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

Dear Dave McComiskey,

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

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reflective addendum relating to the Charter if the annual reports do not embrace that due to a desire to be more promotional.
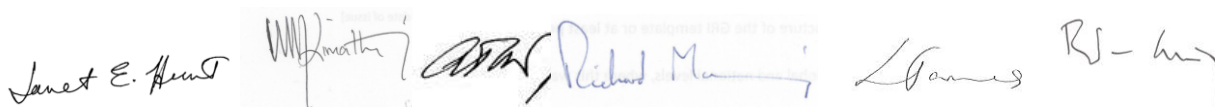
Organisation-specific feedback to CBM:
The report is very good, comprehensive and easy to read. It provides an honest and big picture. It is impressive on the corporate level (finances, environmental stewardship, HR). For the next report, more evidence would however be welcome on accountability mechanisms actually functioning well as quality assurance tools. CBM is also strongly advised to progress speedily with regard to implementing a fully functioning Complaints Handling Mechanism, which is a Minimum Standard requirement for each Charter Member. The Independent Review Panel will ask the Charter Board to look into a compulsory time line for implementation. Like all Charter Members, CBM is asked to provide a strong link of the organisation's accountability reporting to the Charter Principles – either by referencing them in the text or providing a tabled overview at the end of the report. The Panel is slightly concerned that too much focus is placed on thoroughness and too little on speed when implementing accountability mechanism improvements e.g. in regards to gender equity and Global South partnerships. Progress on commitments made in earlier reports has been noticed (see GAP Analysis Table at the end). CBM is congratulated on highlighting the challenge of including partners in changes to global governance. It is also positively noted that CBM already reported against additional indicators, which only become mandatory as of 2014. Several areas are highlighted as potential good practice examples for other organisations (3.5, 4.4, LA12). The organisation is commended for its clear plan to improve certain areas of accountability over time. The Panel looks forward to progress report.

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

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Review Round, October 2013
Cover Note on Accountability Report
CBM

Reporting period: Calendar year 2012

PROFILE DISCLOSURE	
Profile	**Comments**
Strategy and Analysis	
1.1	*Fully addressed* The statement from the most senior decision-maker provides good information about the relevance of accountability to the organisation. More information on how this has led to quality improvements are welcome for the next report.
Organisational Profile	
2.1 – 2.10	*Fully addressed*
Report Parameters	
3.1 – 3.4	*Fully addressed*
3.5	*Fully addressed* The answer given provides well laid out information about the process for defining report content and is considered to be **good practice** in the way the report is used to engage all functions of the organisation to think strategically about accountability as a key quality assurance tool; Panel feedback is disseminated, discussed and followed up upon.
3.6 – 3.12	*Fully addressed*
Governance, Commitments, and Engagement	
4.1	*Fully addressed* The answer given provides relevant information about the government structure. Information on who elects the Members of CBM's Board and how their contribution is evaluated would be helpful. CBM is also encouraged to state which authority rests explicitly with the local, national and global level in the organisation's governance model.
4.2 – 4.4	*Fully addressed*
4.14	*Fully addressed*
4.15	*Fully addressed* Evidence that process for identifying stakeholders works well in practice is welcome for the next report.

PERFORMANCE INDICATORS
Program Effectiveness
NGO1 – Stakeholder involvement *Partially addressed* The answer provided gives relevant information about the involvement of affected stakeholders; however it does not describe how stakeholders participate in decision making, what impact they have on programmes and whether there is a written policy that entitles stakeholders to any rights of participation beyond consultation.
NGO2 – Mechanisms for feedback and complaints *Partially addressed* The statement includes relevant information about the organisation's practice of handling feedback and complaints. However it does not say anything about how complaints are

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assessed, how necessary actions are determined and when CBM will have a written policy in place with clear responsibilities, time frames, resolution modalities, accessibility provisions and a strong monitoring function. Progress in this area is crucial.

NGO3 – Programme monitoring, evaluation and learning
Partially addressed

Information is provided on a very sound Monitoring and Evaluation System, which is continuously improved. Evidence on how this has informed strategic decisions for improvement at the various levels would be welcome in the next report. As this system has only been tested with 26 partners so far, it will take a long time until relevant data can be generated to inform decisions. It is not fully clear how the organisation operates in the meantime. Furthermore, the Panel points out the need to fast track the ME+L policy and processes as much of the rest CBM discusses will depend on the evidence that ME+L provides.

NGO4 – Gender and diversity
Partially addressed

The information provided shows strong relevance of gender and disability issues for the organisation. It does not look in the same way at other types of exclusion by ethnicity, age etc. A policy and potentially targets related to inclusion would be welcome for the next report, as well as information on how CBMs commitment to improved data analysis will support this cause.

NGO5 – Advocacy positions and public awareness campaigns
Partially addressed

The report provides convincing information with regard to including affected stakeholders in the policy formulation process. However, it does not define a process for corrective adjustment of advocacy positions where necessary.

NGO6 – Coordination with other actors
Fully addressed

The answer given includes good information about how the organisation works with other actors. More strategic information on how CBM's specific contribution is maximised in a complex context with many other actors – including national governments – would be welcome in the next report.

Economic

NGO7 – Resource allocation
Fully addressed

The report outlines a very robust resource allocation and monitoring system that is potentially a Good Practice model for other organisations. More information on how this is linked to the achievement of strategic priorities and how it informs strategic decisions on improvements would be welcome in the next report.

NGO8 – Sources of funding
Fully addressed

The answer given provides relevant information about the sources of funding. It was however already indicated in the last report, that information should be given at least to the types of donors and amounts they provide, if the names of CBM's five largest individual donors are not disclosed as such. CBM is commended for a highly autonomous income basis (80% individual funders).

