
NGO's accountability in a global context: changing challenges

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AUDITORIAS EXTERNAS Y REVISIÓN DE CUENTAS



- Auditorías:
 - Internacional:
 - Auditorías externas de NNUU y
 - Auditorías externas en cada país
 - España :
 - UNICEF España es auditada anualmente por PW&Coopers
 - Informes sin salvedades
- Revisión Cuentas:
 - Protectorado de Fundaciones del Ministerio de Sanidad, Política Social e Igualdad





SISTEMAS INTERNOS

- Manual de Procedimientos Administrativos internos
- Comité de Auditoría Interna
- Procedimiento de Gestión de Riesgos
- Principios Internacionales de Buen Gobierno (Vilnius)



REVISION DE PRINCIPOS DE TRANSPARENCIA

- **Fundación Lealtad** >
 - Cumplimiento de todos los principios
- **Coordinadora de ONGD** >
 - Estamos revisando todos los principios. No presentados pero estimación positiva de resultados



CODIGOS DE CONDUCTA

- Código de Conducta de UNICEF España
- Asociación Española de Fundraising
- Coordinadora ONGD



QUE ASOCIAN LOS DONANTES ESPAÑOLES CON LA CONFIANZA?





What trust means to donors

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Global context

Impact of the economic crisis far-reaching => increased uncertainty for many donors



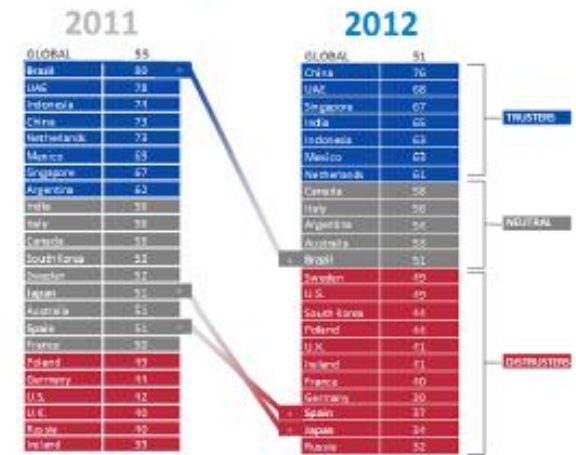
Recent NGO scandals (eg Red Cross in China, ActionAid in Netherlands) impact on trust in the sector

Distrust is growing; nearly twice as many countries are now skeptics
Fewer countries now in neutral zone



