preaching about drinking water while they drink wine. I have evidence and cases where there have been massive corruption and misuse of donor funds by NGO. How? One is for the last decade . . . there was what we call in NGOs the Pajero culture.

'Pajero culture' is a widely used reference to what we have called 'lodging', the tendency of resources to become jammed or embedded in locations

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19. All quotations come from the research described above, but the identity of the interviewees is not mentioned, to protect their anonymity.

downstream from their source but upstream from their intended destination. While Pajero culture is a phenomenon of lodging it also serves a legitimation function. NGOs strive to maintain an image that they are professional organizations, capable and worthy of doing business with a donor. The appearance of professionalism is a prerequisite for all interactions with donors, including those interactions meant to provide accountability. Capital NGOs seek to be perceived as well equipped and this symbol of success is a kind of conspicuous consumption, evidence of prior and current funding:

> The biggest four wheel car . . . chances are that it will be driven by an NGO executive. Now the question is where is the poor person who needs these monies to address these issues of poverty? And you have taken over 50 per cent of the funds for your salary . . . NGO people are one of the best paid lot of this country. Now, the biggest question is how much actually reaches the poor person . . . it was so sad. Because there was only one NGO that could make 40 per cent. Even here it is only 20 per cent that reaches the community. That is institutionalized corruption.

The term 'institutionalized corruption' once referred to normative though illegal practices surrounding bidding and contracting, issuance of permits or, in the legal context, payments for favourable judgements. Here it refers instead to the equitable distribution of resources rather than illicit gains as such. One NGO informant recognized this explicitly:

> Corruption to me is the wrong one. I think it's misuse of resources or misallocation of resources because there's no influence . . . they deliberately decided we want these resources. We shall use them in this and the other way. But they don't do it exactly as designed in the project document. So, they misuse or misallocate or misdirect . . . That is a problem and then putting in building activities or cost items which are not exactly necessary. You cost so many vehicles, so many allowances which are not necessary . . . If you go to the farmer level and you want to intervene, you have to look at exactly what does the farmer need today to survive tomorrow.

By 'no influence' the interviewee is referring to influence by donors or project sponsors on the disposition of funds once they have arrived — a central aspect of re-agency (Shrum, 2005). But what has replaced classical corruption — the outright 'loss' of resources and materials — is the lodging of resources in NGOs themselves, often the capital NGOs to which our informants belonged.

While significant diversionary loss still occurs, resources are much more likely to be used at various stages in the NGO chain. In post-interview debriefings we often noted (1) the relative absence of diversions, (2) the difficulty of establishing a level of 'work on the ground' or action 'with the community' that would be significant for the standard range of development problems, and (3) the development of practices by these organizations *to prevent diversions*. Most project funds were used in accountable ways, subject to the specific conditions of sponsors. It was not a matter of the 'hiding of information' mentioned above, but just the opposite. Accountability for

many sponsors simply requires the *revealing of pre-specified information*. One of the key functions of capital NGOs and a reason for their growth and popularity pertains to the implementation of these specific accounting procedures. Our core point is that when programmes are initiated involving transfers of resources from afar, from more to less developed areas, there is always some probability of diversion. In the case of capital NGOs, this risk entails that decisions by transfer agents about the disposition of resources — some liquid and convertible, others hard to track — will not follow expected paths originally designed by sponsors.

Corruption is ascribed *by* those who object to new or unintended pathways for funds they have designated for particular purposes, though the interactions themselves have been set in motion by remote transfers. This is a central aspect of re-agency. '[For donor money] . . . number one you spend and spend fast because at the end of the year it would be bad to return the money to Washington. So you spend and spend fast. When you take a lot of time to negotiate it becomes a very big challenge'. One co-ordinator for a relatively young NGO that had converted from a volunteer association to a professionalized organization told us: 'There's a programme . . . [it] is a partnership so we fundraise as a team and we are getting money . . . we got first and second year money for a three year programme coming in the second year and we were under pressure to spend. And the whole, you know, the statements coming from the donor is spend, spend, spend'.