EC2 – Financial implications
Partially addressed

The information given is relevant, however it does not include whether risks and opportunities posed by climate change have potential financial implications for the organisation.

EC7 – Local hiring
Fully addressed

The answer given includes relevant information on the procedure for local hiring. However it states that CBM "promotes" local hiring, but does not have a written policy for local

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recruitment. Almost all Regional Directors are expatriates. It was noticed that no target was given to change this.

Environmental

EN16 – Greenhouse gas emission by weight
Fully addressed
The organisation is commended for being able to report on its carbon footprint one year ahead of its commitment to do so.

EN18 – Initiatives to reduce greenhouse gas emission
Fully addressed

Labor

LA1 – Total workforce
Fully addressed

LA4 – Collective bargaining agreements
Fully addressed

LA10 – Workforce training
Fully addressed
The organisation gives information about the average hours of training per year per employee. More information on how necessary areas of training are identified and how the effectiveness of provided training is assessed would we welcome in the next report.

LA12 – Performance and career development reviews
Fully addressed
The organisation states that a system for performance appraisal is in place and implemented for 53%. The Panel looks forward to see this number increase in future years, as development reviews are a key accountability towards staff. CBM is commended for drawing up a Competency Model to improve structured career development. This can be a key contributor to improve the effectiveness and quality of its work and is therefore seen as **good practice**.

LA13 – Composition of workforce and governance bodies
Partially addressed
The answer given includes relevant information about the composition of senior management and governance bodies. There is a strong dominance of representatives from the Global North and no indication to change this.

LA14 – Basic salary of men and women
Fully addressed

Society

SO1 – Impact of operations on communities
Partially addressed
The answer provides information about the organisation's programmes in relation to communities; however information on processes in place for assessing the impacts of entering and exiting local communities, intended and unintended effects are missing.

SO3 – Anti-corruption training
Partially addressed
The answer provided explains how CBM covers this kind of training, however does not provide the percentage of management and non-management employees who received the training. A link to the anti-corruption policy would be welcome in the next report. Also information on how CBM identifies the greatest risks for corruption and evidence that the policy, awareness thereof and its application have helped to improve the resilience of CBM towards fraud and corruption.

Product Responsibility

PR6 – Ethical fundraising and marketing communications
Partially addressed
The organisation provides information about codes and standards in place. However, it does

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not inform about potential complaints of breaches of standards in relation to the rights of stakeholders or donors.

CBM
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	2010	2011	2012	2013
General				
1.1 Strategy and Analysis		**In report covering 2011**: *"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."*	**In report covering 2012:** Work in progress reported and implementation promised for 2013.	
Program Effectiveness				
NGO2: Mechanisms for feedback and complaints in relation to programs and policies.		**In report covering 2011:** *"The organisation's processes to raise complaints are under revision, and the organisation will implement a whistleblower process in 2013."*	**In report covering 2012:** *"The concepts [feedback and complaints mechanisms] were initiated within the reporting period and will be further developed in 2013 for their launch and gradual roll-out." "CBM International is working on the introduction of a global Whistleblower process (…)."*	

NGO3: System for program monitoring, evaluation and learning.		**In report covering 2011**: *"A framework for monitoring, evaluating and learning is being developed."*	**In report covering 2012:** *"In 2012 a [new] monitoring framework was designed. (…) 26 partner programmes were selected for the pilot roll-out in 2013 up to end of 2014. Based on the results (…), necessary changes/amendments and a decision in regard to a global roll-out will be made."*	
Economic				
NGO7: Resource allocation.			**In report covering 2012:** *"In 2012 CBM started to develop an industry standard whistleblower system and anti-corruption measure called the "Red Flag system". Both are planned for roll-out in 2013."*	
EC2: Financial implications and other risks and opportunities for the organization's activities due to climate change			**In report covering 2012**: *"The 'Green Office' project will pilot its work in 2013 at CBM offices in Germany, Belgium, and Thailand in alignment with CBM Australia."*	
Environmental				
EN16: Total direct and indirect greenhouse gas emissions by weight. EN18: Initiatives to reduce greenhouse gas emissions and reductions achieved. EN26: Initiatives to		**In report covering 2011**: *"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. (…) The results will be the focus of our report in 2014."*	**In report covering 2012**: *"CBM has developed … the tools and processes to establish a carbon footprint report following the principles of the Green House Gas Protocol (GHGP). The collaboration enabled us to report on our carbon footprint one year ahead of our commitment."* *"CBM International Office will be moving in 2015 to a new building*	

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mitigate environmental impacts of products and services.			*which will increase energy efficiency to reduce carbon emissions."*	
Labor				
LA1: Total workforce, including volunteers.			**In report covering 2012**: *"We promised earlier that data for locally employed staff would be available as of 2012, but the implementation of the worldwide HR database is unfortunately delayed. We expect that the required data will be available for staff contracted in the regions for the 2013 report."*	
Society				
SO3: Percentage of employees trained in organization's anti-corruption policies and procedures.	**In report covering 2010**: *"With January 2012 we are planning to have one trainer for administrative standards globally."*	**In report covering 2011**: *"The organisation's anticorruption policies and procedures are under revision."*	**In report covering 2012**: *"In 2011, all anti-corruption policies, procedures, and measures (...). The project will continue into 2013 (…)."* *"New training initiatives on CBM specific financial controls to address fraud are planned for 2013 and 2014."*	
Product Responsibility				
PR6: Programs for adherence to laws, standards, and voluntary codes related to ethical fundraising and marketing communications.			**In report covering 2012**: *"CBM took the decision in 2012 to hire a Marketing Director (planned for 2013) with the task to ensure brand coherence and adherence to standards across the CBM family."*	