Increasingly fragmented media landscape and the rise of social media

Global trust trends show an overall decline in trust between 2011 and 2012



These global issues play out differently in each local context

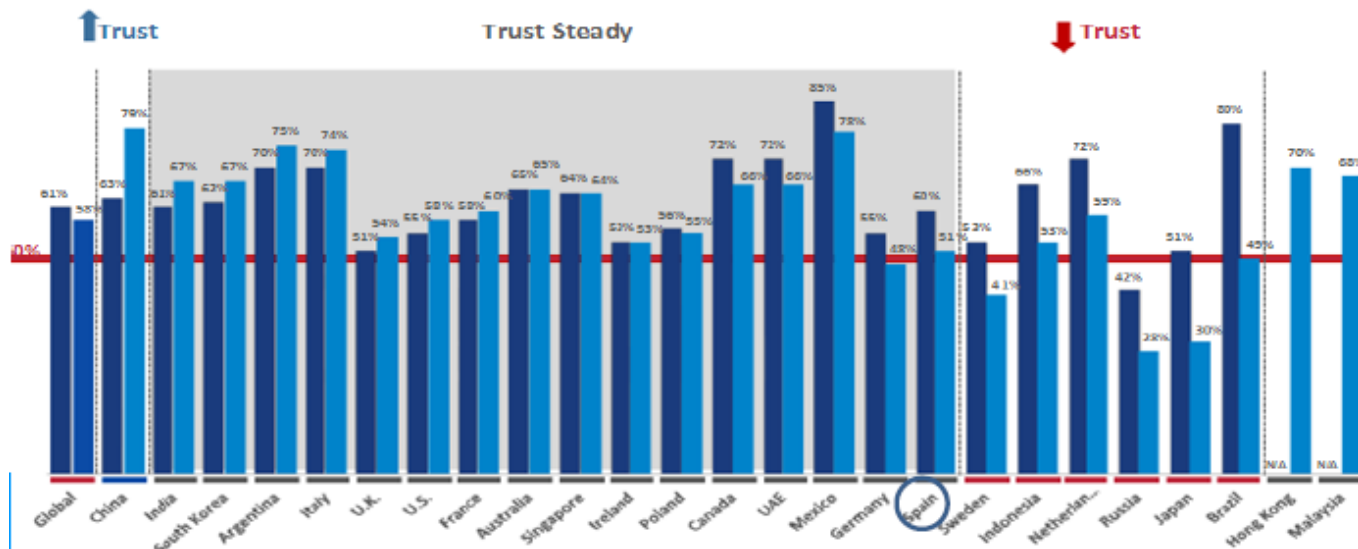
Context – trust in charities

- Global trust in NGOs has remained largely steady from 2011-2012
- Spain has seen a 9 percentage point decrease in public trust in NGOs, which has brought it much closer to UK levels of trust in NGOs

NGOs still most trusted institution, despite some declines

TRUST IN NON-GOVERNMENTAL ORGANIZATIONS (NGOS)

2011 Informed Public
2012 Informed Public



Q11.1.E. (Non-governmental organizations (NGOs) TRACKING) Below is a list of institutions. For each one, please indicate how much you trust that institution to do what is set using a 9 point scale where one means that you "do not trust them at all" and nine means that you "trust them a great deal". (Top 4 Box, Trust) Informed Public ages 25-64 in 20 country/global total (excludes Argentina, Hong Kong, Malaysia, Singapore, and UAE) and across 2-5 countries

Source: 2012 Edelman PR Trust Barometer



Charities that donors trust

- Large international organisations can **inspire confidence**
- But there are also concerns that they are **more remote** from donors
- Charities' public visibility - and tangible evidence of their impact – help develop feelings of **closeness**



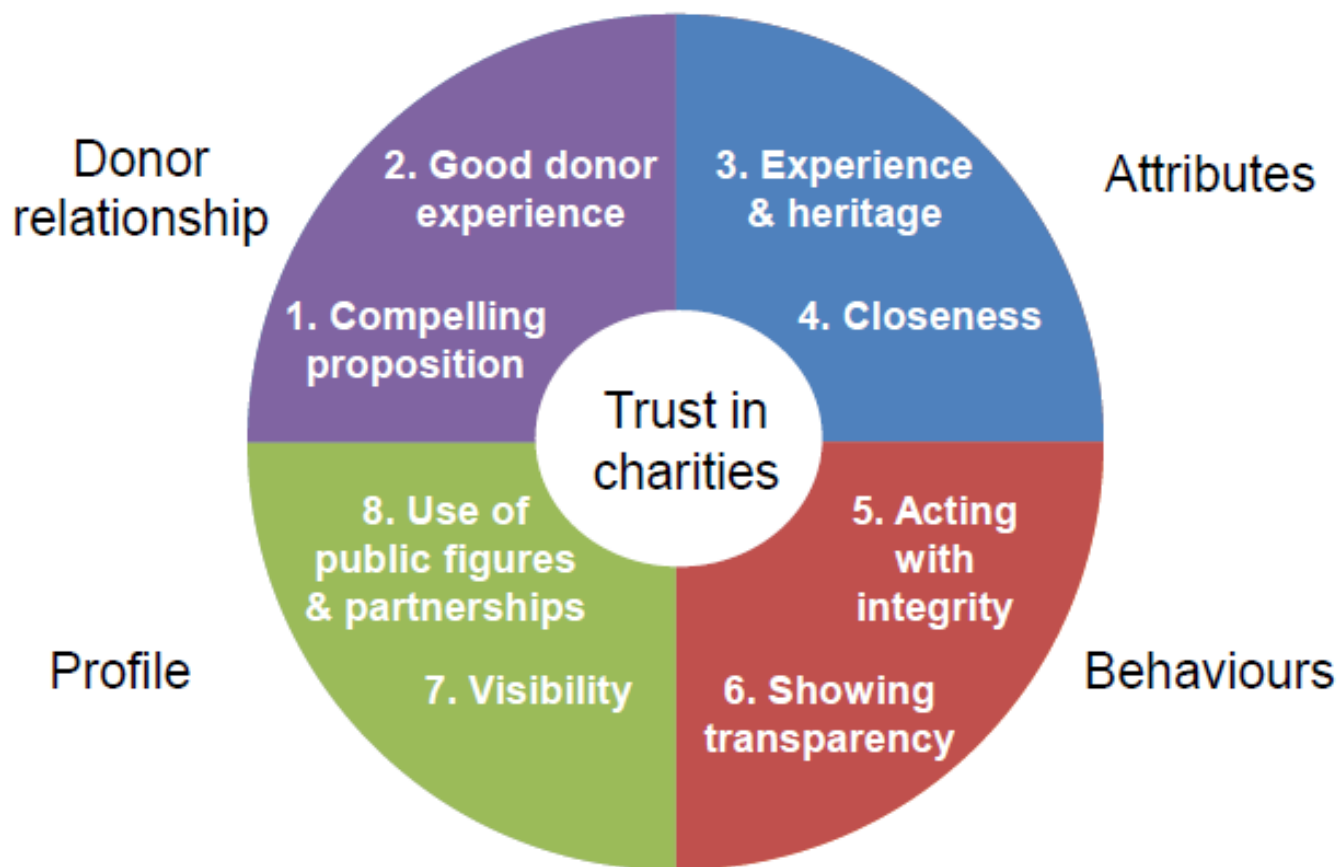
“What Caritas does is very tangible and real, one of my clients is a priest. He has not been paid in four months and he’s using his own money to help foreclosure victims”