This woman, managing a capital NGO that had been very successful in fund raising, felt two characteristic pressures arising from the same problem: the push to spend money rapidly actually arose from the delays caused by accountability requirements:

> We've had donors communicating directly with our auditors . . . it's actually being mentioned that with the high level of corruption in Kenya they are not taking anything to chance. We know that has to some extent slowed down the process of getting the funding as they do all the . . . checking . . . to some extent it has been our advantage . . . because when there are so many bogus ones and you know you keep a track record of doing good work and being straight, then donors now come to you and you don't really have to struggle much going to look for them.

Thus, there are two problems of re-agency, the processes of representation and interaction set in motion by transfers from afar. First, resources get lost or diverted in impoverished areas. Over time, these diversions cause problems for sponsors, who have more difficulty in maintaining aid flows and programme management processes when diversions are common occurrences and public knowledge. Demands for accountability arise from diversions. This leads to the second problem, a latent function of accountability itself: resources lodge in capital NGOs. Accountability is resource intensive: it requires money, time and effort. Organizations have difficulty when they are simultaneously concerned with targeting (ensuring that resources are directed to purposes specified elsewhere and in advance) and

Figure 1. Accountability Continuum
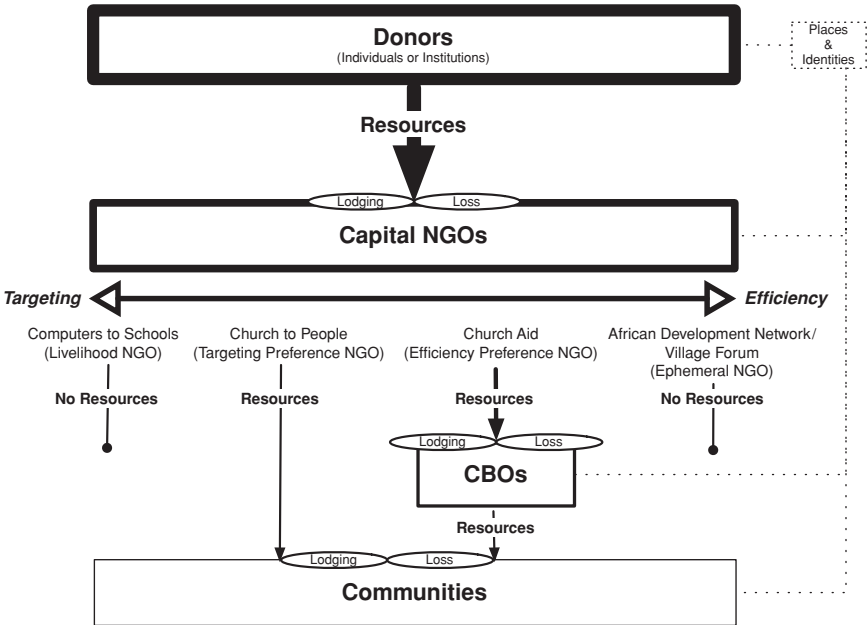
efficiency (minimizing auditing and operations charges that are necessary to ensure targeting).

Figure 1 illustrates the two problems of re-agency as resources pass from donors to communities via capital NGOs. Each time resources are transferred from one place (with an associated identity) to another place further down the re-agency chain, resources become lost and lodged. The figure shows the continuum of positions a capital NGO may adopt to produce accountability as it interacts with donors and recipients of resources. Organizations situated to the left (towards the 'Targeting' end of the continuum) expend more resources generating accounts than those situated to the right (towards the 'Efficiency' end of the continuum).

