

13 June 2013

Independent Review Panel - Meeting 20 May 2013 in London Letter to the Members in this review round

Dear René Grotenhuis,

In May we as the Charter's *Independent Review Panel* met to discuss the reports that had been submitted since our last meeting in October 2012. We would like to thank you for going through this exercise of reporting against the Charter and recognise the commitment to accountability that this demonstrates. We are now writing to provide feedback on your report.

Since we first started assessing the reports we have noticed a marked **improvement in quality** and an improved commitment to accountability. In the last meetings we reviewed some reports of very good quality. However there is still room for improvement in all reports. Enclosed you will find a collection of what we believe to be **Good Practice** in responding to some of the indicators in the GRI reporting framework, including examples from the reports you have submitted in this round. As we feel that part of our role is to encourage organisational improvement we encourage you to look at this document and see the potential in Members learning from each other.

In addition to responding to the indicators in the GRI reporting framework focused on transparency, we would like to encourage Members to include a qualitative assessment of **whether you are satisfied** with the information you are providing and if not, how you intend to improve. We would like you to consider the questions: *What are the challenges each indicator holds for my organisation and how do we deal with these? Do the systems in place work well? How do they contribute to improving your work?* In the cases where you present hard data (for example on diversity or training hours), please consider the following: *Are we pleased with these numbers? How do we want these to change and what actions can we take to facilitate that?* These kinds of explanations are especially welcome where you present weak results or poor data. We hope that this would also encourage use of the reports to facilitate internal discussion of areas for improvement.

With regard to the **complaints handling mechanism** (indicator NGO2), we would like to remind you that it is now mandatory for Charter Members to have such a mechanism in place. This is at the core of good accountability. Such a mechanism should be open for external and internal complaints, outline a clear process, including a timeframe for resolution, and be easily accessible to the intended users. We saw several good examples in the latest set of reports. The reports would however be enriched by examples of the nature of cases dealt with in any reporting period. We would also encourage members to highlight their Charter membership and the commitments that it represents on their website by uploading the Charter logo and linking to the Charter alongside their complaint handling mechanism.

We understand that it is a challenge for global organisations to report on the operations of national entities, but we strongly encourage you to provide an explanation on the structures and processes you have in place to ensure that **global accountability standards** are upheld at a national level and, if they are not, how you tackle this issue. Many reports are relatively strong on policy but much weaker on evidence and selected examples of how this works in practice. How do you use **lessons learned** to improve your programmes?

We welcome cases where organisations make commitments for the future and identify areas for improvement. The newly introduced **Gap Analysis** table is a useful tool to easily track

commitments and achievements made in your organisation. We have included the commitments we could identify when going through your report and would like to encourage you to keep working with this document and submit it again along with your next report.

Finally we would like to inform you that we have decided to focus our attention to some specific areas in the 2014 review rounds. This will be communicated to the entire membership shortly but we would like to provide you with this information at this point already:

➤ **Policy – practice – assurance**

We can see that the reports are improving with regard to accountability measures you take, but are also interested in getting a better understanding of the extent to which this leads to improvements in performance. In our view many reports are good in providing an overview of policies in place. They are however less strong in showing that these are implemented systematically in practice and often relatively weak when it comes to evidence of assurance. Although we acknowledge that of the three - policy, practice and assurance - that latter is most difficult it is also a very important one and we encourage you to work further on this area.

➤ **Advocacy**

Being adequately accountable for our advocacy work is of crucial importance for the legitimacy of NGOs. Nevertheless many reports are relatively weak in this area. It is not totally clear which processes are in place to arrive at advocacy positions, how partners and other stakeholders are involved, how the correctness of the claim is ensured, if there are clear plans for how to exit a campaign and how lessons learned are feed in to the improvement of further work. We see potential for mutual learning through discussions around these questions and encourage all Members to participate in the Charter's workshop on this topic by the end of this year.

➤ **Communication**

We believe the reports should be written for and actively discussed with your trustees, your staff, partners, beneficiaries and other key stakeholders. Only when people know about your commitments and performance against them will they react and help you to improve even further. Often the reports are addressed to the Panel and any other audience is not immediately evident. Against this backdrop we would also welcome more information on how you handle the results of the reporting process, how they are discussed within the organisation, whether they facilitate discussion of areas for improvement, if they lead to an agreed action plan and how they are brought to the attention of the Board.

