Dear Allen Foster,

On 15th November 2012 we, as the Independent Review Panel, met to discuss the reports submitted by the reporting deadline of 1st October 2012, and we are now writing to you to give you feedback on your report. First of all we would like to thank you for your participation in this exercise and to recognise the commitment to accountability that this demonstrates.

Our approach to assessing the reports which we have received has been to focus on three dimensions in particular: What evidence is there of **institutional commitment** to greater accountability and to using the reporting process to advance it? How **complete** is the report in relation to the guidelines used? How strong is the **evidence** given for the self-assessment that each organisation has conducted? Please find more information on our approach in the annex.

Since we first started assessing the reports we have noticed a **marked improvement in quality** and an improved commitment to accountability. In this round we have reviewed some reports of very good quality. However we have highlighted some common **areas for improvement.** These tend to be in the section on Programme Effectiveness, in particular the indicators related to having a complaints handling mechanism in place (indicator NGO2) and diversity and ethnicity (indicator NGO4). The indicators on training in anti-corruption policies (indicator SO3) and on financial information (indicator NGO8) are also areas for improvement.

- With regard to the **complaints handling mechanism** (indicator NGO2), we would like to remind Members that it is now a mandatory requirement for Charter Members to have such a mechanism in place. This is at the core of good accountability. Such a mechanism should be for external and internal complaints, outline a clear process, including a timeframe for resolution, and be easily accessible. Members should communicate their membership on their website, by uploading the Charter logo, and inserting a link to the Charter text alongside their complaint handling mechanism. The "UN protect, respect, remedy framework" highlights good effectiveness criteria for complaints handling mechanisms (paragraph 31 "Effectiveness criteria for non-judicial grievance mechanisms":
  http://www.ohchr.org/Documents/Publications/GuidingPrinciplesBusinessHR_EN.pdf).

- Regarding **diversity and ethnicity** (indicator NGO4), we would like to encourage Members to use the guidelines "Make Development Inclusive – How to include the perspectives of persons with disabilities in the project cycle management" developed by CBM available here: http://www.make-development-inclusive.org/toolsen/pcm2.pdf

- With regard to the generally weak reporting on **anti-corruption policies** (indicator SO3), we would like to encourage Members to use the Anti-Bribery Checklist and Anti-Bribery Principles and Guidance for NGOs produced by Transparency International available under the following web-links:
  http://www.transparency.org.uk/attachments/046_NGO_Anti-bribery_Principles_and_Guidance.pdf and http://www.transparency-se.org/TI-ABC-20-point-anti-bribery-checklist.pdf In case of specific queries you may also contact Stan Cutzach at Transparency International at scutzach@transparency.org

- We feel that the **financial information** (indicator NGO8) could be better presented in order to allow for greater transparency. Members are encouraged to look at the Good Practice document to see how others present this information.

- In many reports Members just noted that they have the relevant policies in place but we feel that **more examples** of the policies in practice would be useful. Only when it is supported by evidence does the policy come to life and its usefulness can then be assessed. Members are encouraged to give selective examples where relevant, and to give evidence from evaluations where available.

- We value **succinctness and accessibility**. In some reports access to relevant information is made difficult by a lot of immaterial information being given at the same time. Please try and include only essential information.

We understand that it is a challenge for global organisations to report on many national entities, and would encourage them to provide in their report an explanation as to how their **global accountability standards** are upheld at a national level and, if they are not, how they tackle this issue.

We welcome it when organisations make commitments for the future and identify areas for improvement. As an example, we would like to congratulate Oxfam GB for the table included at the beginning of their report showing their **accountability objectives** and the progress made so far. Individual development plans will help push organisational development towards improved accountability in a more systematic way.

To ensure a greater link between the **Charter commitments** and GRI reporting (focussing on transparency) we would like to emphasise our support for the Charter Board decision that all future reports should have a clear link between the Charter principles and the reported actions. We would like to praise Sightsavers for doing so in their first report.

Please note that as a Panel we feel that part of our role is to encourage organisational improvement. To that end we are enclosing, for your information, some examples of what we believe to be **Good Practice** in responding to some individual indicators, based on the GRI framework. This document consists of examples from all reports reviewed thus far. We would like to encourage you to look at this document as we feel this will be a good learning exercise for all Members to learn from each other.

