NGO CODES OF CONDUCT:  
An Exploration of the Current Debate

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Introduction

Central to the wider debate of accountability in civil society lies the issue of NGO accountability itself. The number of registered NGOs in OECD nations alone has increased from 1,600 in 1980 to 2,970 in 1993. Similarly, between these dates NGO spending in OECD nations increased from US$2.8 billion to US$5.7 billion (in 1994 prices). Yet, as the numbers of NGOs have increased so too has public criticism of them. For example, War on Want faced problems with its Board in the 1980s and the environmental NGO Greenpeace faced criticism in 1995 concerning its analysis of the Brent Spar oil installation, that was accused of being based on a shaky scientific footing. Within this public debate, NGOs have seen their accountability being comprehensively questioned. Since the mid 1990s a dichotomy of opinion has appeared: the ‘NGO bashers’ versus the ‘NGO supporters’ (de Jonquieres 2001). Neither extreme is right: NGOs should not dismiss their critics, just as they should not be dismissed as key players in civil society. As Edwards (2000) so appropriately puts it: ‘NGOs are rarely angelic in their behaviour, but generally speaking they are on the side of the angels and the world is a better place for them.’

However, if the world is a better place for NGOs we, in that sector, must prove it and an NGO code of conduct is one way of doing so. Ironically, NGOs are constantly pushing for more accountability from governments and business, whilst their own legitimacy remains questionable. Many recognise this irony and are working to change it, but there is still some way to go in a cohesive course of action to convince everyone. It can be argued that NGOs are accountable in many ways, to local and national governments and to their donors via legal-financial structures. Nevertheless, accountability to so-called ‘beneficiaries’ is debatable and there is no coherent reference point for overall NGO accountability. Furthermore, whilst businesses are increasingly recognising the importance of codes of conduct and enforcing standards, NGOs are lagging behind, especially in the North. And if NGOs are going to stand up and represent their stakeholders, they must also be answerable to them. So the question is:

**NGOs – especially Northern based NGOs – must be more accountable, but how?**

The answer could lie in NGO codes of conduct, be it at a national level, within a sector or umbrella group. Many such codes have already been written but most lack enforceability. This paper explores the current state of NGO codes of conduct and the debate that surrounds them. The anti-institutional nature of NGOs has worked against their acquiescing to external monitoring and it will be interesting to see what direction this discussion takes in the next few years.

A Typology of Current NGO Codes of Conduct

Various typologies of codes of conduct have been written (see Nelson (1999) and Commonwealth Foundation (1995)). Broadly speaking, codes of conduct fall into the following categories (with examples of each):

- National Codes: e.g. the Philippines, SANGOCO (South African National NGO Coalition), ACFOA (Australian Council for Overseas Aid)
- Regional Codes: the European Union’s NGDO Charter
- Sectoral Codes: the Sphere Project
- Umbrella Organisation Codes: the Commonwealth Foundation, InterAction, People in Aid
- Financial Codes: Evangelical Council for Financial Accountability
While these documents are variously entitled ‘codes of practice’, ‘ethical guidelines’, or ‘NGO charters’, their common characteristics enable them to be gathered together under the term ‘codes of conduct’. Some of those listed above fit into more than one typology, for example the Sphere Project is sectoral as well as being an umbrella code. There are also overlaps between them in terms of standards, procedures and financial accounting. All the codes work towards a similar aim: ensuring the legitimacy of NGOs via accountable guidelines. There is less consensus on the kinds of organisation the codes should apply to, although the national codes which cover any NGO operating within national boundaries tend to be clearer on this issue.

**The Case for Codes of Conduct**

Brian Pratt (2001) discusses NGOs in terms of the ‘self-interested organisation’ and ‘diverse constituencies’. If the NGO is a self-interested organisation, in order to prevent it simply becoming a self-perpetuating entity and for it to be a legitimate representative of its diverse constituencies, the case for some form of regulation – whether self- or external regulation – is even stronger. As Pratt argues, annual reports may give us financial information, but they do not show how an NGO has performed according to a specific benchmark: ‘The NGO sector is ripe for serious debate about its future development and the introduction of professional, ethically based, (self) regulation.’ A coherent, comprehensive code would provide such regulation, which could in turn be presented to the public in annual reports. It would function as a set of minimum standards for the operation of NGOs.