Organisation-specific feedback to Cordaid

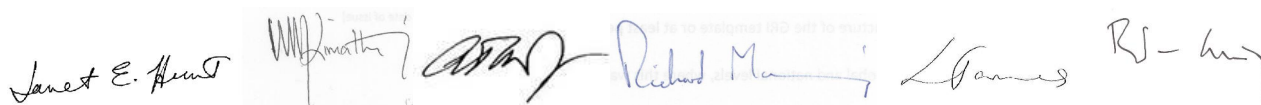
Given that this is your first report using the GRI reporting framework, you have developed a good report, comprehensive and with some examples included. Our main concern is the lack of discussion around the role of your stakeholders and partners. It is not clear how the mechanisms you present (NGO3) lead to you operating better as an organisation. Especially given the fact that you are in a transition phase and increasingly focusing on business units we see the need to recognise the role of the private sector, the role it will have in creating these units and the interrelationship it brings (NGO6). As a partner-based organisation, we believe that this discussion should be at the centre of what you do. Furthermore, we would also have been interested in understanding better the reasons as to why you decided to end a large number of partnerships and during the same period initiate new ones. We advise you to in the future focus less on the Profile Section of the reporting framework and more on the

Performance Indicators, as this is where the more crucial information with regard to accountability is disclosed. Finally, we would like to commend you for your climate neutral operational management and your work within the area of staff feedback, in particular your use of external counsellors. We see this as an example of Good Practice for other organisations.

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.

Should you have any comments we would appreciate a response by 12 July 2013.

Yours sincerely,

A row of six handwritten signatures in blue ink. From left to right: Janet E. Hunt, Wambui Kimathi, Tony Tujan, Richard Manning, Louise James, and Brendan Gormley.

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

5th Review Round, May 2013 Note on accountability report Cordaid

COMMENTS ON PREVIOUS REPORTS

1. Report covered 2010, reviewed In October 2011	
Panel feedback	<ul style="list-style-type: none"> - The report was made using the Interim Reporting Framework and within the limitations of this format, the report was considered good. - The Panel encouraged the organisation to report with the GRI reporting framework in the future.
Member's comments	<i>None.</i>
Member's commitments for the future	<i>None.</i>

COMMENTS ON THIS REPORT

Reporting period: Financial year to 30 June 2012

Did the Secretariat contact the organisation before forwarding the report to the Panel?

- ☒ Yes
☐ No

Comment: The Secretariat requested documents that were referred to in the report but not attached; these were partly provided. The Secretariat also asked for clarifications on a link not functioning and on the reporting intent for two various indicators. The organisation provided clarifications, the complete answers can be found in the annex below.

Summary of Profile Disclosures reported on	
<i>Recommended (total 28)</i>	28
<i>Additional</i>	1
Total	29

Profile	Comments
Strategy and Analysis	
1.1	<i>Fully addressed</i> Relevant information has been provided that gives a good picture of the organisation's work. However, it could have been more explicit with regard to how the organisation works to improve and foster accountability.
Organisational Profile	
2.1	<i>Fully addressed</i>
2.2	<i>Fully addressed</i>
2.3	<i>Fully addressed</i>
2.4	<i>Fully addressed</i>
2.5	<i>Fully addressed</i>
2.6	<i>Fully addressed</i>
2.7	<i>Fully addressed</i>
2.8	<i>Partially addressed</i> Relevant information such as the numbers of employees, volunteers and income is provided; however, information on the geographic and financial scope and scale of the organisation's activities is lacking.