Spain

“Vicente Ferrer. They come to Spain very often to talk about their projects”

Spain

8 core principles of trust in charities



Principle 5 – acting with integrity

- Important behaviour that donors say inspires trust
 - And drives distrust when malpractice suspected
- High integrity threshold for charities
- Spain: concern about integrity is particularly linked to recent scandals
- Top priority is for charities to speak publicly and be honest
 - Being seen to do nothing suggests dishonesty and self-interest – which are not attributes donors associate with charities they trust



Behaviours

Examples – acting with integrity



- Spain: recent scandals and rumours of fraud have generated suspicion among donors
 - Some have cancelled their donations as a result
- Many mention recent news of charities that are used as a cover for illegal activities
 - Has contributed to a negative image of charities and plays against instinctive trust in them

"We used to sponsor two children in the past, but had to switch charities"

Spain



"Next time, we should bring along some old people and kids, as usual"

"We'll have to collect more money for our SPONSORS"



Staff are important in conveying integrity



- Donors' impressions of UNICEF staff can be key in driving trust
 - Expectations of dedicated, results-focused staff and volunteers
- Trust can be damaged when staff behaviours don't match these high expectations
 - Range of scenarios, from the less damaging (eg spending too much on catering) to the more damaging (eg fraud, embezzlement)



PROYECTOS CONCRETOS

Specific projects



TRABAJO/ AUSTERIDAD/DEDICACIÓN

**Work / austerity /
dedication**



NECESIDADES RESUELTA

Needs solved

Communicating integrity



Behaviours

- **DON'T talk about promises you can't keep**

Donors value honesty and credibility above dramatic stories. Want to hear about your mission but prefer the goals to be realistic – don't 'boast' or over-promise

Want to see evidence of progress, not 'marketing speak'
(cynicism in saturated markets in particular)

"If they can be upfront... or if they can say we'll do things different next time – that's honesty and humility, and I trust that"

UK

- **DO manage crises effectively** *(more saturated markets)*

Keep communicating when there's a crisis – don't hide your head in the sand

Convey honesty

Principle 6 – showing transparency

Behaviours

- Being transparent is seen as a sign of honesty and integrity
 - Two of the most common attributes of trust relationships
- Donors see it as important for charities to make their results and accounts easily accessible to the public
 - Provides reassurance about where their money is going
 - Greater trust in charities that are subject to stricter controls? (Spain)
- Want to know that there is regular coverage of a charity's facts and figures
 - Even if don't personally scrutinise them in any depth