In a similar vein, Fowler (2000) argues more generally:

‘The aid system has not demonstrated an ability to reform its fundamental principles and structures. Should it continue this way, [NGOs’] credibility… will be further compromised.’

Fowler illustrates the divergence between expectations of NGOs and their actual achievements. Bennett (1997), moreover, argues that the broadening scope of NGOs’ activities has given rise to confusion as to the nature of their role. Both of these problems could be mitigated and clarified with the introduction of a well-designed and enforced code of conduct.

At a more immediate level, independent consultants working with NGOs are not bound by any codes, although some guidelines are given by particular NGOs. As so much work is done through Northern NGOs by such freelancers, it could be argued that a code of conduct could stipulate their modus operandi and tie up this particularly ‘independent’ method of working.

Another potential advantage of a code is the clarification of purpose it could offer NGOs. All NGOs have mission statements, but to what extent are they observed in practice? A code of conduct to which NGOs are subject would offer a clear point of reference for organisations as they negotiate a morass of operational challenges. It would also give NGOs and their operations greater legitimacy. If an NGO’s workers are clear about the code they will operate with it in mind, thus improving the performance of the organisation and giving it a better sense of having a collective aim. An important point to note here is that this does not necessarily constrain an NGO; the code could in fact provide a framework for the NGO’s work.

Acceptance by NGOs of the need to subscribe to a set of external standards could also go towards allaying the concerns of governments suspicious of NGOs’ political agendas. Bennett (1997), in discussing governments-NGO relations, states:
Many governments have voiced concerns over the breadth of NGO activities that threaten to undermine and divert funds away from traditional mechanisms. At the same time – partly in response to this perceived threat – models of good policy and practice have emerged which provide useful indicators and standards of behaviour.

Bennett continues by arguing that the relationship between NGOs and governments has deepened and is constantly evolving. As tighter regulations are introduced to control NGOs in response to their expansion, NGOs have become jealous of their independence, while gradually realising that they are neither as professional nor as accountable as they should be. If a realistic and enforceable NGO code can be drawn up, governments’ fears that NGOs might exercise a negative influence over local populations or divert resources can to some degree be addressed. NGOs and governments have to act as partners in development; it is in both sides’ interests to operate together and not against one another. NGOs rightly resist excessive control and manipulation by government, as the Cuban case illustrates. However, this cannot be used as carte blanche for poor standards.

An increasingly prominent source of support for codes of conduct is certain major donor agencies. This trend is manifested in donors’ adoption of codes as conditions for funding. For example, the Disasters Emergency Committee in the UK now requires organisations applying for funding to be signatories to the Red Cross-NGO Code. In some cases donors have played a very active role in pushing the adoption of certain codes, as in the case of ECHO’s lobbying on behalf of a code for the Democratic Republic of Congo. The involvement of key donors in influencing the adoption of certain NGO codes of conduct has potentially significant implications for the relationship between NGOs and donors and the degree of control exercised by the latter.

A Critique of Present NGO Codes of Conduct

A selection of present NGO codes of conduct, charters and similar undertakings examined for the purposes of this paper are contained within the ‘Bibliography’. In this section, a selection of these codes are compared and contrasted.

The US–based InterAction is an umbrella organisation that has a membership of more than 165 non-profit organisations working world-wide. Compliance with the Private Voluntary Organisation (PVO) Standards has been obligatory for organisations wanting to join InterAction since 1994. At the end of each calendar year each member is asked to review the standards and re-certify compliance. This is intended to ‘Ensure and strengthen public confidence in the integrity, quality and effectiveness off member organisations and their programmes.’ (Interaction 1998.)

One of the strengths of the code is that it is constantly evolving, rather than being a static entity. For example in 1998, gender and diversity amendments were added to the original code. Another strength is in the section on raising funds, which stipulates that fundraising initiatives can only make claims which the organisation in question can fulfil. This means, for example, that none of the organisations belonging to InterAction can claim to be able to solve poverty if every member of the public donates $1 a week, an approach that has been fashionable. Similarly, advertising campaigns may not include any exaggerations or omissions, nor make use of misleading photographs; neither can any organisation make negative comments about another member organisation to benefit themselves. Although the code contains a complaints mechanism, it is interesting to note that very few complaints have yet been lodged and no organisation has, to date, been expelled from InterAction. This could be down to the clarity of the Code, the nature of the organisations who commit to it, or perhaps the fact that people do not like to criticise not–for–profit organisations.

