IRC International Water and Sanitation Centre
INGO Accountability Charter Report 2011

1 Strategy and Analysis

1.1 Statement from the most senior decision-maker of the organization

2011 represented the final year of our Five-Year Business Plan (2007-2011). Looking back, we made great strides in reinventing ourselves strategically and operationally, concluding 2011 with heightened international recognition of the contributions we can make in the WASH sector.

During 2007-2011, it became clear to us that delivering services through stand-alone projects was incapable of bringing innovation at scale, let alone achieving sustainability. We realised that a greater degree of collaboration, joint learning and fact-finding was necessary in order to achieve our goals of innovation and sustainability. As a result, we started working more intensively in a reduced number of focus countries to become a more effective actor in-country, and tackling these challenges directly with our partners. These shifts were driven by a desire to obtain greater understanding of the challenges ahead of us, and as such, to achieve more lasting impact.

During 2011, we also evaluated the internal change process which had started in 2009 and used its recommendations to guide the alignment of our organisational model with the strategy of our forthcoming business plan. As a result of this process, we decided to operate increasingly within a decentralised model. In this model, each country team develops a country specific programme and strategy and sets its own targets, guided by IRC's programmatic framework. We continued diversifying our staff composition by more actively recruiting staff for core positions in the countries we work in. In parallel to expanding our staff base in-country, we also agreed to look for long-term relationships with professionals as part of our associate programme. The Business Plan 2012-2016 now comprises four outcomes-based programmes (Global, Africa, South Asia and Latin America), supported by functional cross-cutting teams that will provide communications, innovation, monitoring and learning, and programme management support. Still headquartered in The Hague in The Netherlands and with a branch office in Accra, Ghana, we will seek to establish a local presence in Mozambique, Uganda, Burkina Faso, Ethiopia and India.

The year 2012 will be the first year of the Business Plan 2012-2016. The prospects for the funding of this plan are at this point in time positive, with a new five year subsidy commitment from DGIS of € 10.4 million core programmatic funding and the continuation of the two large grants from the Bill & Melinda Gates foundation (€ 4.4 million in 2012). Furthermore, IRC is on the verge of signing large grants with BRAC in Bangladesh (€ 1.8 million in 2012) Florida

International University/USAID for programmes in West Africa (€ 0.8 million in 2012) and with AUSAid for programmes in East Africa.

In response to the recommendations of the review panel on our 2010 reporting we have started a process to integrate the INGO accountability charter reporting into our annual reporting process, aiming at a combined report for 2012.

For this year and next year we have committed ourselves to revise or extend some of our current policies and have new policies in place that are missing at the moment.

- In 2011 we have started a process to fundamentally revise and update our HR manual for our international staff. In 2012 we will extend this manual to address staff based in our focus countries under local contracts.
- In this revised manual there is a (new) procedure in place for the handling of internal complaints. A procedure for the handling of external complaints will be in place before the end of this year (2012).
- We intend to have an anti-corruption policy in place by mid-2013.
- In 2012 we have negotiated and renewed our housing contract and part of the deal is that there will be held an environmental audit of the office (planned by building owners in 2013). We intend also to undertake a review of the wider environment footprint of IRC activities and opportunities to minimise impacts.

Further internationalization and decentralization of IRC activities and organisation is one of the strategic priorities in the Business Plan 2012-2016. In this context the Supervisory Board of IRC has started in 2011 a process of reviewing of and reflection on the governance of IRC and especially on the role and composition of the Board itself. As a result the Board has decided to transform the Board into an international Board by inviting high level international players in the WASH sector with expertise, status, authority and credibility to join the Board.

Nico Terra, Director

2. Organizational Profile

2.1 Name of the organization.

IRC International Water and Sanitation Centre

2.2 Primary activities

(e.g., advocacy, social marketing, research, service provision, capacity building, humanitarian assistance, etc.). Indicate how these activities relate to the organization's mission and primary strategic goals (e.g., on poverty reduction, environment, human rights, etc.).

As part of the business planning process 2012-2016, during 2011 we revised our description of our vision, mission, role and activities as follows:

IRC Vision – This is the world we want to see
All people the world over – in particular the poor and excluded – achieve their human right to sustainable and good quality water and sanitation and have the knowledge and capacity to practise good hygiene.

