Why the 3rd sector?

The 3rd sector is considered to be an umbrella term and it includes a variety of organizations that have different structures, purposes but they don't belong to the public sector, not the private sector. This sector can also be called the voluntary sector, NGO or non-profit organizations, and they all describe organizations that have the same essential elements which are:

- Non profit, are 3rd sector organizations that raise money and produce budgetary surpluses in order to contribute in social, cultural and environmental goals. They are not seekers of making profits.
- NGO or non-governmental organizations are the ones that cooperate with government institutions, and they can usually be supported financially by funding or commissions, but they are still independently operating.
- Value-driven organizations are the ones that chase a particular goal which is equivalent to specific political and social outlook. They are often linked with or they just work with political parties even though the political party itself is not a part of the third sector.

Third sector organizations are:

- Community organizations
- Charities
- Think tanks and private research institutes (not including universities)
- Social enterprises
- Other organizations like housing associations

Third sector usually functions on all levels, from local, national to international and they can rapidly contribute to the society. We have to understand that the third sector and its growth are very important to the life of the society, and an easier way to impact public policies.

These kinds of organizations usually commit their work and efforts to a certain problem that needs solving starting from climate change, or to a specific endangered group in the society like women facing cultural or gender barriers in education and work. They focus on problems that need support and representatives to easily fight the problems, through supply of services. Examples of services are women shelters, women organizations, providing legal advice. While think tanks on the other hand have a more philosophical and political approach on issues and their focus can range from local to global.

3rd sector organizations achieve their goals through fundraising, providing services or supporting and advising groups. Nevertheless, their main goal is long-term changes or systemic change of policies.

How do they do it?

Third sector organizations have three main approaches on the organization:

1. Commissioning- is when they employ researchers of they decide to commission independent or academic researchers to “examine” the subjects that affect groups and problems that they face. By doing this, third sector organizations can easily identify emerging issues they should put their focus on and back it up their policies proposals and campaigning with proof.
2. Public campaigning- is actually raising awareness of the public and shape public perspectives about the specific issue. Public campaigning varies from traditional and social media campaigns that target the general public or specific groups and sectors.
3. Lobbying/ advocacy- is usually connected with lobbying politicians, because who else can bring them policy change. If third sector organizations can influence government officials, their success and impact is guaranteed. More often they lobby MPs, ministers and other governmental bodies and thanks to the research we talked about before they can easily present their evidence to support the planned actions.

Third sector organizations can give commissioners benefits of understanding the needs of service users and communities that the public sector needs to address, the closeness to people, ability to deliver outcomes that the public sector itself wants to achieve, benefit of innovation and performance.

Working with the third sector

Before working with the third sector, we must do our research and find which organizations have interests closely aligned to ours. There are currently more than 148,000 European Charitable Foundations, so it would be easy to find an organizations that has their focus on an issue that is relevant to our research.

An interesting fact is that many of the TSO are small with 25 people or less, which makes it even easier to get in contact with the responsible ones for policy development and communications. What is even more interesting is that TSOs are always in the look for academic research that will help them prove their proposal policies and campaigns. Because of this reason they would gladly get in contact with you.

Visualize this: you have a project that can benefit from external partnership involving a 3rd sector organization. This would be a great way to use innovative projects and develop them in partnership with them, while fostering a long-term relationship.

The only thing you should be concerned about is being in harmony with the aims and the core messages that TSOs have, and being potentially framed by and contributing to political debates.

Funding is another issue when it comes to working with TSOs, because while finance and staff stay the same, the demand for the services of the TSO increases.

Practical examples

In the following practical examples, you will see three ways of cooperation of TSOs and other public bodies.

Example 1: (it is common for the public body to pay the third sector organization for the provision of a service, specified by the public body itself)

Practical example: Service specified by public body

In one area, the local strategic partnership (LSP) identifies a need for a service to turn a former industrial site into a park, including a lake for sailing and a skate park. This will remove the current unsightliness of the area and will contribute to people's health and general well-being.