Kunder, an independent consultant, was contracted in April 1998 to evaluate the PVO. He found, among many things, that member organisations’ field personnel were not aware of the PVO, that serious partnerships with indigenous NGOs required clearer co-ordination and that headquarters of
signatory NGOs did not disseminate information concerning the PVOs effectively enough (Kunder 1999). In response to these criticisms, InterAction in 1999 undertook a series of revisions to their code.

The influence of the InterAction PVO Standards is illustrated by their adoption as the basis for other codes, notably those of similar coalitions of NGOs in Canada and Japan. Moreover, World Learning has translated the code into Russian for use in the Former Soviet Union. These developments suggest that the standards are widely regarded as comprehensive and applicable to the NGO sector as a whole.

The Philippine National Code makes particularly interesting reading as it is recent and those drafting it had a range of examples to draw on. The code contains clear references to the UN Declaration on the Right to Development, the UN Declaration of Human Rights and the International Covenant on Economic, Social and Cultural Rights. As the document’s introduction explains, this reflects not only the fact that the Philippines is a signatory to all three, but also these statutes’ relevance to the context in which Philippine NGOs operate.

The Code is divided into five sections. A section of particular interest is Part IV, entitled ‘Rights, Responsibilities and Obligations of Development NGOs’, which is more detailed than comparable sections in other codes. Part IV calls for regular policy reviews to be conducted involving both board members and staff and requires that administrative policies, systems and practices be consistent with the vision-mission-goal statements of the code. Furthermore, it declares part of the purpose of the code to be to address and eliminate conflicts of interest.

Part V is devoted to ‘Guidelines for Enforcement’, although these have yet to be fully established. This section refers to a General Assembly of Philippine Development NGOs which will oversee the ratification and enforcement of the code, however this body has not yet been set up. Moreover, the code gives no indication of the legislative basis for an enforcement mechanism, an issue of paramount importance if the rules are going to be made to stick. There appears to be no graduated system of penalties, nor provision for expulsion from the code as an ultimate sanction. Overall, the Philippine code can only be seen as a work in progress at the time of writing.

By contrast, the South African National Code of Conduct for NGOs is already fully operational. SANGOCO (South African National NGO Coalition) first drafted a code in 1996, and this subsequently evolved into the National Code of Conduct for NGOs which came into operation in March 1998. This Code makes a variety of demands on Northern NGOs, which are required to sign and comply with the code, to register with the Department of Welfare and to submit financial reports to the South African government. It is interesting to note that the Code states that at least 75% of capital acquired must fund South African development activities, ensuring that the focus of NGO activities remains within the country’s borders.

NGOs must comply with the SANGOCO code of ethics, which is self–regulatory, and have to ensure that their governance structures include local South African nationals. However, the Code gives no indication of what will happen if the NGO fails to comply in any way and there is no available evidence of any organisation being disciplined to date. The lack of a legislative basis for enforcing the Code is a key limit, as self–regulation is less likely to work. Unlike the Philippine Code, there does not appear to be a body other than SANGOCO itself who will enforce these rules. This is clearly a major weakness. In spite of this, however, the South African Code is regarded as having functioned effectively thus far.

The Australian ACFOA Code is also a national code. Operational since the late 1990s, it is probably the most powerful of the national codes reviewed in this research. The Code’s framework includes a Complaints Handling Committee with clear guidelines on how complaints may be lodged and how they will be processed, which represents something of a departure from the other codes. It is interesting to note, however, that this complaints mechanism is ‘not a process involving Australian law’ except when involving issues such as financial discrepancies and employment law, and this can be regarded as a weakness. However, the Code’s provisions for withdrawing
membership from NGOs which have breached its regulations and for publicising the names of offending organisations and the nature of their breach gives it a power which many others lack.

The NGDO Charter is a regional code for the European Union that came into force in April 1997 and lays out a set of basic principles for development and humanitarian aid NGOs. Over 800 NGOs are signatories. In contrast to the ACFOA code, however, the provisions of the European Charter are ones which members aspire to, with commitment on a voluntary basis, no enforcement procedures and no penalties. Furthermore, the Charter emerged from the EU-NGO Liaison Committee, which has been undergoing a profound crisis this year. As European NGOs work to restructure the Liaison Committee, there is clearly an important opportunity to strengthen its role in setting and monitoring standards for NGOs across Europe.