IRC Mission – this is who we want to be
IRC is an influential champion for change at international and national level to achieve water, sanitation and hygiene (WASH) services that last, not for months, but for generations. IRC is valued as a partner playing an influential role at the forefront of WASH sector thinking as an independent and global think-tank. IRC is accepted as a trustworthy partner for developing and implementing change, applying innovation in real world action research and freely sharing these experiences and emerging insights.

IRC Goals – this is what we want to achieve
IRC's goals are set within the context of the five year business plan from 2012-2016, during which period IRC will work as innovator and enabler of change internationally and in selected focus countries and regions, to ensure that services are extended to the poor and excluded while being more sustainable, better managed and governed.
*IRC has one overarching goal for this period: **sustainable water and sanitation for all**.*
To achieve this requires:
1. A sector that changes its ways of thinking and working to focus on providing and sustaining lasting WASH services for all – a service delivery approach. Post-Millennium Development Goal (MDG) targets for water and sanitation will be expressed in terms of sustainable and equitable service delivery and will specify the levels of service to be achieved. We will lobby intensively for a commitment to universal coverage by 2025 at latest.
2. A sector that learns and adapts: IRC will strengthen the capacity of the sector to reach those without water and sanitation and develop WASH services for the long-term. By 2016 we expect "learning and adaptive management" to be accepted as good practice and the open

sharing of data, experiences and tools to be the sector norm. IRC promotes the capacity of the sector to stand on its own feet and become accountable for its successes and failures.

3. Improved effectiveness for aid: IRC supports governments in setting nationally agreed frameworks for service delivery, with a range of acceptable financial, management and technical models. Internationally, IRC will press for organisations and agencies involved in financing, regulating and delivering WASH services to align their services to these frameworks.

4. WASH services – everyone's business: Water, sanitation and hygiene are too important to be left to one sector alone. In focus countries, IRC will support the sector to break out of its silo and engage broader society in ensuring sustainable services for all. Dialogue with education, health and finance departments, the private sector, NGOs and communities is central to addressing gaps in services, rapid urbanisation, population growth and water scarcity.

IRC Values and principles – this is how we are committed to working

1. Human rights: IRC believes that access to suitable and sustainable water and sanitation is a human right for everyone, not a privilege, and is committed to working towards the achievement of that right, especially for the poor and excluded.

2. Partnerships combine strengths, share values and increase the effectiveness of sector efforts. IRC has a proactive and dynamic role in partnerships with donors, governments, sector specialists, NGOs and communities. We listen to and learn from each other and promote openness and mutual respect. We search for consensus and agreements and winning support for solutions.

3. Integrity, honesty and transparency are the values that make IRC a good partner. We argue for greater transparency and openness in sharing data and knowledge, and we are committed to practising these qualities ourselves. We will be honest with ourselves, with our partners, with the sector and with communities.

4. Autonomy and accountability are matching principles for IRC within the organisation and with partners, and important principles for the sector. Those who are given responsibilities should also have the means and mandate to act so that decisions are taken as close to those affected as possible. Those who have responsibilities should be held accountable to those who give them their mandates and ultimately to the communities who rely on services.

5. Professionalism underpins the IRC approach. We commit ourselves to put in our best efforts, to strive for excellence and to achieve solutions that command widespread support. Professionalism means working with respect for partners and those who use services, listening with understanding to their priorities and being open to new ideas and ways of thinking.

2.3 Operational structure of the organization

including national offices, sections, branches, field offices, main divisions, operating companies, subsidiaries, and joint ventures. [GRI NGOSS: p. 26]

IRC is headquartered in The Hague, Netherlands where most staff is based.