The council agrees to lead on the commissioning on behalf of the LSP. Working with other partners on the LSP and with wider stakeholders, including residents near the site, sports groups and young people, the council draws up a specification for the service. It then puts this out to a competition.

A regional TSO wins the work. Among the main reasons for this are its ability to:

- Work with local communities to ensure the design of the new park meets their needs;
- Ensure high standards in sustainability and biodiversity are used throughout the project;
- Use volunteers to contribute to a wide range of the work, while also contributing to those volunteers' health.

Example 2: (in this example we can see the public body funds the third sector organization, to deliver a service specified by the third sector organization itself)

Practical example: Service specified by TSO

Meanwhile, in a neighbouring area, a cultural TSO comes forward with a project for local artists to work with groups of children in primary schools. The focus will be on the schools with the most disadvantaged children. It will increase their involvement in creativity and help raise their self-esteem.

The project has some money earmarked from one of the major arts foundations but needs a similar financial contribution from the local public sector.

The TSO has thought the project through thoroughly, having run it in other parts of the region. The council makes some important checks, such as:

- The contribution the project will make to the children's accessing of the national curriculum;
- The project's systems for safeguarding children from harm.

These checks are satisfactory. The council therefore agrees to contribute to the costs of the project, as specified by the TSO.

Example 3: (in this example, the way of working with the third sector is through commissioning)

Practical example: Commissioning

A Primary Care Trust (PCT) wants to increase the amount of exercise taken by adults in its area. It studies the current problem, such as lack of facilities and smoking. It also talks to local groups about these. Having done this, it draws up a specification for the service.

The PCT then examines three ways of securing the service:

(a) Procuring it from an organisation that might be in the private, public or third sectors;

(b) Paying a grant to a local TSO to provide the service;

(c) Employing a new team within the PCT to do the work.

After careful consideration of the total costs and benefits of each option, including the costs of running any competitive process, the PCT decides to do (b) and pay a grant to a local TSO. This is judged to be the most cost-effective option. The TSO is considered best placed to deliver the required outcomes due to its existing closeness to the population of the area and understanding of the cultural barriers to better health.

However, to ensure accountability for the delivery of the service and for the use of public money, the PCT inserts relevant clauses into the grant agreement. It is made clear that this grant is not a gift without strings; it is conditional on delivery and good financial management.

Considering everything we mentioned so far, we can ask again, why the third sector?

Because it delivers essential services, helps improve peoples well-being and contributes to economic growth, because it plays a vital role in supporting communities at all levels.

Third sector core funding through governments

Depending on the country, governments have different approach towards funding the third sector. Some countries have a very strong approach towards funding the TSO, thus creating policies for TSOs to continue their vital work is very important.

Some countries like Scotland, are committed to:

- consolidating voluntary sector funding into single grant funds to provide greater clarity for applicants

- ensuring a transparent and fair basis for the extension of core funding
- seeking to extend three-year rolling funding where possible
- introducing a system across government that highlights when funding is due to end, to provide greater clarity and enable better long-term planning

In 2017 to 2018 Scotland maintained the previous year's third sector core budget of £24.5 million. They use the core budget to:

- invest in the capacity of social enterprises across Scotland, as part of our 10-year strategy for social enterprise
- support local and national third sector infrastructure, to help organizations with their work and to promote volunteering

(Source: Government of Scotland)

Some countries also have Lottery funding, for funding projects of social character. This kind of funding can be seen on International level, and in United Kingdom and New Zealand on national level.

National specificities and challenges: A Historical perspective of the third sector

First, throughout Europe, the formation of a third sector has benefited from special contributions by organisations other than charities, voluntary organisations and foundations that are also a part of the legacy of US society; these organisations are mutuals, cooperatives and other associations constituting a 'social economy'. Sweden, France, Germany, Netherlands, United Kingdom and Italy are the first ones to bring together historical evidence from these two parts of the European third sector, the social economy and the voluntary sector, that, until now, have always been discussed separately and they all demonstrate that the European third sector cannot be equated either with the narrow concept of the voluntary sector or with the US notion of a non-profit sector.

