

9th January 2015

Dear Independent Review Panel,

We thank the INGO Accountability Charter and the Independent Review Panel for their comments on our 2013 report. We highly value our membership to the Charter, through which we have been able to implement accountability mechanisms that have helped us to work better and engage in continuous improvement.

We have strengthened the basis for establishing internal accountability mechanisms and the organization has assumed this as one of the main objectives of the new strategic plan that will guide all of our actions from 2015 to 2018. Thus, we reaffirm our value of accountability to all those with whom and for whom we work.

Below you will find our responses to some of the specific comments made by the panel about the 2013 report.

Kind regards,



Jose Faura
Executive Director of Educo

Response to feedback from the Independent Review Panel

4.1.: Governance structure + 4.6: Conflicts of interests

4.1.

Partially Addressed

Educo's Code of Good Governance, available on the organisation's website, contributes to improved transparency and guarantees that the Foundation and its members exercise ethical governance. More specific detail on how Educo ensures that this governance structure optimally supports the achievement of the organisation's mission in practice would be essential.

The Code of Good Governance is hyperlinked in the report, which provides detailed

information on the responsibilities of the Board and its commitment in compliance with the organisation's mission; however, it is essential that some of this information (e.g. Board functions) is shortly presented also in Educo's Accountability Report. The Panel would like to learn more about the decision making process, as the number of the board is even (8 members).

Finally, an effective risk management, ensuring compliance with relevant laws and regulations in the jurisdictions within which the organisation operates is a prerequisite not mentioned in this indicator.

4.6:

Partially addressed

Since conflicts of interests are connected with decision-making processes, the Panel would like to have more information about the decision-making process of the board within its current composition and the Code of Good Governance.

Below you will find a description of the functions of the Board, its decision-making processes, as well as other organizational governance structures that support the achievement of the organization's mission in practice:

1. Board:

This is EDUCO's highest governance and administrative body. In addition to the powers conferred by law and by the Statutes, as per reports provided by the Vice-Chairman and Executive Director, it tracks the organization's activity. More specifically, it:

- Keeps track of the strategic objectives and the annual budget.
- Approves the launch of new funding and loyalty campaigns.
- Validates the institutional relations strategy.
- Ensures alignment of all activities with the Strategic Plan and the foundational purpose.

According to the organization's Code of Good Governance, the Board appraises its management, at least twice during its mandate, to analyze the fulfillment of its responsibilities and to improve its performance.

If you need more information about how we handle conflicts of interest you can consult the [full code](#) on our corporate website (currently only available in Spanish).

The Board holds meetings at least once a quarter, according to the Statutes, and records minutes of those meetings.

2. Delegate Commission of the Board:

This is an executive body composed of a number of trustees who represent the majority of trustees. It meets when deemed necessary and when proposed by the Chairman of the Board, in order to prepare and streamline the Board meetings. They record minutes of their meetings.

3. Executive Committee:

This body, formed by the directors of all EDUCO divisions, meets weekly with a set agenda to discuss, debate and monitor the activities of all areas. More specifically, it addresses:

- Development projects in the program countries and social action programs (degree of progress, incidents, etc.).
- Funding and loyalty campaigns (revenues and costs, graphic and advertising materials, etc.).
- Movement of sponsors, partners and collaborators (new registrations and deregistrations, etc.).
- Budget monitoring, as per reports prepared by the Administration and Finance Division.
- Monitoring of strategic objectives.
- Institutional Relations, etc.

At each meeting, on a rotating basis, two directors present issues related to their divisions. Minutes of these meetings are recorded and a summary is uploaded to the organization's intranet for the information of all staff.

We do not have a "standardized" risk management tool but there are internal control systems that allow us to ensure that we comply with current legislation. One of the functions of the Internal Audit Department is, precisely, legislative compliance verification. In addition, an external annual audit is undertaken worldwide to verify that we are in compliance not only for accounting purposes, but also with each country's specific regulations. In Spain, failure to comply with the requirements of the national tax authority and protectorate implies the removal of favorable tax treatment as a foundation.

With the ERP implementation in 2015, we plan to design a specific internal risk management tool.

4.10: Process to support highest governance body's own performance

Partially addressed

The Board of Trustees commits itself to carrying out a minimum of two evaluations over its period of mandate, which means that the first evaluation for the current Educo Board of Trustees is programmed for 2015. More precise information and examples on how

evaluations affect the future performance of the highest governance body will be appreciated.

The first self-assessment of the Board has not yet taken place. However, once this has been completed, we will add a report of the results obtained and the measures taken in the identified areas of improvement to the annual report.

NG01: Involvement of affected stakeholder groups

Partially Addressed

The response to this indicator provides a thorough view on processes implemented for the meaningful involvement of stakeholders. Adequate examples are given to clarify how stakeholders are being involved in the identification, implementation and midterm evaluation phases of a project with a highlighted sense of ownership for the process; it is however, not quite clear, as also indicated by the Panel in Educo's previous report, if the organisation only applies these mechanisms for education projects or if projects vary, depending on different analysis, situations and scales.