At one extreme, NGOs may be ephemeral, as seen in the far right of Figure 1. Some ephemeral NGOs have an extremely short lifespan — indeed, it is not their intention to survive and receive further funding. They transfer no resources downward and they are not accountable in any sense: they do not produce or seek to produce accounts of their activities. Other slightly less extreme, ephemeral NGOs divert significant amounts of resources, but are concerned with accounting in the sense that they hope to receive at least some further funding. Perhaps the best examples of ephemeral NGOs are 'networking' organizations that seek primarily to produce ties between social actors (people or organizations). While they often characterize their work as brokering information or increasing awareness — reflected in the

production of the websites that have replaced hardcopy newsletters of the past — their work is best viewed as tie creation. While networking is work, it is not relationships between locals that are intended, but relationships between NGOs, or between NGOs and other development actors. The forming of bonds, ties, links and partnerships ('networking') is the stated objective of the NGO, but the provision of interactions (workshops and conferences, or sometimes simply lists) is the end, not the means, from the point of view of a networking organization. We interviewed two such organizations in Nairobi ('African Development Network' and 'Village Forum') and were struck by the strategy of these information brokers. One latent function is the diffusion of responsibility: networking with other organizations means that no one at the NGO is responsible for action with communities or implementation of projects other than the creation of linkage forums that generate *per diems*. Some 'train' while others simply bring together people with common interests to 'reduce duplication' or 'create new programmes'. As one said: 'we don't implement, that is not our job — we train, because then it will be sustainable, local leaders are trained — they will implement'. However, sustainability is mostly in the funding channel itself.

On the left-hand side of Figure 1, we move to other structural approaches to the problem of accountability. Three are considered in detail in the next section.

TARGETING AND EFFICIENCY

The difficulty faced by capital NGOs in delivering programmes that are simultaneously targeted and efficient may be illustrated by a comparison of approaches taken by three development organizations. The first two — we will call them 'Church Aid' and 'Church to People' — are in many ways quite similar. Both organizations are international, faith-based in orientation, with headquarters in developed lands and a professionalized staff in several African countries. Both agencies focus on community level (mainly rural, but some urban) problems, and have programmes to aid both children and adults with a particular focus on problems of education, health and agriculture. Neither agency restricts itself to one set of issues, owing to a desire to flexibly tap multiple categories of sponsor funds. However, a model of direct donations from sponsor to individuals is the limiting condition for Church to People. For both organizations, the main financial base is donations by private individuals in the US and Europe. Since both are faith-based, gifts come through institutions (such as churches) or individuals and groups. Funds are aggregated at their international headquarters and distributed to various regions. The regional office for East Africa is located together with the national office in Nairobi. The national office (an example of what we have called a capital NGO) distributes to districts and communities and is also involved in external fund raising from other donors, both public and

private. These programmes provide additional salary and support for capital NGO staff, but are more restrictive, short-term and project-based, focusing on specific substantive areas (bio-intensive agriculture; youth; HIV/AIDS).

Given the similarity in structure, we expected these NGOs to face similar problems of diversionary loss and accountability to sponsors. While this is true for their *project* funding, it was *not* the case for their church-based donations, and the result is different approaches to targeting of beneficiaries. Such donations are direct income to the NGO and therefore directly under its control. The two organizations differ at the community level in terms of the degree to which they are involved with beneficiaries. This is illustrated in Figure 1. Church Aid works through local community-based organizations (CBOs) and provides funds directly to these groups, while Church to People involves professional staff at the community level and selects individual beneficiaries. Both organizations are engaged in training. The programme staff of the first NGO trains partner staff in the community organizations who conduct courses for farmers and others. The programme staff of the second trains local committees who are empowered as signatories to manage funds.

Church Aid has little control over the eventual disposition of its resources but does not perceive this to be an important issue, depending on the stability of partner relations: 'Our partners are the ones who go to the communities because they have been there longer than the organization. And so they know the communities. They understand the communities. And in so doing, you find that a community is more welcoming to people they already know as compared to maybe people who are based in Nairobi'.