There are different modalities for representation of IRC in its focus countries.
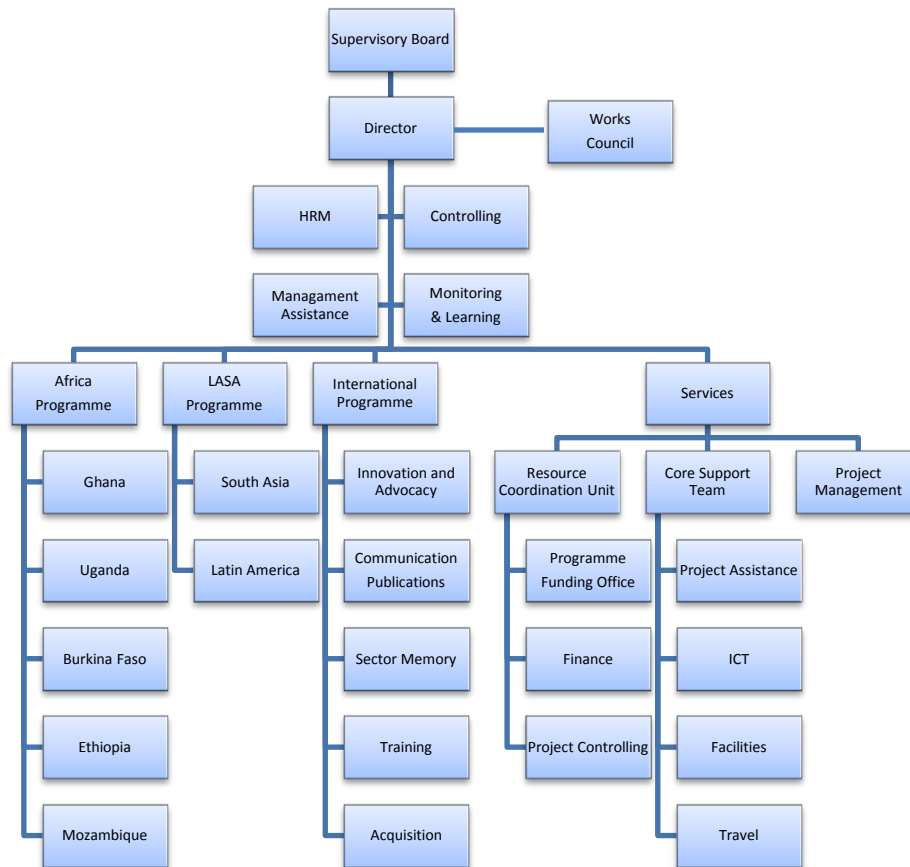
- In 2011, IRC opened its first branch office outside the Netherlands in Accra, Ghana.
- In Kampala, Uganda IRC is hosted by SNV and has developed a joint SNV-IRC WASH programme for Uganda. Here there is also a separate Triple-S project office, in Kampala.
- In Mozambique, IRC has a hosting arrangement for its activities with the consultancy CoWater (now changed name to ProWater).
- In India IRC's WASHCost project in Andra Pradesh is hosted by CESS (Centre for Economic and Social Studies) in Hyderabad. IRC has recruited a local staff member to further develop the country programme.
- In Burkina Faso the hosting of our activities has been transferred from CREPA to Eau Vive.

The key operational teams after reorganisation in 2011 are:

- Directors Office (director, HR, Finance)
- Service Section
- Africa team
- Latin America and South Asia team
- International Programme team.

IRC is managed by a Management Team comprised of the Director and three senior staff members representing the programmes (Latin America & Asia, Africa and the International programme.The Works Council has some co-management responsibilities under Dutch legislation. The Director who leads the Management Team, reports to the Supervisory Board.

The organisation can be represented as follows:

Supervisory Board

Director — Works Council

HRM — Controlling

Managament Assistance — Monitoring & Learning

Africa Programme | LASA Programme | International Programme | Services

Africa Programme:
- Ghana
- Uganda
- Burkina Faso
- Ethiopia
- Mozambique

LASA Programme:
- South Asia
- Latin America

International Programme:
- Innovation and Advocacy
- Communication Publications
- Sector Memory
- Training
- Acquisition

Services:
- Resource Coordination Unit
  - Programme Funding Office
  - Finance
  - Project Controlling
- Core Support Team
  - Project Assistance
  - ICT
  - Facilities
  - Travel
- Project Management

2.4 Location of organization's headquarters. [GRI NGOSS: p. 26]

Bezuidenhoutseweg 2, 2594 AV The Hague, The Netherlands

2.5 Number of countries where the organization operates. [GRI NGOSS: p. 26]

In 2011, country activities were organized within three regional programmes (Latin America, Asia and Africa. Country activities were concentrated in Ghana, Uganda, Burkina Faso, Mozambique, India, and Honduras. Other countries with significant activities in 2011 included Tanzania, Ethiopia, Nepal, Sudan, Laos and Bangladesh.

2.6 Nature of ownership and legal form. [GRI NGOSS: p. 26]

IRC is registered as a Foundation or 'Stichting' under Dutch law, and follows the oversight model of governance, consisting of a Supervisory Board and a Director. The full details are described in a Governance Document, published on our website (http://www.reporting.irc.nl).