Second, besides the impact of markets and public policies and faith-based organisations or charities established by the 'better off' classes, the role of social movements, such as labour movements and popular movements as found in the history of Scandinavian countries, has to be underlined. These latter components in particular have shaped concepts, paths and organisations in ways which differ from the US legacy. At the same time, the emergence of new social movements and forms of association building reported in the contributions from all these countries point to many aspects that are shared across the Atlantic: to civil society as a point of reference, to new understandings of voluntary commitment and solidarity, but also to a new entrepreneurial spirit. This raises questions of rupture and continuity between the past and future of third sectors in Europe.

Third, is that there is a special importance and role of the European welfare states for the third sector, and vice versa. This relationship has brought competition, rejection and incorporation, but besides that there has been a long history of mutual stimulation. The third sector has been built into models of welfare, and the more central role of the welfare state in the present 'welfare mixes' (as compared to the USA) can by no means simply be equated with a lesser importance of the third sector. These historical observations convey a warning for theories of social policy and of welfare regimes: the 'conspicuous absence' of the third sector is one of their weakest points.

There are at least two particular theoretical innovations stemming from the European debate:

- First of all, the European debate on the third sector, especially by including cooperatives and mutuals, has brought onto the agenda the issue of the economic dimension of the third sector. This is something totally different from measuring the economic impact of third sector services, or from explaining this sector – like all the others – using tools and concepts that stem from market theories. Acknowledging that moral and political dimensions are to be found in associations which provide goods and services and that these constitute specific social and solidarity-based economies opens the way to a huge theoretical challenge: to reconstruct the specificities of a third sector economy as part of a plural set of economies.
- A second distinguishing feature of much of the European research is the emphasis placed on the fundamentally open, pluralistic and intermediary nature of the third sector, instead of seeing it as a kind of 'independent' sector, a special 'box' where organizations take either a residual or an alternative role with respect to state and market. Thinking in terms of 'intermediarity' means more than just acknowledging that the lines between the sectors are blurred. Some European researchers say that thinking in terms of sectors is alien to the whole history of public debates in some countries and there are various reasons for the alternative concept of a 'social midfield' and its intermediary functions. Some authors take the intermediate character as an explanatory element. According to them, associations are not different by nature but have to be seen as a kind of 'hybrid', held in a tension field, where it can never be guaranteed that state links and market elements can be outweighed by the associations' roots in civil

society. These two points provoke a theoretical question that, perhaps not by accident, has been sharply delineated in the first instance by some American scholars with extensive research experience on the third sector on both sides of the Atlantic; this question is: does sector matter? American scholars try to give an answer to this by raising the issue of the degree to which sector might matter when it comes to analysing the reasons why some organizations develop distinct and different styles of action and services. The answer that emerges is that organizations develop according to the varying impact of building principles such as democratic participation, cooperation with users, the degree of embeddedness in local spaces of civil society – or vice versa, to the degree that, for example, pure commercial and managerial principles override principles of social and professional action that had shaped social services in the public and third sector. From such a viewpoint, it becomes clear that the rationales and values that nourish civil society and the principles related to it cannot be restricted to one sector. There is no 'civil society sector', nor are the links of the third sector with values such as activating volunteers or user involvement exclusive. Municipal and state public services can demonstrate similar characteristics if they develop within a more civic society, and contrariwise, both sectors may, in part, be colonised by bureaucratic or commercial principles.

Political Challenges

Considering the role of the third sector in future politics, issues of governance and concepts for recasting models of welfare in Europe there are once again three points of convergence. The first point concerns the general vision. Concepts for the future should entail a basic 'compact' concerning the status and the contributions of third sector organizations. Between professional politics and state administrations on the one hand and third sector organizations and their representatives on the other, visions of partnership are needed that reject instrumental attitudes towards one another. Neither the public authorities nor the contributions of third sector organizations should be reduced to a mere financial or economic dimension. A partnership has to acknowledge the moral and political value of third sector organizations, as well as the fact that those providing goods and services on such premises are not (just) economic actors like the more usual for-profit organizations.

