

20 December 2013

Independent Review Panel – Virtual Meeting 28-29 November Letter to the Members in this Review Round

Dear Mahabub Hossain,

Thank you for submitting your accountability report to the Charter's Independent Review Panel for assessment. As in previous years we found that the quality of reports is generally improving, demonstrating greater institutional commitment and more evidence that mechanisms are working in practice. Before providing individual feedback on your organisation's report, allow us however to highlight three areas of general concern:

1.) *Embedding the Charter as a tool for organisational development (3.5)*

The disclosure profile 3.5 looks like a rather technical question on how the report is compiled and organisations tend to report accordingly. But it really asks for a process that is at the heart of what the Charter wishes to achieve: using the report as an opportunity for a cross functional systematic and critical reflection on how accountability is best implemented underpins the legitimacy and quality of your organisation's work. Accountability is all too often perceived as a defensive tool, when it is really a mechanism to pro-actively support organisational development. Please describe under 3.5 how you use the reporting process to embed accountability into your organisation. Against this background Members are also strongly encouraged to place the Charter logo prominently on their website and to further link to the Charter website, so that stakeholders know what to hold you accountable against.

2.) *Complaints Handling Mechanisms (NGO2)*

Having a fully functioning complaints handling mechanism in place is the only Minimum Standard for Charter Members so far. The Panel is very concerned about rather slow progress by many Charter Members to comply with this. We have therefore decided to ask the Charter Board to look into implementing a timeline and sanctions policy for compliance. In our view the leeway should be no longer than two to maximum three years after a Minimum Standard has been adopted. You find examples of well-functioning complaints handling mechanisms in the Good Practice document on the Charter website, capturing good examples from this and previous reporting rounds.

3.) *Succinctness and communication quality*

There is a danger that accountability standards develop a life of their own and become increasingly complex and detached. We have noted that Charter reports tend to get longer without necessarily providing more relevant information. It is important however to use these reports to actively communicate internally and externally how accountability is part of the DNA of your organisation and strengthens the quality of your work. In order for these reports to be read, we suggest that they should have a maximum of 40 pages. For each GRI indicator it is sufficient to report three things:

- a) Do you have policies and processes in place to address the issue?
- b) Do you have evidence that it is embedded in systematic practice?
- c) Is there evidence to show that this has led to improved quality of work?

Sometimes the Panel asks for more information. We are trying to do so only where it is necessary, and we encourage you to be as succinct as possible, and take the above three parameters as guidance. Also try to avoid repetition and where illustrations are given, please keep these brief. Organisations who wish to merge their accountability report with the annual report are encouraged to additionally provide a separate and more reflective

addendum relating to the Charter if the annual reports do not embrace that due to a desire to be more promotional.

Organisation-specific feedback to BRAC:

*This is the first report of BRAC which joined the Charter in July 2013 as an Affiliate Member. As this report is approved by the Panel, the organisation now becomes a Full Charter Member. This also means that BRAC is now allowed and encouraged to put the Charter logo and link to the Charter website on the BRAC website. The organisation's fast reporting can be seen as positive institutional commitment to accountability and the Charter in particular. It is also positively noted that the organisation has strong mechanisms in place with regard to financial accountability and a fully functioning complaints handling process in place. BRAC's ombudsman can be seen as **good practice**. BRAC is however encouraged to provide more information on "Programme Effectiveness", the environmental indicators and "Ethical Fundraising". Links to reported policies and procedures are also welcome for the next report. The report is very much focussed on Bangladesh and would profit from a bit more information on BRAC International. Overall the report provides very relevant and good information but would benefit from being more succinct and shorter.*

Our intention is that this letter, and any response you may wish to provide, is made publicly available on the Charter website, along with your report. You can find the reports that were previously reviewed on the Charter website. However, should there be errors of fact in the feedback above or in the note below we would of course wish to correct these before publication. Please share these comments or corrections by 20 January 2014.

If you have any other feedback or comments on our work, please share with us by sending them to the Charter Secretariat. We would very much like to hear your views.