2.7 Target audience and affected stakeholders. [GRI NGOSS: p. 26]

A global audience

In the poorest countries, significant funding for WASH continues to be provided by bi-lateral donors and multi-lateral institutions such as the World Bank, the regional banks, the EU Water Facility and regional programmes such as the African Development Bank's Rural Water Supply and Sanitation Initiative. These institutions and programmes may in some cases have often a dominant role on the agenda and have particular leverage with national government.
There is also an important group which have an influence on WASH thinking globally and which carry out more innovative research and advocacy work. These include established entities such as the Water and Sanitation Program (WSP), and a number of relatively new initiatives, such as Sanitation and Water for All (SWA) and the UN Global Annual Assessment of Sanitation and Drinking Water (GLAAS).

The last five years or so has also seen the emergence of much newer actors in WASH, including the largely-USA based foundations which have to an extent been able to set a new agenda, by asking hard and critical questions about the real impact and efficacy of the business as usual approach. Chief among these organisations has been the Bill & Melinda Gates Foundation which is focusing mainly on sanitation for the coming years. The private sector is increasingly influential in development through private donations, corporate social responsibility programmes and engagement in sector (e.g. looking at water footprints along supply chains).

Also of importance in influencing the global discourse on innovative approaches towards WASH services have been thematic groups, focusing on specific aspects of WASH service delivery, such as the RWSN (Rural Water Supply Network), WIN (Water Integrity Network), the MUS (Multiple-Use Services) Group, as well as individual organisations, such as research institutes and civil society organisations. For example, the WSSCC (Water Supply and Sanitation Collaborative Council) has for long advocated sanitation and supported thematic groups in this field.

2.8 Scale of the reporting organization. [GRI NGOSS: p. 26]

At the end of 2011, IRC employed 61 staff directly with an additional 45 people contracted by partners to work on our major projects. Total revenue in 2011 was 9.75 million Euros.
In 2011 IRC managed 29 external funded projects and 25 internal projects.

2.9 Significant changes during the reporting period regarding size, structure, or ownership. [GRI NGOSS: p. 26]

During 2011 IRC opened a branch office in Ghana.

2.10 Awards received in the reporting period. [GRI NGOSS: p. 26]

Philanthropedia listed IRC as the 4th top international WASH non-profit of 2011 for its ability to achieve impact, headed only by much larger implementing organisations. Philanthropedia found IRC "innovative in its research and approach … focused on sustainable … delivery of WASH services… sensitive to local need… partner with regional entities to understand local problems".

3. Report Parameters

Report Profile

3.1 Reporting period

1 January to 31 December 2011

3.2 Date of most recent previous report (if any)

28 March 2012

3.3 Reporting cycle (annual, biennial, etc.)

We now intend to report annually in the autumn and from 2013 to incorporate the INGO accountability charter reporting into our annual report.

3.4 Contact point for questions regarding the report or its contents

John Butterworth (butterworth@irc.nl)

Report Scope and Boundary

3.5 Process for defining report content.

This report was prepared by a Senior Programme Officer working in collaboration with the Director and with inputs from key staff in specific roles (human resources, finance, building management etc.). Due to limited time and availability of staff during summer the report, and reporting 6 months after the previous report to get onto a reporting schedule that matching our annual reporting for future years, the report is not as extensive as we would have wished. A more extensive process including fuller engagement with staff, IRC management and the works council is planned for the 2012 report.

3.6 Boundary of the report

(e.g., countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers).

The report covers all IRC operations in 2011, although it does not cover in full detail (e.g. in relation to human resources issues) the project staff that are employed by partners to implement our projects. The financial reporting including all funds handled by IRC including the full value of

projects that are led by IRC (i.e. including funds passed to partners and sub-contractors) but only the value of IRC activities for projects led by other organisations.

3.7 State any specific limitations on the scope or boundary of the report

None.

3.8 Basis for reporting

on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organizations.

There are no joint ventures, subsidiaries or facilities leased to others.

3.10 Explanation of the effect of any re-statements of information

provided in earlier reports, and the reasons for such re-statement (e.g., mergers/acquisitions, change of base years/periods, nature of business, measurement methods). [GRI NGOSS: p. 27]

Not applicable.