For next year's report it would be further interesting to add how the new institutional participation policy, intended to guide the work involving stakeholders in all aspects of the organisation's activities, is being implemented and received in all geographical and cultural fields of intervention.

Educo applies participatory processes not only in its education projects, but also in other areas, as was the case with the definition and design of the new strategic plan for 2015-2018. In the next report we will include more examples, as well as the organization's participation policy.

NG02: Mechanisms for feedback and complaints

Partially Addressed

The answer shows considerable commitment for the effective use of the organisation's various mechanisms for managing complaints and feedback. The report provides a web link to the Complaints and Suggestions Policy, available in Spanish, English and French, which is commendable and can be considered as Good Practice. The Panel congratulates Educo for the external audit and the special appointed staff for the proper maintenance of their complaints handling mechanism. Educo's participation in the Charter's working group on complaints

and feedback mechanisms in 2013 is hugely recognised and appreciated.

It is not clear if the Social Action Programme (SAR) is for general feedback or if it functions independently as a social platform or project in its own rights used only in Spain. The Panel will follow up on this development in Educo's next report.

Nevertheless, it is essential to elucidate more about the practical functionality of this

collaboration forum: how it is operated, by whom, is it open for use only to organisations participating in the SAP or also for external ones, and what examples can be provided to explain its functionality as an effective mechanism for exchanging feedback. How well known is the forum among Educo's stakeholders? Do they have direct access to it?

The Feedback and Complaints Mechanism implemented for the Social Action Program in Spain is based on an online platform to which all collaborating organizations have direct access. This platform provides a specific area through which the organizations can send us their feedback and complaints via the web or phone. The program manager is responsible for handling these and issues a yearly report on the feedback and complaints received, as well as the steps taken to address these. This type of feedback and complaints follows the procedure detailed on the Feedback and Complaints Policy.

NG03: Programme monitoring, evaluation and learning

Partially addressed

The examples listed provide a seemingly sincere account of Educo's learning experiences and show in good detail how Educo monitors and evaluates impact and progress against the organisation's strategic objectives. Generic procedures in place, and how Educo supports that programme adjustments are actually put into effect, would be welcome in the next report. Some evidence also remains to be added on how MEL led to positive management response.

In the next report we will include the requested examples, as well as more detailed explanations about the system and processes for monitoring and evaluation.

NG04: Gender and diversity

Partially addressed

Educo is commended on its useful Gender Policy and Guidelines for integrating a gender perspective made available online. Yet, accounts on how the organisation is coping with the risk of exclusion based on disability, ethnicity, poverty and age as well as more explicit evidence on the impact of the change of gender policies are missing. In this regard, it will be interesting to follow up on the development of the Non-Discrimination Policy in 2015.

The development of the gender and non-discrimination policies will be carried out using a participatory process and be accompanied (as in the rest of Educo's policies) by a monitoring plan. One of the main functions of the Internal Audit Department is to verify compliance by all members with the general policies approved for the organization. This department verifies proper fulfillment of policies and, in the case of in compliance,, undertakes actions for improvement, along with the corresponding director.

NG05: Advocacy positions and public awareness campaigns

Partially addressed

Based on the Strategic Plan and the adoption of a child rights-based approach for all its activities which is highly appreciated, Educo proposes the redesigning of an advocacy policy that will give coherence to its activities within this field whilst helping it to achieve its mission. While aiming for this to become basic common criteria for lobbying in Spain and in all the countries in which Educo operates, this approach merely focuses on its primary stakeholders – the children. In next report it would be appreciated if Educo could provide more detailed information on how all advocacy actions and interventions carried out over the year were inclusive for all stakeholders. Similarly to last year's report, information on the organisation's processes to identify corrective adjustments of its advocacy positions and campaigns when necessary is missing. Moreover, the Panel would like to know how Educo ensures that their work makes a real difference – e.g. how are empowerment, partnerships, non-discrimination, inclusion etc. advanced through their work, are campaigns allocated adequately, or has Educo's advocacy work been integrated into national laws?

The new strategic plan establishes the advocacy lines on which Educo will focus. We use these to verify the impact of our actions, along with the generation of real changes in the wellbeing of the children with and for whom we work. Currently, the indicators for our projects are those which provide us with information about the improvement of our achievements, as well as those which have already been identified in the strategic plan. Their monitoring and measurement will allow us to evaluate the effectiveness of our work.

NG06: Coordination with other actors

Partially addressed

The response to this indicator shows profound commitment to synchronise efforts and optimise coordination with other actors, as well as to increase the effectiveness and efficiency of the organisation's own projects in doing so.

Creating strategic alliances instead of replicating or replacing efforts of other local organisations in Cambodia with the aim to link, collaborate and strengthen their capacities has brought fairly positive results, which is commendable, but also very specific to just one country – is it applicable to all Educo's constituencies? Explicit data from local partners and an account on how these alliances mutually evaluate their partnerships is an essential trigger for success – is there a mechanism in place integrating this kind of mutual assessment? Further, it would be interesting to know how Educo ensures that its local partners meet high standards of accountability.