Organisation-specific feedback to CBM International
The report is good and we can see real improvement from your previous report which is very positive. The report is **comprehensive** and easy to read, and it contains a good level of **evidence** and information on the work your organisation does. It is positive that you took the feedback from your previous report into consideration and identified three priorities for the organisation. The opening statement is strong and shows good **institutional commitment** to accountability and the Charter.

It is positive that your organisation has a good gender balance in its projects. Your guideline "Make Development Inclusive – How to include the perspectives of persons with disabilities in the project cycle management" could be of value to other Charter Members. The fact that your organisation is looking at climate change and has established an environment advisory group is seen as a good sign of commitment to sustainable development. In your next report we are looking forward to reading more about your strategy for "research and evidence for practice", and we would like to see an update on your complaints handling mechanism and anti-corruption policies and procedures which are under revision. We understand that the name of some of your donors cannot be disclosed; we would however encourage you to state the type of donor (government, corporate, individual, or foundation), whether or not the

funds are restricted, and whether you have a policy for receiving private or corporate donations. We also suggest that rather than attaching large documents you simply provide the link to them in your report.
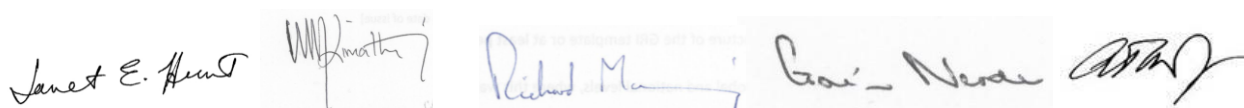
We see your answers on the following components as **Good Practice** for other large organisations (see "Good practice on GRI Reporting IV" attached to this letter):

- *1.1 Statement from the most senior decision-maker of the organization (e.g. Executive Director, Secretary General, CEO, Chair, or equivalent senior position) about the relevance of sustainability to the organization and its strategy*
  Although the component is not fully addressed, it is very positive that your organisation included three areas of improvements regarding its accountability. Implementation dates for envisaged changes would be welcomed.

- *3.5 Process for defining report content*
  Although the component is not fully addressed, the graph provided is very clear.

- *NGO7 Resource allocation*
  The answer is very thorough.

- *LA13: Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership, and other indicators of diversity*
  Although the information provided is for the International Secretariat only, it is very complete.

Our intention is that this letter, and any response that you may wish to provide, should be made publicly available on the Charter website, along with your organisation's report. You can find the reports that were previously reviewed on the Charter website under the section Charter Members/Member Reports. However, should there be errors of fact in the feedback above or in the more detailed note below on conformity with the reporting framework, we would of course wish to correct these before publication.

Should you have any comments we would appreciate a response by 15 January 2013.

Yours sincerely,

Janet Hunt   Wambui Kimathi   Richard Manning   Gavin Neath   Tony Tujan

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Annex 1 – The Independent Review Panel's approach to assessing reports

On **completeness**, we acknowledge the demanding nature of many GRI requirements and recognise that not all of them are as material as others. In particular for smaller organisations, some requirements may be overly demanding. Nevertheless they give good guidance and we have attached a note that goes through the shortfalls against the reporting template in detail. In addition we have highlighted areas where we felt, in particular, that your organisation could improve as well as other areas which we considered as strengths in your report.

On **evidence**, we looked in particular for references not only to relevant policy documents, but also to examples where the self-assessment was supported by specific action (for example, drawn from operational activities, whether successful or unsuccessful). It is important for us to see that the accountability commitments that you made when signing the Charter, lead to informed corrective action and ultimately improve the quality of your work.

On **institutional commitment**, we looked for evidence of top-level ownership of the report (for example in the opening statement signed by the Chief Executive) backed by examples in the report; evidence of using the report as a means of identifying areas of relative strengths and weaknesses in the organisation (as opposed to a box-ticking exercise); and evidence of a systematic concern with accountability, including recognition of areas for further work. We encourage organisations to highlight the corrective actions they take, and appreciate when they are open about their failures and make clear commitments for the future. We would hope that progress in such areas would be highlighted in future reports.

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**2nd Review Round 2012
Note on Accountability Report**

Organisation: CBM International
Reporting period: Calendar year 2011

What GRI reporting level did the organisation report on?

☐   A
☐   B
☒   C

Did the Secretariat contact the organisation for further information before forwarding the report to the panel?