2.9	<i>Fully addressed</i> Crucial information on changes in partnerships and structure due to reduced funding is provided.
2.10	<i>Fully addressed</i>
Report Parameters	
3.1	<i>Fully addressed</i>
3.2	<i>Fully addressed</i>
3.3	<i>Fully addressed</i>
3.4	<i>Fully addressed</i>
3.5	<i>Fully addressed</i>
3.6	<i>Fully addressed</i> However, the organisation states that it does not report on the activities of partners. This is understandable but given that this is a partner-based organisation, the Panel would have welcomed an explanation regarding the measures the organisation takes to oversee the work carried out by partners, for example in selecting partners and when setting up agreements with them. It would also have been interesting to learn more about the organisation's contribution to the partnerships.
3.7	<i>Fully addressed</i>
3.8	<i>n/a</i>
3.9*	<i>n/a</i>
3.10	<i>n/a</i>
3.11	<i>Fully addressed</i> The organisation states that it was inspired by the letter from the Independent Review Panel to broaden the scope of the report.
3.12	<i>Fully addressed</i>
Governance, Commitments, and Engagement	
4.1	<i>Fully addressed</i> However, the Panel is interested in learning more about the exact mandate of the advisory board and recommends the organisation in the future add a reference to their roles and responsibilities.
4.2	<i>Fully addressed</i>
4.3	<i>n/a</i>
4.4	<i>Partially addressed</i> Information on the mechanisms in place is provided; however, it does not focus on recommendations with regard to programmes but rather internal work-related matters. Furthermore, it would have been interesting to learn more about the outcome of the negotiations with regards to the impact of government spending cuts on development cooperation.
4.14	<i>Fully addressed</i> The organisation does not however mention its beneficiaries in the list of stakeholders.
4.15	<i>Fully addressed</i>

* : Profile Disclosures from the GRI NGO SS, which have been reported on in addition to the ones recommended by the INGO Accountability Charter.

Summary of Performance Indicators reported on	
<i>Recommended (total 18)</i>	18
<i>Additional</i>	9
Total	27

Indicators	Comments
Program Effectiveness	
NGO1 - Stakeholder involvement <i>Partially addressed</i>	The information provided is comprehensive in many respects but only addresses one stakeholder group; namely partners. Furthermore, the answer could have been stronger with regard to how feedback has affected the decision-making process or reshaped policies and procedures. The involvement of stakeholder groups seems to be rather informal and anecdotal than underpinned by formal policies and procedures.
NGO2 - Mechanisms for feedback and complaints <i>Partially addressed</i>	The organisation's feedback mechanisms are outlined; however, information on how the organisation distinguishes between vexatious and legitimate complaints and mechanisms for determining actions to take is lacking. It would have been useful to have a link to the documents referred to. There is no information about the complaints mechanism for stakeholders other than partners. A fully functioning complaints handling mechanism is a Minimum Standard for every Charter Member thus it is strongly recommended to develop this further.
NGO3 - Program monitoring, evaluation and learning <i>Partially addressed</i>	The answer outlines clear and strong policies/tools in place with regard to Monitoring and Evaluation not only of programmes, but also of their operational management; however, information is lacking on how results from these contribute to internal learning; examples of adjustments to policy/programme as a result of these; and how these are communicated. As mentioned in the general comments, the Panel would have liked this answer to enable a better understanding of how these mechanisms contribute to more effective work in relation to partners.
NGO4 - Gender and diversity <i>Partially addressed</i>	The information provided is relevant and the organisation should be commended for having targets against which they measure their performance. However, these could have been presented in a more transparent way; more detailed information on the diversity policy could have been given and information about tools for diversity analysis as well as action taken is lacking. Furthermore, the answer addresses gender and "cultural background" but no further diversity aspects. The Panel is concerned about the fact that the organisation only discusses staff and looks forward to hearing more on how the results of the study are followed up on and how this feeds back into and impacts on the programmes.
NGO5 - Advocacy positions and public awareness campaigns <i>Partially addressed</i>	Information is provided on the organisation's rigorous processes for arriving at advocacy positions; however, information is lacking on the process for corrective adjustment to positions and campaigns; corrective actions taken; and the process for exiting a campaign.
NGO6 - Coordination with other actors <i>Partially addressed</i>	Information on policies in place for identifying opportunities for coordination is provided; however, these could have been more detailed and information on the processes for promoting learning from other actors is lacking.
Economic	
NGO7 - Resource allocation <i>Fully addressed</i>	