The capital NGO is instead more concerned with core funding coming from the North:

> We build church relations . . . every month I do my progress report . . . what are the gaps that we're seeing, and how have we responded . . . this is sent to the constituency in North America to a church. The church looks at it, we pray together on issues. You know they will send us encouraging letters and so on. And through that we then build a relation and you maintain a relation with a church and the donor in North America. At the end of the day, they will submit a check if they're touched by what you're doing . . . they will not give it in my name, neither will they give it to a particular person in Kenya, but they will send it to the block grant . . . When all the monies come in and it is spread out, then we all draw from that.

Flexibility in terms of recipients is simply a 'pass through' of resources *without* accountability (in a superficial sense) or, perhaps more accurately, with sufficient accountability for the needs of individual and church sponsors. They may indeed visit various communities in Kenya if they wish to see what is being done on the ground, but there is no reason to spend organizational resources of time, energy and money on ensuring specific financial dispositions when the downstream recipients of resources are selected by someone else (in this case a CBO). As a regional manager told us, 'you basically just go to those groups and ask people whether they received the money'. Church Aid is not primarily concerned about what happens to

resources once delivered to partners, but rather the continuing flow of aid from sponsors and their understanding that development is a slow process that may not be immediately visible:

> What we have learnt over the years is to really educate the donors. They really need a lot of enlightenment in terms of how the monies can be used because what the donor wants may not be what the community wants. And we always say to our partners, people who want to donate to the organization to the work, especially with HIV and AIDS is for them to just give the money and then the community will decide how best to use that money.

'Community', in this sense, is not clearly understood by many sponsors. Their field visits, should they come to Africa, are carefully managed by the agency. Where field visits are required by agency staff, a generous approach is taken: 'If there are queries they raise them with the partner. We as staff do not have an element of judgement. We always have an approach of appreciative . . . there's an appreciative inquiry that we use, an appreciative process, not looking at things from the negative perspective'.

'Appreciation' is the key term here, synonymous with a lack of interest in the eventual disposition of resources. A micro approach to accountability means, in this case, that there are strictly limited queries regarding the ultimate beneficiaries. For the lion's share of its funding, Church Aid depends on the motivation to 'submit a check if they're touched' and on the absence of conditionalities from which accountability is inferred. The transfer of funds for promissory activities is not followed by audits or close questioning. It is an effective approach because the flow is continuous and unhampered by awkward discoveries that local beneficiaries are not receiving funds. The idea of indiscreet knowledge is useful for understanding these cases. Most cases are worth a good story over drinks. It is enough to have a laugh so long as the setting is informal, but there is need for expressions of shock and surprise in formal ones. Investigations, threats and sanctions are never good news, in Kenya or anywhere else.

Church to People, by contrast, asks for donations with the promise that a large percentage of regular, monthly contributions go to specific individuals. It is a classic approach, used since the beginning of the development era, to entice potential donors with the promise of 'specific aid'. The sponsor is provided with photographs of the recipients, perhaps a note or letter of thanks, and a brief account of what difference their contribution had made during the past year, what goods or services they had purchased. This is dissimilar to Church Aid in a single and crucial respect, namely that the specific recipients must be found and specific purchases made, delivered and tracked for sponsor reporting. Such tasks become burdensome, since the organizational commitment of resources for monitoring and tracking rapidly becomes significant. How will the recipients be chosen? Will these be the poorest in the community? Or will there be selection based on other, possibly arbitrary, donor preferences? Church to People staff assigned to the districts originally managed this direct targeting of recipients in communities. As

the regional manager explained: 'Five years ago it was the staff managing the money. They ate everything. So they were tippling left and right in the community. We would always see the people drinking a round, drinking a round. So I tell these people there is a price for everything. You were given this money to manage and you could not manage it'.[20]

A decision was made to set up village committees, selected from among programme participants. This generated a new set of difficulties, including conflicts between programme staff and the new group of community leaders: 'This is a group of poor people who have never managed money and you have brought them into an office somewhere for them to manage money. They get frustrated, they get confused, they introduce things like sitting allowance for committee so that he will come to the office everyday . . . it is creating a super class'.