☒   Yes
☐   No

<u>Comment</u>: The Secretariat requested the documents mentioned in the report but not submitted. CBM sent a copy of these documents:

- Guideline „Make Development Inclusive – A practical guide for PCM" (page19)
- Accounting policy attached in appendix 6 (page 22-23)
- Summary from the report of activities 2011 in appendix 1-3. (page 30)

COMMENTS ON THE INFORMATION PROVIDED IN THE REPORT

Profile Disclosures (recommended 28)
Number of Profile Disclosures the organisation reports on <u>in total</u>: 28
Number of the <u>recommended</u> Profile Disclosures the organisation reports on: 28
Number of <u>additional</u> Profile Disclosures the organisation reports on: 0

Profile	Comments
Strategy and Analysis	
1.1*	*Comments from previous report: The report does not include information on strategic priorities; key events; achievements/ failures; or views on performance with regards to goals/ objectives/ standards/ targets.* <u>Comments from this report</u>: Partially addressed The report includes very good information on the organisation's accountability priorities and future commitments; however it does not provide information on broader trends affecting the organisation, key events, achievements/ failures, or views on performance. **Good Practice:** Although the component is not fully addressed, it is very positive that the organisation included three areas of improvements regarding its accountability. Clear implementation dates for envisaged changes would be welcomed.
Organisational Profile	
2.1*	Fully addressed
2.2*	Fully addressed
2.3*	Fully addressed
2.4*	Fully addressed
2.5*	Fully addressed
2.6*	Fully addressed
2.7*	Fully addressed

2.8*	Partially addressed The report does not include information on assets and liabilities. The organisation explains that income and expenditure figures only cover CBM International and not the Member Associations.
2.9*	Fully addressed
2.10*	Fully addressed
Report Parameters	
3.1*	Fully addressed
3.2*	Fully addressed
3.3*	Fully addressed
3.4*	Fully addressed
3.5*	Partially addressed The report includes information on how the organisation takes the Panel's feedback into consideration; however it does not provide information on the stakeholders expected to use the report. **Good Practice:** Although the component is not fully addressed, the graph provided is very clear.
3.6*	Fully addressed The organisation states that the focus of the report is the work of the International Secretariat, however where possible global figures are provided.
3.7*	Fully addressed
3.8*	Fully addressed
3.10*	Fully addressed
3.11*	Fully addressed
3.12*	Not applicable
Governance, Commitments, and Engagement	
4.1*	Fully addressed
4.2*	*Comments from previous report: The report does not include information on the division of power/ responsibility between the highest governance body and the management.* Comments from this report: Fully addressed
4.3*	Fully addressed
4.4*	*Comments from previous report: The report does not include information on topics raised through the mechanisms in place.* Comments from this report: Fully addressed
4.14*	Fully addressed
4.15*	Fully addressed

*: Recommended Profile Disclosures

Performance Indicators (recommended 18)
Number of performance indicators the organisation reports on in total: 21
Number of the 18 recommended performance indicators the organisation reports on: 18
Number of additional performance indicators the organisation reports on: 3

Indicators	Comments
Program Effectiveness	
NGO1*	*Comments from previous report: It is not clear whether the organisation's mechanisms include procedures on how decisions and decision-making processes are communicated to stakeholders; on how stakeholders participated*

	in each stage of the process; or on how feedback from stakeholders affected the decision making process or reshaped policies/ programmes. The organisation refers to its guidebook (48 page document) but does not provide references on where to find this information within this document. Comments from this report: Partially addressed The report includes information on the steps taken to implement a participatory approach. However the report does not provide information on how decisions and decision-making processes are communicated, how stakeholders participate in each stage of the process, or on how feedback affects the decision-making process or reshapes policies/ programmes.
NGO2*	*Comments from previous report: The report does not include information on mechanisms for assessing complaints or for determining what actions are required in response.* Comments from this report: Partially addressed No additional information is provided in this report; however the organisation states that its processes to raise complaints are under revision, and that it will implement a whistleblower process in 2013. More information on what is concretely planned for the complaints handling mechanism would strengthen the report.
NGO3*	Partially addressed The report does not include information on how the results contribute to internal learning, examples of adjustments or how they are communicated. However the organisation states that a framework for monitoring, evaluating and learning is being developed. Some information on what this framework will address would be useful. More concrete information and implementation date would be welcomed.
NGO4*	Fully addressed
NGO5*	*Comments from previous report: The organisation states that due to organisational changes, it is currently not in a position to report on this indicator in a complete way and commits to improvement within this area.* Comments from this report: Partially addressed The report includes information on the process for arriving at advocacy positions, but it does not provide information on: how the organisation ensures that its public criticisms are fair/ accurate, what the process is for corrective adjustments, examples of corrective adjustments, where the advocacy positions are published or the process for exiting campaign.
NGO6*	*Comments from previous report: The report does not include information on processes that promote learning from the work of others; or on the processes to identify opportunities for partnerships with other organisations.* Comments from this report: Fully addressed This section would benefit from more information on the organisation's general and strategic overview of actors.
Economic	
NGO7*	Fully addressed **Good Practice:** The answer is very complete
NGO8*	Partially addressed The report provides the percentage of funding received by source, but not the aggregated monetary value. The report only includes the name of its largest