Second point is the challenge of developing a clear picture of the impact of and overall balance between values, goals and criteria that lead to support or rejection of third sector organizations, or to building a preference for specific corporate designs such as 'social enterprises'. These are basic, sometimes contradictory, values such as equality and diversity, or the need to activate citizens and social capital resources or to provide a quick fix by well-managed services. Furthermore, there are special criteria concerning service quality, the role of the users or accountability. Third sector organizations will not manage to respond to all these forces to the same degree and, while they can develop different profiles, some of these criteria will tend to work against them.

Final point that we want to raise is that in many instances third sector organizations need rules and legal frameworks, appropriate forms of governance and networks of interaction that acknowledge and respect their special added value. It is very difficult to build stable programmes and perspectives which activate and encourage the special abilities of third sector organizations rather than reducing them to an instrument fit for just one purpose. Last but not least, we have to point to the fact that in various policy fields there are approaches where private business, various state authorities and third sector organizations develop interactive, mixed and intermeshed policy networks and where service systems are at work. Consequently, what counts is not the size of a sector or a single type of organization, but the ability to cultivate, by a networked governance of welfare, this kind of precarious 'ecology'.

Theorizing the Third Sector as Process

An alternative approach is to view the third sector as a particular kind of process of interaction or communication between different sectors, usually the public and private sectors. Rather than looking for another "sector," similar or somehow equal to the state or the economy, this approach looks at what communicative forms allow third sector organizations – be they social enterprises, partnerships, community organizations, or pressure groups – to form and function. One strain works on organizational identity formation and emphasizes how identities such as "social enterprise" emerge out of interaction, negotiation, and shared processes of sense-making avoiding "the danger of making a particular organizational identity appear to be essential, to be the 'true self' of an organization".

Similarly, focusing on process, a public–private partnership is not like a contract that can be "had," but is a "promise to give further promises"– what Åkerstøm (2008, p. 4), using Luhmann-inspired systems theory, considers a "second order contract" designed to facilitate further forms of cooperation and interaction: "Partnerships provide an answer to the increasing differentiation of society. They link systems of communication in a way where new possible couplings are continually sought out ... Partnerships constitute a machine of possibilities on the perimeter of multiple different systems of communication". In this view, third sector organizations are essentially processes of negotiation between citizens and political or economic agents. Their third sector quality lies in their viewing the world not according to the market logic of investment for-profit or a hierarchical logic of formal super- and sub-ordination, but in their ability to transgress such logics and provide identities and action possibilities while closing off others.

In a similar vein, but an overtly critical theorization of the third sector, is what we will call the "governmental" view. It has a longer pedigree and in its contemporary form tends to draw heavily on the work of Michel Foucault, suggesting that civil society and the third sector are not free of power or coercion, nor essentially dialogical, but on the contrary forms of power that to a large degree condition and constrain which actors can exist and what they can do and say. The idea of a "governmentality" described by Foucault (1978) is an interconnected system of discourse and techniques or institutions that allows certain practices to flourish and others to appear impossible, wrong, or just ludicrous. Neoliberalism has – using this concept – been viewed not as a purely economic system allowing "free individuals" to operate voluntarily in "free markets," but as a mentality and technique of governing that creates a certain kind of individual who is self-disciplining, adapted to market competition and consumption, and subservient to the social order that this depends on

In this light, the third sector is not to be taken at face value as a power-free zone of non-coerced realisation of shared values where authentic human communication can take place, nor as a zone of contestation.

For a governmental view, both would be naive. Discourses and institutions of civil society such as partnerships, private associations, or guilds form part of the power technologies through which a certain kind of governance is achieved. Usually the third sector is seen as part of – or even a tool for – the dominant liberal order in Western countries and the global Western conglomerate of international organisations and global civil society. There are situations when states use NGOs to implement their policies on population control, and we have to be aware that a global governmentality has been arising, whereby the state system deploys civil society or third sector organizations to further its state aims, for example, in environmental politics.