"There are some NGOs that have never been audited. I wonder why, do they have something to hide? I trust organisations that are audited and with clear information"
Spain

Example – showing transparency

Behaviours

Charities can strengthen trust through providing clear, consistent and simple information about how donations are spent

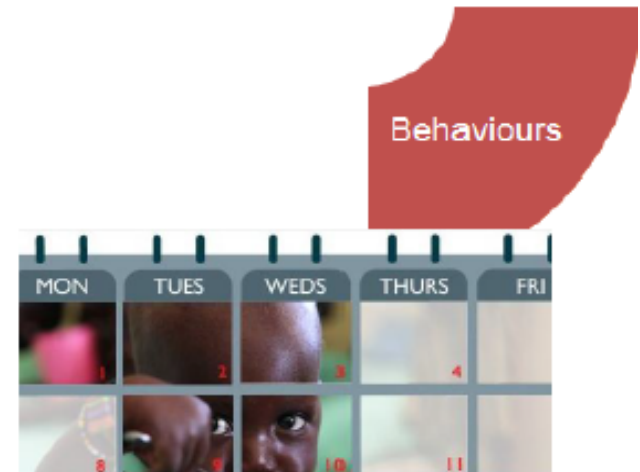
WaterAid



Melanie explains how she first became a WaterAid supporter. She had seen an advert for WaterAid in a newspaper which detailed how much money in every pound donated went to the cause. This inspired her to donate because she couldn't imagine living without access to fresh, clean water. However, before she committed to regular donations, she first used the charity number contained in the advert to check them out online.

Another WaterAid donor also praises the charity's clear breakdown of how money from donations is spent – she was sent this once she had set up a direct debit with the charity.

Communicating transparency



DO let us track your work & results

Eg an easy way for donors to 'log in' to catch the latest updates about how a project is progressing?

Online 'timeline' to make it easy to see how donations lead to results over time?



DO inform me about the details of your work (or make it easy for me to inform myself)

Interest in financial data is mixed – some find it informative, others just want to know it's there

Summary - Communications to inspire trust

Principle	Communicating it
1. Compelling proposition	<ul style="list-style-type: none"> <input type="checkbox"/> DO underline your clear principles & cause <input type="checkbox"/> DO use images that convey what you stand for – and what results you're achieving
2. Good donor experience	<ul style="list-style-type: none"> <input type="checkbox"/> DO make it easy & engaging for me to donate (<i>less saturated markets</i>) <input type="checkbox"/> DO build a relationship with me (<i>more saturated markets</i>) – contact me in a familiar & timely way <input type="checkbox"/> DON'T bombard me with newsletters
3. Experience & heritage	<ul style="list-style-type: none"> <input type="checkbox"/> DO make the most of your long track record & past achievements <input type="checkbox"/> DO convey that you're a modern organisation too
4. Closeness	<ul style="list-style-type: none"> <input type="checkbox"/> DO relate your work to me & my (national/ local) context <input type="checkbox"/> DON'T come across as too institutional & big

Summary - Communications to inspire trust

Principle	Communicating it
5. Acting with integrity	<ul style="list-style-type: none"> ❑ DON'T talk about promises you can't keep ❑ DO manage crises effectively – keep communicating & convey honesty <i>(more saturated markets)</i>
6. Showing transparency	<ul style="list-style-type: none"> ❑ DO let us track your work & results ❑ DO inform me about the details of your work <i>(or make it easy for me to inform myself)</i>
7. Visibility	<ul style="list-style-type: none"> ❑ DO keep telling me stories about your work ❑ DO be imaginative and bring your work to life ❑ DON'T be too flashy in your communications materials <i>(more saturated markets)</i>
8. Public figures & partnerships	<ul style="list-style-type: none"> ❑ DO engage me through the people (& organisations) I like and trust