The Church to People model of direct donations from sponsors to individuals (recipient targeting) entails high levels of diversion. Given the expectations of sponsors that, for example, shoes for children should be provided to the poorest, the selection process itself may be viewed as diversionary:

> There are very big loopholes when it comes to selecting . . . for sponsorship. You'd be so shocked to go through the community to find that the ones who are very poor are left out. Because in one community I was so mad to find that one child that was sponsored and the father was a headmaster of a school and the mother is a nurse.

Other examples of losses were well known to the organization, but there was little choice other than to dispense with targeting, a choice that was unpalatable to most project staff on the understanding that their biggest fundraising advantage was direct donations to individual children. The indiscreet knowledge of programme staff had consequences: they had learned too much about their targets and required more time and resources to deal with the problem.

We turn now to an example from the ICT sector to illustrate what happens when a capital NGO is established, a move that is associated with a shift from efficiency to targeting. Computers to Schools seeks to bring the benefits of computers to primary and secondary educational institutions in the developing world. The headquarters is in a developed country. Those that give machines and money in the developed world want to know where the computers are going. Although the sponsors do not require that computers go to specific children, which would be similar to the Church to People case just described, sponsors maintain an ideal that all resources (computers and money) should go towards providing computers for school children in poor areas. Such work would be both targeted and efficient. But to achieve this end, real world organizations must make choices. On the efficiency end of the spectrum, one can pack refurbished computers in a container, pay the

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20. 'Eating' is often used in Kenya as a metaphor for diversion of resources for personal use.

shipping, write the address on the front and drop it off at a port. Computers to Schools, if they chose this option, would have expended very few resources ensuring that their computers went to their destination and achieved the intended aims of the sponsors. This strategy is, of course, unlikely, but would make Computers to Schools as efficient as possible. Other than the money they spent on computer refurbishment, packing and shipping, the computers (i.e., the primary resource of the NGO) would be transferred to distant locations at no further cost. The problem with the efficiency scenario is that Computers to Schools would have no idea what happens to the computers after they drop them off at the port.

At the opposite end of the spectrum, Computers to Schools could try to make their donations as targeted as possible. They could invest resources in knowledge, in trying to ensure certainty. For example, the NGO could find someone in Africa to check whether all the computers arrive in Kenya and that they all function properly. If they wanted to go further, Computers to Schools might arrange for some partner to take the computers to distribution centres or to other partners who might then distribute them to communities and eventually to schools. Another partner might set up the computers for the school and provide training and orientation. Then someone might randomly visit schools to make sure there is still electricity, that the computers have not been stolen, are not in homes or staff offices, or are not broken. In the extreme scenario, someone might be seconded to the schools for a period of time to watch the computers and verify that children are using them for educational purposes.

The problem with the targeting scenario is that it is impossible to check every computer in every school: monitoring costs money and rigorous monitoring costs a lot of money. At some level, if the demands for targeting are too great, the resources required to monitor will overwhelm the project. Just as Church to People was unable to maintain an adequate level of control over their child recipients at the local level, Computers to Schools must solve a problem of accountability. Statistical sampling is not a solution to the accountability problem because the problem involves more than rational trade-off.[21] For instance, if Computers to School sampled 20 per cent of planned end beneficiaries, how would they 'test' those sites? How does one in general make the judgement that the resources are going to a pre-specified, intended use at a given location? Is a report sufficient? If not, how about a digital photo? Would the use of video streaming help? Even if there were a 'test' to provide a strong degree of certainty, after the test is completed and the judgement is made, the situation at the target location may change rapidly. In the end, the cost of any meaningful certainty is simply too high:

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21. There is a relationship between the targeting and efficiency trade-off discussed here and the long-standing debate about the appropriate level of NGO overhead. We argue that the construction of accountability is a problematic trade-off without any rational solution and that the ideas of indiscreet knowledge and mutual dependency are part of the explanation.

there will inevitably have to be 'good enough' or 'pragmatic' certainty. The heart of the problem is that there is no way for a project (say computers for one school) to be 'put on the table' for all to see (Hilhorst, 2003).