This view is reductionist in its own way, reducing the third sector to being a tool in the hands of an impersonal discursive project that orders society. But it is an epistemological view insofar as the third sector is seen not as something timeless or generically known by a distinct logic (such as that suggested by the civil or communicative views), since social forms and logics of behavior are beasts of changing dominant discourses of society. Where the European view has the third sector as a hybrid of market and state forms of organization, and the civil view has the third sector as one of communicative rationality, the governmental view puts it under the auspices of the dominant form of power. In Western societies this is seen to be a form of neoliberal, capitalist order. Third sector organizations are recruited to implement neoliberal policies of downsizing the state, disciplining the individual and family, and oiling the wheels of the economy; but that would change as the hegemonic societal formation changed.

In a third kind of epistemological approach, the third sector can be seen as a zone of contestation. This tradition draws on the likes of the Italian theorist Antonio Gramsci, who theorised civil society as a zone in which social forces vie for dominance: hegemonic blocks sparking their own counter-hegemonic forces and vice versa. This allows for the possible dominance of society from a particular segment of society, e.g., capital (the narrative of the governmentalists), but also theorises how change happens when other forces manage to band together and assert themselves. The third sector would, seen in this way, be a process – one of potential cooperation or conflict, depending on the social forces at work.

In a similar vein, Mary Kaldor has pointed to civil society as a process of negotiation or communicative interaction (not necessarily harmonious) between rulers and ruled, formerly in city states, then in nation states, and now in a global discourse between global governance and social movements: “Civil society could be described as those organisations, groups and movements who are engaged in this process of negotiation and debate about the character of the rules – it is the process of expressing ‘voice’”. In an even wider sense, “civil society is a process not an end point. Moreover, it is a contested process ... the term offers a future direction which is not dictated”. Civil society becomes the dialogue (dialogical in the traditional sense of negotiating or in a more antagonistic sense of, for example, a strike or a protest) or struggle between bodies or systems in a society that otherwise operate on separate planes or according to mutually incomprehensible logics.

The “third sector,” for Kaldor, denotes only one aspect of civil society, namely a relatively depoliticized part of it rather than such things as charities or NGOs that orient themselves wholly toward participation alongside state or market institutions. However, understood more broadly, a third sector process would be one in which communicative rationality – the force of the better argument – predominated over instrumental rationality and/or the force of tradition or coercion. This definition of the third sector would mean that social movements, anarchic eruptions, spontaneous protest movements, formal NGOs, cooperatives, as well as the chaos and cacophony of (global) civil society would be included – as long as they all furthered a deliberative process (verbally or symbolically).

Distinctions are always problematic because they pick out certain features and ignore others. On the other hand, that is precisely what makes them useful, provided they are used consciously and with humility. The existence of borderline cases or hybrids is often used as a way of discrediting a distinction but could just as well justify it: without a definition or theorization, we would have no way of thinking about how something is borderline and between which two types of entities it lays.

It would seem that the aim behind much third sector research is to find new and better ways of organizing human life. Rather than ossify an existing conception of what building blocks society is supposedly made of, those who deploy the term "the third sector" should be attuned to the changing relations between social actors, the way different kinds of organizations and ways of looking at those organizations condition what and who has which possibilities of acting. A processual view should therefore always at least accompany a formal definition, acknowledging and questioning the lens that produces the distinctions it relies upon.