The Sphere Project is a sectoral code as well as being an umbrella organisation. The Sphere Project is specifically aimed at NGOs working in the humanitarian assistance. It came about due to the proliferation of humanitarian agencies operating in conflict situations since the 1980s and the widely held perception that some form of mechanism was needed to raise standards. In particular, the response to the Rwandan crisis and the joint evaluation conducted thereafter raised awareness of the problems in the sector, not least the concern that aid might itself be fuelling the conflict. Many NGOs working in conflict and circumstances in which state structures had collapsed were operating in a ‘vaccum of regulation’. The Sphere Project has sought to address this, and, at the time of writing is moving on to look at evaluating itself.

The People in Aid Code, which is both a sectoral and an umbrella code, has been widely welcomed. The consultation process that preceded it was extensive, although the majority of the organisations involved were from the North. This Code specifically addresses personnel issues concerning NGO workers operating in humanitarian and disaster situations. However, there is no mention of Southern partners or of contractors and their personnel. A further limitation is that the code’s provisions are confined to personnel issues and do not offer a comprehensive framework covering the broader dimensions of how NGOs operate.

The Limits to Codes of Conduct

A critical question relating to the nature of codes of conduct concerns the extent to which they should be contextualised or whether in fact there is a case to be made for international standards. This can be illustrated by a comparison of the national codes in place in South Africa and Mauritius, two countries with quite distinct needs and histories of NGO development which have adopted very different codes of conduct. This difference is not necessarily a weakness, providing that the structures necessary for the enforcement of the code are in place, which in these two cases, they are. Looking at the bigger picture, however, and the potential scope for all NGOs joining an international system of regulation, it is clear that these distinct national codes would need to be adapted. Resistance to such a move is likely to be strong amongst NGOs.

Related to the situation outlined above, is the issue of how to regulate foreign NGOs working in host nations. Here the case for an international code of conduct is very strong. It would mean that an NGO working in several different countries might have to simultaneously observe a variety of codes: its own national code, those of host states, and the international code. All three levels of regulation would need to be developed in concert to avoid inconsistencies. At the moment it is difficult to envisage a scenario of over-regulation, but the potential could be there.

Although the diversity of types of NGO is immense, not least in terms of organisation size, the challenge of creating regulatory structures under which all NGOs are accountable must be met. One approach to overcoming this problem is to introduce NGO codes that encompass the activities of both large and small organisations through a sliding scale of operational tools and checks. How these graded regulations are implemented might be calculated according to an organisation’s financial assets, the size of its staff or the number of programmes it is operating.
A sliding scale of sanctions for infringements of regulations is absent from so many codes because of the costs involved in enforcing them. This is why it is imperative for national legal structures to be introduced in every country, so that miscreants can be prosecuted. Expulsion from membership of a code is insufficient, although the adverse media coverage this might generate could act as a deterrent of sorts. If NGOs want to be respected and genuinely accountable, they have to make concerted efforts to invest resources in their own structures of accountability. A suggestion for solving the problem of enforcing the rules might take the form of offering NGOs benefits for compliance. **Benchmarking** could be introduced alongside codes of conduct so that when NGOs succeed in specific areas, or demonstrate improvement, they could be eligible for benefits, such as government grants. Another option might be some form of league table showing NGOs’ performance. Paton (1998) has researched benchmarking as a tool of performance measurement in the charity sector, and highlights the range of ways in which NGOs might apply this tool. Combined with a code of conduct, clearly demarcated benchmarking might enhance the process of NGO accountability still further.

A further problem with codes of conduct is that the ensuing coverage of non-compliance could serve to undermine public confidence in the NGO sector. There is no doubt that the introduction of a code and enforcement action against miscreants would attract public attention. On the other hand, however, the whole point of a code would be to raise the credibility of NGOs through subjecting them to a level of accountability comparable to that demanded of the public and private sectors. NGOs must not be deterred from introducing a code for fear of outside criticism.

**Conclusion**

Clearly there is a strong case for establishing coherent systems of (self) regulation and standards for NGOs. From the evidence of existing codes of conduct, a key problem is the lack of sufficient powers of enforcement to advance significantly the degree of genuine accountability among NGOs. NGOs that are predominantly dedicated, conscientious and self–reflective organisations have nothing to fear from such codes. At present many codes already exist, however they are frequently developed in isolation from one another. For the issue of NGO accountability to be satisfactorily and credibly resolved, what is required is nothing short of an all-encompassing international framework.

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