What was Computers to Schools to do? Originally it adopted a model whereby it sold computers, but at a rate that just covered the cost of refurbishment and shipping. This was done to provide what Computers to Schools calls a 'sustainable' model. Recipients are more likely to value, to use, to 'own' the objects for which they pay. Originally, then, Computers to Schools approached the situation by identifying national partners and selling computers directly to these national partners. From the standpoint of Computers to Schools this is a moderate preference for efficiency. There is no intermediary between the organization and its national partners and few expenditures to make sure that the national partners were distributing computers (resources) in planned ways. Computers to Schools was, at one time, happy to sell computers to its national partners and leave them alone.

In Kenya, one of the national partners is Local Computers, based in Nairobi. Local Computers acquires computers from Computers to Schools, but also from other sources.[22] Local Computers acquires its own funding for staff and expenses and generates its own reports. The NGO is based in a large warehouse with several offices and a computer lab, but the heart of the building is a long assembly line. On our visit to the site, we filmed computers being tested, refurbished and software being installed. Large piles of outdated and dysfunctional computers — including those that did not actually work on arrival in Kenya — provide recycled parts for newer ones that can be salvaged. We observed computer monitors in the process of conversion into televisions and filmed a school bus being loaded. We were informed that the computers were headed to schools and it seemed to us that this organization was actually transferring resources (computers) onward.

The operations of Local Computers are important because they existed even *before* the strategic decision was made by Computers to Schools to establish regional offices. This was a new layer in the structure of the Computers to Schools organization, representing a shift from efficiency to targeting. One regional office was established in Nairobi and offers an example of a capital NGO whose primary function is accountability. In addition to direct funding (from the Computers to Schools headquarters), other donor funding is used to support the regional office. As opposed to the factory setting of Local Computers in the outskirts of Nairobi, we filmed the regional office of Computers to Schools on the upper floor of a modern office tower downtown. The research team was led to a well-equipped conference room with a view of the Nairobi skyline. The location and facilities presented a professional identity for visitors and potential new donors.

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22. The machines provided by Computers to Schools are somewhat expensive, so Local Computers prefers acquiring computers from other sources.

The director said that one of its missions was to identify national partners (networking). However, their primary partner, Local Computers, was identified to Computers to Schools long before the regional office was founded. The function of the capital NGO was primarily to check on the use of resources: in short, its mission was to provide accounts — financial records and success stories. The capital NGO is an example of a 'Livelihood NGO', and fits on the far left in Figure 1. Given what we heard and saw, even with a maximum benefit of the doubt, the NGO was not involved in the downward transfer of resources. That was not their job. But it was sophisticated in generating accounts, including e-mails from children using the computers, brochures (with photos of children using computers), and careful audits and spreadsheets. The purpose of this office was to provide a new (targeting) solution to the accountability problem. When the preferences of the headquarters changed, the organization began to prefer (and generate) more accounts of what happens to computers once they reach schools. Before the regional level of the network existed (prior to the formation of the capital NGO), efficiency preferences allowed computers to be shipped, land and be received by Local Computers, without many questions afterwards. The director of the capital NGO made the successful argument to headquarters that a new regional office could result in expanded operations (new partners, more networking) and provide assurances of the work (new and sophisticated accounts).

By founding the capital NGO, however, Computers to Schools' resources became lodged in an intermediate organization. The system became less efficient, but more targeted. The capital NGO is an organizational entity that provides accountability — primarily for the international headquarters but also for those individuals and groups in the developed world that donate the computers, much as the faith-based organizations we saw above. Yet the capital NGO itself cannot redistribute resources without taking away from salaries and benefits of staff. The accounting practices of the NGO seemed to be excellent. It is anything but fraudulent, since it is doing what it claims to do, providing accounts for headquarters. The general question of re-agency — under what conditions do resources travel from their source to a destination through complex networks — may be adapted to the present case as follows: does the new organization operate like the faith-based organization Church to People (where schools are recipients rather than families with children) or should we consider it more like Church Aid, where the actual work must be done by schools and the accountability is only to ensure that schools receive the resources?