Yours sincerely,



Janet Hunt · Wambui Kimathi · Tony Tujan · Richard Manning · Louise James · Brendan Gormley

**Review Round October 2013
Cover Note on Accountability Report
BRAC**

Reporting period: Calendar year 2012

| PROFILE DISCLOSURES | |
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| Profile | Comments |
| Strategy and Analysis | |
| 1.1 | <i>Partially addressed</i> The report provides impressive information about BRAC's achievements in the past and well thought through objectives for the future. The statement from the Chief Financial Officer is however not clear on how commitment to accountability and the INGO Accountability Charter will continuously help to improve the quality of BRAC's work. The statement is not signed by the most senior decision maker in the organisation to underpin the importance given to accountability. |
| Organisational Profile | |
| 2.1 – 2.2 | <i>Fully addressed</i> The report provides full record of primary activities and how they are linked to achieve the organisation's mission. |
| 2.3 | <i>Partially addressed</i> The report provides relevant information on its operational structure, sections and divisions. It is assumed that all social enterprises are 100% subsidiaries of BRAC. No information is given about legal forms of the subsidiaries and about the organisational structure of BRAC in the 11 countries within which it operates, e.g. if they are country offices. The Panel also looks forward to further details on the social enterprises' income and their practices in relation to employment. |
| 2.4 – 2.7 | <i>Fully addressed</i> |
| 2.8 | <i>Fully addressed</i> Relevant information about the scale of the organisation is given. However, information on the number of volunteers would also be welcome. |
| 2.9 – 2.10 | <i>Fully addressed</i> BRAC is commended for receiving an impressive amount of awards in 2012. |
| Report Parameters | |
| 3.1 – 3.4 | <i>Fully addressed</i> |
| 3.5 | <i>Fully addressed</i> Concerning the process for defining report content, more information on how BRAC used the compilation of the report to involve all functions of the organisation in a systematic review of the organisations' accountability commitments and how this helps driving the quality of BRAC's work would be welcome. Going forward it will be interesting to hear how feedback on the report is reviewed with senior management and any action plans deriving from this review to potentially improve accountability mechanisms within BRAC. |
| 3.6 | <i>Fully addressed</i> |
| 3.7 | <i>Fully addressed</i> Concerning any specific limitations of the scope or boundary of the report, the organisation states that the report does not go into details of all country programmes and BRAC does not describe all its social enterprises and investments in detail. However, these are covered in the Annual Report. |
| 3.8 – | <i>n/a</i> |

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| 3.11 | |
| 3.12 | <i>Fully addressed</i> |
| Governance, Commitments, and Engagement | |
| 4.1 | <i>Partially addressed</i> The report provides relevant information on the organisation's governance structure. It is not clear however who the 29 members are, how they are elected and how they are represented with regard to voting rights in the general body. BRAC is also encouraged to state which authority rests explicitly with the local, national and global level. |
| 4.2 – 4.3 | <i>Fully addressed</i> Information is given about whether the Chair of the highest governance body is also an executive officer and about the unitary board structure. Further information would be welcome on how BRAC ensures good quality work of the Board e.g. an optimal set of competencies and diversity etc. |
| 4.4 | <i>Fully addressed</i> |
| 4.14 | <i>Fully addressed</i> |
| 4.15 | <i>Fully addressed</i> The answer gives information about the basis for identification and selection of stakeholders. More information would be welcome on the criteria and process with which BRAC identifies who are the best stakeholders to engage with to achieve optimal effectiveness. BRAC is also encouraged to provide evidence that the processes are delivering good results. |

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| PERFORMANCE INDICATORS |
| Program Effectiveness |
| NGO1 – Stakeholder involvement <i>Fully addressed</i> More information would be welcome on written policies or agreed processes for the specific contribution affected stakeholders make in every stage of the project design, implementation and evaluation. Information is also appreciated if this is only consultative and how feedback is taken into account and acted upon. |
| NGO2 – Mechanisms for feedback and complaints <i>Fully addressed</i> BRAC is commended for a good feedback and complaints handling mechanism with clear guidelines and an ombudsman in place. The latter in particular is regarded as good practice . Evidence on how/where this led to positive corrective action and informed strategic planning would be welcome. It would be interesting to know which types of complaints were filed, how many are resolved and if there are trends over time. Most examples are internally related and further external evidence would be interesting in the next report. |
| NGO3 – Programme monitoring, evaluation and learning <i>Partially addressed</i> The report includes relevant and interesting information on the organisation's approach to monitoring and evaluation. However, it is not very specific on how BRAC's strategic objectives are translated into clear targets and indicators of success; nor how these are monitored: by whom, in which time frames and with which direct implications for strategic decision making and budgeting. It would be good to have a clearer indication on what effects BRAC's work had on the impressive number of people the organisation reached and how this has informed strategic decisions. |
| NGO4 – Gender and diversity |