	donor, and states that the name of the other donors cannot be disclosed.
EC2	Partially addressed The report includes information on the risk posed by climate change, but does not mention whether the organisation has estimated the financial implications.
EC7*	*Comments from previous report: The organisation states that it is not in a position to report on this indicator.* Comments from this report: Fully addressed The organisation states that it has no written policy or procedure for local hiring, however it might benefit from introducing a global policy or guidance.
Environmental	
EN16*	*Comments from previous report: The organisation states that it is currently not in a position to report on this data but commits to improvement within this area.* Comments from this report: Partially addressed The organisation states that it has started working on its environmental responsibility, but is not yet in a position to report on this data.
EN18*	*Comments from previous report: The organisation states that it is currently not in a position to report on this indicator but commits to improvement within this area.* Comments from this report: Partially addressed The report includes some initiatives to reduce emissions; however the organisation states that it is not yet in a position to report on the reductions achieved.
Labour	
LA1*	Partially addressed The report does not provide information on part time / full time contracts or the different categories of volunteers by function. The organisation states that it is not in a position to report on the contract type of local staff, but will be for its next report.
LA4	Fully addressed
LA10*	Fully addressed The report includes the number of hours of training per year per employee per employee category. However the organisation states that the data provided is not comprehensive.
LA12*	Fully addressed The information provided is for the International Secretariat only.
LA13*	*Comments from previous report: Good Practice* Comments from this report: Fully addressed The information provided is for the International Secretariat only, the organisation states that complete data will be available for the next report. The organisation indicates the country of origin as an indicator of diversity. **Good Practice:** Although the information provided is for the International Secretariat only, it is very complete.
LA14	Fully addressed

Society	
SO1*	*Comments from previous report: The report does not include information on programmes in place for assessing impacts of operations on local communities; on the number/ percentage of operations to which these programmes apply; on whether they have been effective in mitigating negative/ maximising positive effects; or on how feedback have informed steps toward further community engagement.* Comments from this report: Partially addressed The report provides information on the organisation's work on research and evidence for practice. However it does not include information on programmes in place for assessing the impact of operations on local communities, on whether they have been effective in mitigating negative and/or maximising positive effects, or on how feedback has informed steps toward further community engagement.
SO3*	*Comments from previous report: The organisation states that it has not conducted specific anti-corruption training and commits to improvement within this area.* Comments from this report: Partially addressed The organisation states that its anticorruption policies and procedures are under revision.
Product Responsibility	
PR6*	*Comments from previous report: The report does not include information on the frequency with which the organisation reviews its compliance with its standards; on the number of complaints of breaches of standards in relation to the rights of stakeholders or in relation to the rights of donors.* Comments from this report: Partially addressed The report includes information on the codes applied across the organisation; but not on the number of complaints of breaches of standards in relation to the rights of stakeholders or in relation to the rights of donors.

*: Recommended performance indicators

Organisation's commitments for the future
- **1.1**: "It is our objective to provide transparent information on the CBM Family globally. This implies the development of global standards and an alignment of HR processes. While the work on this has started, the results will be included in next year's report." "We acknowledge our environmental responsibility and we are developing tools, systems, and processes for the assessment of our environmental footprint leading to an environmental sustainability plan. A number of initiatives have been started in order to address this area, which is new for CBM. The results will be the focus of our report in 2014"
- **NGO2**: The organisation's processes to raise complaints are under revision, and the organisation will implement a whistleblower process in 2013.
- **NGO3**: A framework for monitoring, evaluating and learning is being developed.
- **SO3**: The organisation's anticorruption policies and procedures are under revision.

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