Such processes are to be applied generally. We have included examples from Cambodia and Benin in this report since they clearly show how Educo aims to widely establish an effective coordination with other stakeholders' activities, in order to reduce duplication, leverage impact and improve cost effectiveness.

In order to ensure that the local organizations with which we work meet Educo’s basic accountability criteria, in our partnership agreements we establish the following aspects, which are regularly monitored by our field teams:

- Partner’s purchasing criteria.
- Expense coherence in accordance with each project.
- Key persons for each work area, as established in agreement with the partner. This person should be the same throughout the entire project.
- Mid-term and final assessments.
- Internal audits, as needed.

We are in the process of designing a general partnership policy, which will detail the criteria for selecting organizations, in accordance with the Child Rights-Based Approach and the commitment to accountability.

NG08: Sources of Funding

Partially addressed

Information on the five largest single donors (according to donor category) and the monetary value of their contribution is omitted in this indicator.

Below is information regarding the five largest single donors in 2013:

Donor Category	Value of contributions
Legacy	€100,000
Private donors	€24,000
Legacy	€6,000
Legacy	€4,950
Private companies	€4,500

EC7: Procedure for local hiring

Addressed

Educo is commended for the minimal hiring of expatriates in the program countries, which represents only 1% of the country staff. However, it would be interesting to know if the expatriates hired are e.g. Country Directors or if senior positions are also recruited with local staff. It is advisable for next report that Educo includes information on how the organisation ensures not to undermine the local public sector by its hiring practices.

In the 15 program countries where Educo worked in 2013, eight of the country directors were expatriates and the other seven were local staff. In the next report we will include information about how the organization prioritizes local hiring.

NG09: Mechanisms to raise grievances

Addressed

There is a new email address for receiving complaints and suggestions from stakeholders internally, as well as externally; it is essential to know how anonymity is being guaranteed and how well-known this mechanism is among both headquarters and offices in program countries.

Educo's psychological risk survey, the reengineering process and the Work Council are considered very good initiatives and further encouraged. The organisation is encouraged to provide evidence in the next report that concerns raised were resolved satisfactorily since this is the basis for a functioning mechanism.

In the next report we will include evidence of the proper functioning of the feedback and complaints mechanism. We will include the results of our internal campaign "EDUCO OPINA" (EDUCO speaks up) which was launched in the Head Office in 2013 as a pilot project.

LA10: Workforce training

Partially addressed

The report has taken note from last year's Panel feedback and has included the average hours of training per year per employee by employee category for all countries the organisation operates in, which is commendable. However, numbers are inconsistent and low (1 ½ days of training if converted from hours to days) and financial information on the percentage of overall administrative budget invested in this process is missing. It is further essential to provide evidence on how successful this training is and how training needs are identified.

During 2013 there was a clear decrease in the average hours of training, as compared with 2012, due to an organization-wide budget constraint during its restructuring process. In the next report we will include information about the assessment of the impact of training made in 2013, as well as how training needs are identified.

The percentage of the overall administrative budget invested in training during 2013 was 0.68%.

LA12: Global talent management

Addressed

Over the next two years, the Foundation plans to formalize performance review systems in all program countries, which is commendable and progress will be assessed in the organisation's next report.

The Panel would be interested to know if there is a global talent development plan in place to ensure human resources' capacities are in place or developed to support the global restructuring process and attainment of strategic goals. The Panel further encourages Educo to provide evidence that the current mechanisms in place of developing staff globally as a key pre-requisite of achieving their strategic objectives (i.e. staff performance appraisals) work well in practice.

This issue is a cornerstone for the organization. As set forth in Objective 4.1 of the new strategic plan, we are in the process of establishing plans for the personal and professional development of the team, as well as for internal processes and plans to incorporate a Child-Rights-Based Approach. As part of this pursuit, during 2014 we have carried out an institutional appraisal on the level of awareness of child rights. This included an assessment of the degree of child rights knowledge and training, and the permeation of the Child Rights-Based Approach at all levels of the organization's decision-making processes. In the next report we will explain the actions for improvement implemented.

During 2014 we have carried out an internal audit, at both the national and international levels, of the principles of People in Aid's Code of Good Practice, , an internationally recognized management tool that helps INGOs enhance the quality of their human resources management. The internal audit will be followed by an action plan to guide Educo to its fulfillment of Quality Mark 1 by June 2015. This will certify that the organization is in compliance with the Code. On the other hand, in January 2015 we will extend the performance appraisals' implementation to the rest of program countries, including Spain.

S01: Managing your impact on local communities

Addressed

The answer provides relevant information about a good practice including a strategic exit plan, from which one can draw conclusions on how Educo achieves effective management of entering, operating and exiting in general; however, evidence if this led to improved management response is still missing. Educo is further encouraged to enclose information on how the organisation ensures human rights and child protection in regards to this process, as well as to provide feedback received from affected communities and how the organisation reacted on it.

Educo institutionally endorses the Child Rights-Based Approach throughout its new Strategic Plan 2015-18. Hence, many processes and procedures are being reviewed so as to ensure that each action that Educo takes guarantees human rights and child protection.