<p>NGO8 - Sources of funding <i>Partially addressed</i> The organisation has only listed the four largest donors.</p>
<p>EC7 - Local hiring <i>Partially addressed</i> Information is given on procedures in field offices and the number of resident staff employees; however, information is lacking on whether there is a global policy in place and the proportion of senior managers from local communities.</p>
<p>Environmental</p>
<p><i>General</i> The organisation states that for the environmental indicators, it reports for the head office only. The organisation could be commended for having a climate neutral operational management, however the information given under the various indicators does not always represent what is requested.</p>
<p>EN1*, EN2* - Use of materials <i>Partially addressed</i> Information is provided on paper use over last four years, including significant reduction year on year and the proportion of total use being recycled. However, information is only included on paper use.</p>
<p>EN3* - Direct energy consumption by primary source <i>Fully addressed</i> Information on direct energy consumption for last four years where information available is provided; however information is also given on electricity and distance travelled by train although these are not energy sources.</p>
<p>EN4* - Indirect energy consumption by primary source <i>Fully addressed</i></p>
<p>EN16 - Greenhouse gas emissions <i>Partially addressed</i> Table provides information on emissions relating to electricity, fuel and heating. However, information on the methodology and standard used is not provided.</p>
<p>EN17* - Other relevant indirect greenhouse gas emissions by weight <i>Fully addressed</i></p>
<p>EN18 - Initiatives to reduce greenhouse gas emissions <i>Fully addressed</i> Information is given on the substantial decrease in CO2 emissions and one example of an initiative to reduce emissions during the reporting period. It would have been interesting to have had some more detailed information on this. The organisation should be commended for having the Climate Neutral Group assess them each year.</p>
<p>EN28* - Fines and sanctions for non-compliance with environmental regulations <i>Fully addressed</i></p>
<p>Labour</p>
<p>LA1 - Total workforce <i>Partially addressed</i> Information on the total workforce, the proportion on fixed/temporary contracts and on the total number of volunteers is provided; however, information on employees with regard to whether full or part time and volunteers with regards to frequency, function and contract type is lacking. The organisation should be commended for its concrete targets with regards to proportion of employees with an immigrant background.</p>
<p>NGO9* - Mechanisms for workforce feedback and complaints <i>Fully addressed</i> The organisation should be applauded for including this information, which can be seen as material although it was not included in the collection of compulsory reporting components.</p>

In particular, that the organisations have internal as well as external counsellors to handle complaints from members of staff. The answer can be seen as *Good Practice* for larger organisations.

LA10 - Workforce training

Partially addressed

Relevant information on training provided to the workforce is given; however, information on the total or average number of training hours for employees or volunteers is lacking. Instead, the organisation provides very relevant information on the percentage of budget spent on training and the percentage of training budget by area. This represents a transparent way of reporting on this indicator; however for benchmarking purposes it would be useful to in the future also have the numbers of hours trained.

LA12 - Performance and career development reviews

Fully addressed

LA13 - Composition of workforce and governance bodies

Partially addressed

Information for gender ratio in governance bodies and the most senior staff is provided; however information for age categories and other employment categories is lacking.

Human Rights

HR8* - Training of security personnel

Fully addressed

This indicator relates to dedicated security personnel, their training and their conduct towards third parties in a human rights context, rather than the safety of normal staff. The organisation provided an amended answer after the Secretariat requested clarification (the complete response can be found in the annex below).

Society

SO1 - Impact of operations on communities

Partially addressed

The information provided is relevant, however could have been more detailed and would have been stronger with figures or examples. Furthermore, information is lacking on the number and percentage of operations to which the mechanisms apply, whether these have been successful and on how these have informed the organisation's work.

SO2* - Risk analysis: corruption

Not addressed

This indicator relates to risk analysis whereas the information provided is about the importance of reporting on instances of corruption. The Secretariat requested clarification from the organisation; the response can be found in the annex below and presents an answer to SO4 rather than SO2.

SO3 - Anti-corruption training

Fully addressed

Information on the policy in place is provided, however the answer would have been stronger had it included numbers with regard to the percentage of employees having received anti-corruption training. The Panel would like to commend the way the organisation works with external counsellors.

SO4 - Actions taken in response to corruption

Partially addressed

Relevant information on the number of incidents of presumed fraud is provided; however the number of cases leading to people being dismissed or contracts not being renewed is lacking. The Panel would be interested in a clarification as to when the cases that proved to be invented project proposals were identified, and whether it was before or after the decisions to fund the projects had been made.