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| <p><i>Partially addressed</i></p> <p>The report includes highly relevant and very impressive information on the organisation’s “Gender Justice and Diversity (GJD) programme”. However, no information of other types of diversity is included e.g. how to address discrimination based on ethnicity, age, disability etc. The Panel looks forward to more information on specific inclusion targets and progress against these targets.</p> |
| <p>NGO5 – Advocacy positions and public awareness campaigns</p> <p><i>Partially addressed</i></p> <p>The report provides very good information on the plentiful approaches to advocate for the rights of women, children and the poor. Participation of affected stakeholders in the formulation of policy positions is well laid out. More information would be welcome on how BRAC ensures a robust evidence base for its advocacy claims, how corrective action is taken if necessary and how the organisation evaluates the effectiveness of its advocacy work.</p> |
| <p>NGO6 – Coordination with other actors</p> <p><i>Partially addressed</i></p> <p>While BRAC lists a significant number of relevant partnerships, it is not clear if the organisation systematically conducts a situational analysis when entering new projects to determine: who is already active in this context and criteria for choosing strategic partners which optimally leverage BRAC’s input. It would be interesting to know how BRAC makes its program plans well known to others to allow for optimal cooperation and how lessons learned are shared with others.</p> |
| <p>Economic</p> |
| <p>NGO7 – Resource allocation</p> <p><i>Partially addressed</i></p> <p>The report includes information on expenditure per programme / country (also in 2.8), and significant audit processes in place. It does however not provide information on standards applied across jurisdictions. BRAC is also encouraged to explain how processes of resource allocation are specifically designed to optimally reach its strategic priorities and if they work in practice.</p> |
| <p>NGO8 – Sources of funding</p> <p><i>Fully addressed</i></p> |
| <p>EC7 – Local hiring</p> <p><i>Fully addressed</i></p> |
| <p>Environmental</p> |
| <p>EN16 – Greenhouse gas emission by weight</p> <p><i>Not addressed</i></p> <p>The report does not include any numbers on the organisation’s greenhouse gas emissions and no aspiration to engage in environmental sustainability reporting in the future.</p> |
| <p>EN18 – Initiatives to reduce greenhouse gas emission</p> <p><i>Not addressed</i></p> <p>The report includes information on initiatives that do not reduce BRAC’s emissions, but contribute to solar energy provision and recycled paper production through BRAC’s social enterprises.</p> |
| <p>Labour</p> |
| <p>LA1 – Total workforce</p> <p><i>Fully addressed</i></p> |
| <p>LA10 – Workforce training</p> <p><i>Fully addressed</i></p> <p>BRAC is commended for the significant training of its workforce.</p> |
| <p>LA12 – Performance and career development reviews</p> <p><i>Fully addressed</i></p> |

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| <p>LA13 – Composition of workforce and governance bodies <i>Addressed</i> It is noted that the gender equity within BRAC Bangladesh is relatively weak in relation to some job categories.</p> |
| <p>Society</p> |
| <p>SO1 – Impact of operations on communities <i>Fully addressed</i> More information on written policies or standing procedures on how intended and unintended effects of BRAC’s entering and exiting a community are monitored and acted upon are welcome.</p> |
| <p>SO3 – Anti-corruption training <i>Partially addressed</i> The information covers anti-money-laundry and fraud, but not the broader risks of corruption. Please provide a link to the policies in the next report and how staff is trained. It is positively noted, that BRAC ensures transparency and accessibility of information about aid entitlements to all potential beneficiaries.</p> |
| <p>Product Responsibility</p> |
| <p>PR6 – Ethical fundraising and marketing communications <i>Partially addressed</i> Relevant information is provided, however numbers of complaints directed towards the organisation and the actions taken as well as information on the frequency with which the organisation reviews its compliance with the standards in place is missing. More information on fundraising within BRAC internationally is also welcome.</p> |

BRAC

Gap Analysis Table – Areas of Commitments and Progress achieved

Accountability is a process of continuous improvement. Each year Charter Members in their accountability reports identify and prioritise areas for improvement and corrective actions they plan to take. As of reports submitted in 2014, Members are asked to capture these commitments in this Gap Analysis Table. The Independent Review Panel may suggest the Member to add further issues when reviewing the Member's report. Each year following, the table shall be submitted along with the accountability report and will then be used as a basis to demonstrate progress. The table will be published on the website along with the accountability report and the feedback from the Panel. Please note that the rows where commitments cannot be identified can be deleted from the table.

| GRI - Performance Indicators | 2012 | 2013 | 2014 | 2015 |
|-------------------------------|---|------|------|------|
| General | | | | |
| - | | | | |
| Program Effectiveness | | | | |
| NGO7: Resource allocation | In report covering 2012: <i>"In the future, the internal audit department plans to undertake and IT audit, surprise audit, quality assurance and construction audit."</i> | | | |
| Economic | | | | |
| - | | | | |
| Environmental | | | | |
| - | | | | |
| Labor | | | | |
| - | | | | |
| Society | | | | |
| - | | | | |
| Product Responsibility | | | | |
| - | | | | |