Furthermore, that processual view should be open to different logics – not just harmonizing or logics of domination. The Gramscian approach has strengths in this respect. Of course it shifts attention in third sector research naturally away from service provision and onto political processes, highlighting pressure groups, interest groups, social movements, and resistance movements rather than charities, NGOs, or public–private partnerships. All the same, many agents, even service providers, often identified as "third sector" like social enterprises or charities perform a similar function seen through a process lens. A social enterprise links an economic sector dynamic to a public or political world goal that might otherwise be seen separate or even antagonistic and will also challenge/buttress each of its adjacent sectors. Cooperatives or ethical businesses may exert pressure on authorities or other companies to change their ways (and vice versa) – or they may lend legitimacy to each other. Pressure groups communicate directly between agents of particularist interest such as trade unions or business associations and the political system of representation, hierarchy, and bureaucratic control. An open processual approach would make third sector research more than just the study of certain organizations or a particular sector of society. It would also make it a way to analyze the balance of social forces in a society.

Measuring performance in the Third Sector

Hiebl and Payer-Langthaler (this issue) note that performance can be defined as 'intentional action' and therefore performance measurement is an assessment of the results from intentional action. Performance measurement for the business (First) sector focuses on value creation, that is, intentionally creating money for a firm's stakeholders, particularly its owners. This relationship does not exist in TSOs where the resource providers are mainly donors and philanthropic funders who do not typically have an ownership interest. Further, even when an ownership interest exists, the limitation to distributing profit means that the resource providers cannot share in any monetary value created. While members may receive value commensurate with their subscriptions to membership organisations (for example, to sports clubs), it is likely that they will also contribute volunteer effort to the public good of the club and therefore create more value for others to enjoy. In other TSOs, the resource providers (for example, donors and philanthropic funders) also do not receive benefits commensurate with the value of their donations. Instead, the TSO's services are provided to third parties (including, for example, indigent beneficiaries, aged care recipients or the environment).

As monetary value creation for owners is not a relevant measure for TSOs, these organisations are encouraged to measure and manage their performance in pursuit of their non-financial mission. Performance measurement and management serves two main purposes for a TSO: to prove its worth (to resource providers and to service recipients) and, through reporting internally, to improve organisational performance by learning from evaluation of its programmes or services and from comparison to others .

In respect of proving their worth, Connolly and Hyndman (2004) argue that TSOs in the United Kingdom must justify their existence. They consider that, unless performance measures are in place, it is difficult for TSOs to counter criticisms of poor management and ineffectiveness. Measuring performance makes visible TSOs' resources, activities and achievements, which leads to better informed discussions and decisions. In the United States not-for-profit TSOs also face mounting pressure to demonstrate the effectiveness of their programmes. In reporting performance measures to external users, a TSO is most likely to be responding to a demand for accountability, as well as marketing itself as a worthy recipient for future donations and grants.

Accounting measures are a common basis to performance reporting. Yet, in Huang and Hooper's (2011) study of philanthropic funders, it was stated that financial information was of limited use in choosing which TSOs to fund or to discharge accountability. Funders noted that nonfinancial information is more important; in particular TSOs' reports on how they have delivered on their purpose or mission, and the community benefits provided.

Huang and Hopper (2011) note that funders were also interested in what a TSO has learned from undertaking a particular project. This shows that learning is important for external providers as well as for improving organizational practice.

TSOs' performance reporting is more likely to be donor/funder led. In Kaplan and Grossman's (2010) study, funders require TSOs to report against specific performance measures and achieve the results promised. Similarly, TSOs (mainly social enterprises) may respond to the promise of social investing by seeking to be a 'highly performing' TSO which meets quantitative and financial measures. Several authors determined that, as well as pressure from funders and donors, measurement emerges in moments of uncertainty, such as in the current economic uncertain times when gaining funding is difficult.

What performance is measured?

Whether it is for internal learning or external accountability, Third Sector performance measurement focuses on: outputs, outcomes and impact.

Outputs are defined as the goods and services that the organisation produces. Outputs can be reported in terms of the proportion of total operating expenditure relating to the beneficiaries of the charity, or the total costs of services provided to beneficiaries where expenditure is used as a proxy for income received to cover those programmes. Alternatively, a simple quantitative measure for outputs is the number of programs and/or clients that are serviced. Efficiency can be defined as the relationship between an organisation's inputs and outputs. Outputs are deemed to be important to donors and funders, with research establishing they are concerned with the extent of expenditure on overheads such as fundraising and administration.