Product Responsibility

PR6 - Ethical fundraising and marketing communications

Partially addressed

Information given is in many respects comprehensive but it does not specify how frequently the organisation reviews its compliance with its standards and codes. It also lacks information on the complaints the organisation has received in relation to this area and on actions taken.

* : Performance Indicators from the GRI NGO SS, which have been reported on in addition to the ones recommended by the INGO Accountability Charter.

Annex – The organisation’s complete answer to the questions from the Secretariat

1. NGO1: We have not been able to access the site “cordaidpartners.com” – has it been relocated?

Organisation’s reply: *“In 2011, this site existed. Functionalities have been transferred to www.cordaid.org. Since then, Open Data, IATI standard is the highest level of transparency currently available.”*

2. You make reference to various documents throughout the report, which we have not been able to locate. In some cases we think the Panel would like to be able to see these alongside your report – would it be possible to provide links to the documents?

Organisation’s reply: *“Many of the mentioned documents are published on our intranet; not accessible to external audiences. The Cordaid Quality Handbook is available internally only.”*
The following documents were attached:

- Cordaid General Policy;
- Code of Conduct against sexual abuse;
- Whistleblower Code;
- Project Application Directives;
- Note on Planning, Monitoring and Evaluation of Cordaid Lobby and Policy;
- Complaints (Klachten) Procedure;
- Code of Conduct.

3. EC7: The text says “the number of field offices in 2011 was eight”, but there are twelve in the table. Could you please clarify?

Organisation’s reply: *“The correct number of Cordaid Field Offices in 2011 is nine (9): Haiti, Afghanistan, Ethiopia, Burundi, CAR, Zimbabwe, Pakistan, Sudan and DRC. The other countries mentioned in the table on page 32 (Indonesia, Kenya, Sri Lanka, Uganda, Israel and South Africa) are functioning as “liaison offices”.”*

4. SO2: You have entitled this section “The importance of reporting on instances of corruption” – but this is not the subject matter that SO2 (“Percentage and total number of programs/business units analyzed for risks related to corruption”) covers. Could you please clarify what it is that you wish to report on here?

Organisation’s reply: *“Regarding the question on SO4, there was indeed a misunderstanding as we described the ways in which Cordaid is treating corruption and fraud. However, we did not include the actions taken. Below, the adjusted text and attached you will find the information on the anti-corruption policy.”*

SO4 should indeed read: Actions taken in response to incidents of corruption.

Cordaid has an anti-corruption policy (of January 2011) in which the guidelines, measures and procedures for the prevention and detection of corruption, for the actions to be taken in case of presumed corruption and for the sanctions to be imposed in case of detected corruption (prevention, detection, correction) are described. During 2011, there were 16 registered cases (of 2 suppliers in the Netherlands and 14 partners in 13 different countries) of (presumed) fraud (use of funds for purposes not agreed in the contract or theft of funds by staff of partners). In 11 cases actual fraud was detected and in 6 cases investigations are still running. Together with 5 cases from previous years Cordaid was treating 19 cases of fraud in total. All cases were (and are) dealt with according to the Cordaid procedures established in its anti-corruption policy. Regarding project proposals and fraud: In 2011, Cordaid has been investigating 19 cases of doubtful project proposals (all in India), 17 of the

cases proved indeed to be invented project proposals. Also in Uganda Cordaid staff carried out investigations into doubtful project proposals received; all 19 proposals proved to be inexistent.”

5. HR8: This indicator relates to staff employed expressly for the purpose of security, and how their training is informed by the organisation's policies and procedures relating to human rights. You have reported on how staff in general is trained in matters of personal safety. Please clarify what you wish to report on?

Organisation's reply: *“On HR8, text should be adjusted as follows: Cordaid has a Security Advisor with a professional background in Security and Human Rights Issues and professional working experience in fragile states. The Advisor is part of the Dutch Security Network and is regularly trained on relevant topics and according to Cordaid's policies related to security and safety. The Advisor is also actively involved in the facilitation of Security trainings for Cordaid Staff.”*

Cordaid: 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	Commitment to improvement	Progress achieved Year 1	Progress achieved Year 2	Progress achieved Year 3
Program Effectiveness				
-				
Economic				
-				
Environmental				
-				
Labor				
-				
Society				
-				
Product Responsibility				
-				