CONCLUSION

We have argued for a replacement of the normative approach (how to make NGOs better) and critical approach (how inequalities are reproduced) with

a re-agency perspective grounded in the new ethnography of development. Our goal has been the development of conceptual tools for understanding the social dynamics of NGO accounting practices, which loom large in a period in which sponsors have become acutely sensitive to the diversion of resources. 'Accountability' is nothing more or less than the ability to produce accounts viewed as adequate in the context of trade-offs and mutual dependencies where more is at stake than whether 'development' occurs.

We have focused on capital NGOs, whose locational advantage is converted to a prominent position in development networks where they produce much needed employment, hosting for development tourism, and the accounts that are necessary for sustained flow of resources. We analysed the lodging that results at this point in the re-agency chain from alternative strategies of targeting and efficiency. In a linear model of accountability, donors provide funds to NGOs who in turn provide resources to communities in a series of transactions where each unit in the chain is accountable to their resource provider. More complex models such as Ebrahim's (2003a) provide a much needed antidote to this simplicity and are more consistent with the re-agency approach we have taken here, but without the normative component. Future studies may establish, as we suggest, that capital NGOs are the lynchpin of accountability for the whole chain. While instrumental and critical approaches sometimes suggest a 'downward' form of accountability in which NGOs are accountable to the communities they serve, this concept has no place in a re-agency framework that examines flows and practices. A financial distribution to an NGO for the improvement of organic agriculture which is used to purchase *matatus* (group taxis) is patently against donor wishes, but not inherently a poor use of resources in a community that needs transportation (Shrum, 2000).

Producing an account that satisfies sponsors that their expectations are reasonably executed involves an inherent tension. The more specific the preferences of the sponsors — that is, the greater the demands for targeting — the more resources must be devoted to ensuring that funds are applied to specific purposes, and the more energy spent on producing accounts. Resource lodging will occur and the organization will become less efficient, in the sense of engaging in resource transactions with recipients. The efficiency alternative is to engage in more transactions with recipients or more resource intensive ones, but with less concern for the disposition of resources. This is the accountability problem that we observed in our sample of capital NGOs. It is not a simple trade-off between monitoring/evaluation and implementation, not least because the former can produce indiscreet knowledge that will impact the sustainability of resource flows. Rather, it is better viewed as lodging and loss as a result of the tension between targeting and efficiency, which is why scholarship on NGOs has moved towards a focus on the production of accounts, through the work of Ebrahim (2003a, 2003b), Farrington and Bebbington (1993), Hilhorst (2003), Lewis (2005) and Mosse (2005).

We selected church-based organizations for two of our case studies because accountability requirements tend to be less stringent compared to donors such as USAID, so choices stand in sharper relief. Within the two organizations compared here, there are members who have different concerns about diversions, as they evaluate the extent to which continuous losses might become problematic for upstream actors in the future. Because these church-based agencies control their own private donations, they can afford to have different approaches to lodging and loss. What the comparison between organizations shows are the problems introduced by targeting. There is no reason to believe that the more 'flexible' organization spends funds more effectively. It is quite likely that their community partners face the same problems as the staff and village committees of the less flexible organization, if they care to face them. They do, however, spend funds more efficiently, because they do not identify targets or monitor performance. By giving 'appreciatively' they transfer targeting problems outside the organization. The use of resources for the production of accounts does not predict anything about the long term sustainability of the NGO or the absolute value — in the rare instances where it might be measured with accuracy — of the resources that reach recipients. To the extent that accounts are valued or required by donors, the input of resources could increase and the overall value to recipients may well go up even with a reduction in efficiency.

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