Outcomes can be defined as the change in beneficiaries' circumstances brought about by the outputs, or the immediate products or services generated by the TSO. Outcomes are "the state, condition, impacts on, or consequences for the community, society, economy, or environment resulting from the existence and operations of the reporting entity". As noted, outcomes are also referred to as 'impact' and 'social value'. Outcomes can be split by time with 'impact' being the longer-term effects, and outcomes being the current effects. Effectiveness can be measured by the level of outputs utilised in producing outcomes, and the sustained production of benefits. Nevertheless, as noted above, the need to monetise benefits in order to undertake a measure of effectiveness creates an issue.

Approaches to performance measurement

We therefore group the main performance measurement approaches as being based on: Economic/Financial Efficiency, Programme Theories, and Strategy and Participation.

Economic/Financial Efficiency Approaches

The focus in the business sector on financial performance and economic efficiencies has driven the push for quantitative performance measures in TSOs, mainly for accountability purposes. Economic efficiency approaches expect TSOs to achieve an expected return and measure impact in financial terms. Approaches include: cost-benefit analysis (CBA); outcome rating scale (ORS); single outcome agreements (SOAs); social audit; social accounting and audit (SAA); and social return on investment (SROI). In addition, single measure valuation techniques also include replacement cost, opportunity cost and numerous stated preference techniques (for example, contingent valuation, choice experiment, and revealed preference methods). These techniques assume there is a market for a TSO's activities and that 'customers' are present to value these **activities.**

Programme Theory Approaches

Programme theories seek to summarise how successful interventions are linked to outputs, outcomes and impacts. These theories of change include approaches described as; inter alia, 'intervention logic'; 'logical frameworks'; 'programme logic'; 'results-based accountability' (RBA); and 'theory of actions'. Logical frameworks (logframes) are the most widely used planning and evaluation tool in international development, although Gasper (2000) argues that their accountability focus means logframes cannot evaluate complex interventions which require TSOs to orientate themselves towards learning. Ideally, stakeholders build a consensus model of programme success and agree on measures of success, which means that baseline data can be collected initially and subsequent performance assessment linked to the programme goals. RBA (http://www.raguide.org/) shares similarities with logframes, and is commonly used as an accountability tool when governments contract domestically. Again, funders impose this strategic approach onto TSOs, with the TSO being expected to report its performance against the imposed plan.

Strategic Approaches

The underlying ethos of all strategic approaches is that the TSO will measure and manage its performance in terms of its underlying strategy. In developing strategic approaches to performance measurement and management, the business sector has relied on Kaplan and Norton's Balanced Scorecard, which measures performance in both financial and non-financial terms. TSOs have been encouraged to re-define which performance objectives to prioritise for internal use. Outcome models (such as DoView http://www.doview.com/) are also designed for organizations to diagrammatically present internally-developed strategy and to develop management steps for the TSO to achieve those strategic goals.

Participatory Approaches

Advocacy and network TSOs that work in partnerships towards intangible goals are more likely to use outcome mapping and other participatory approaches to performance measurement and management. Outcome mapping differs from strategic and programme theory approaches as it is an evaluatory tool (rather than an accountability tool) that also requires the 'boundary partners' to map how the behavioural change will occur and the strategies each will employ to achieve the collaboratively agreed mission. Developed and used by the International Development Research Centre in Canada, an outcome mapping learning community has developed in which various case studies and developments are shared (www.outcomemapping.ca). These discussions recognise that TSOs have a sphere of control (over their own work) and direct influence over their boundary partners, but only indirect influence on beneficiaries when they rely on partners to deliver programmes. Nevertheless, a useful tool to ameliorate this limitation is to require boundary partners to maintain outcome journals.

Other participatory approaches include the Most Significant Change (MSC) approach through which beneficiaries are encouraged to share the most significant changes in their lives. Other terms used are: 'the Evolutionary Approach to Organisational Learning', 'the Narrative Approach' and also the 'Story Approach'.

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