3.11 Significant changes from previous reporting periods

in the scope, boundary, or measurement methods applied in the report. [GRI NGOSS: p. 27]

None.

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3.12 Table identifying the location of the Standard Disclosures in the report. [GRI NGOSS: p. 27]

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4. Governance, Commitments, and Engagement Governance

4.1 Governance structure of the organization

including committees under the highest governance body responsible for specific tasks, such as setting strategy or organizational oversight. [GRI NGOSS: p. 27]

IRC is registered as a Foundation or 'Stichting' under Dutch law, and follows an oversight model of governance, consisting of a Supervisory Board and a Director. The full details are described in a Governance Document, published on our website (http://www.reporting.irc.nl/).

The Supervisory Board appoints the Director and is responsible for monitoring the overall state of affairs and the policy of the Director. The Board approves the annual plans, the annual accounts, the annual report and the annual budget. There are no committees under the Supervisory Board.

The Director has executive authority and is responsible for the development and implementation of IRC's multiannual policy and strategy, and for the budgeting and results of IRC's programmes. The Director is aided by a management team drawn from staff with delegated strategic and line management responsibilities within the organisation.

IRC is committed to a management model based on participation and joint decision making. A Works Council elected by and representing IRC staff has a legal regulated advisory or approval authority and meets regularly with the Director.

Internationalisation of our Supervisory Board has been agreed in response to the changing nature of the organisation and there will be an expanded and more diverse board in 2013.

4.2 Indicate whether the Chair of the highest governance body is also an executive officer

(and, if so, their function within the organization's management and the reasons for this arrangement). Describe the division of responsibility between the highest governance body and the management and/or executives. [GRI NGOSS: p. 27]

The chair of the Supervisory Board is not an executive officer. The supervisory board, consisting of 5 members including a chairperson, performs a supervisory role, supporting the full operational and policy responsibility that resides with IRC's Board of Directors (currently vested in one Director).

The Director has full responsibility for daily management, operations and implementation. He is not a member of the Supervisory Board but reports to it.

4.3 For organizations that have a unitary board structure, state the number of members of the and/or non-executive members highest governance body that are independent and/or non-executive members. [GRI NGOSS: p. 27]

Not applicable.

4.4 Mechanisms for internal stakeholders (e.g., members), shareholders and employees to provide recommendations or direction to the highest governance body. [GRI NGOSS: p. 27]

Communications between employees and the board are via the Director, an arrangement that usually works effectively. However to strengthen links between the Supervisory Board and the organisation, board members participate in key internal meetings such as the travel free weeks organised three times a year and make visits to IRC country programmes and activities. Selected staff also support the Director in making presentations to board meetings.

The elected Works Council has specific powers under Dutch law to represent the interests of staff, and must be consulted by the Director to seek advice or approval on specificied matters. It can also take initiatives and establish committees to address specific issues. The Works Council meets regularly with the Director and twice a year with the Supervisory Board. The Works Council also has a 'trust person' to provide a channel of communication between the Supervisory Board and Works Council.

Stakeholder Engagement

4.14 List of stakeholder groups engaged by the organization. [GRI NGOSS: p. 29]

We are very aware of being one medium-sized actor among many in a complex WASH sector. To be effective, it is vital to work almost entirely in partnership with other organisations and networks. Key stakeholder groups that we engage with are:
- National and local governments in the countries where we aim to improve WASH service delivery
- WASH services regulators, authorities and providers in the same countries
- Universities, vocational training institutes and research centres
- Development partners including bilateral and multi-lateral donors, foundations and UN agencies (e.g. UNICEF, WHO) INGOs and NGOs engaged in the WASH sector
- International initiatives and thematic networks

We do not directly provide WASH services to users, although we work actively with those who do. We see our role as being proactive and dynamic in identifying and helping to fill the gaps

between other larger actors (for example, governments, banks and international donors) so that aid and investment is more effective in achieving our shared goals.

Currently IRC's main financing partners are the Dutch government and the Bill and Melinda Gates Foundation. IRC has a long history of shared activities with many partners in country and regional programmes. Since 2008 IRC has started to partner more actively with national and local governments, initiated and supported by the Triple-S and WASHCost projects.

IRC has traditionally collaborated and worked to strengthen sector resource centre institutions in many countries where we operate. These organisations tend to be independent knowledge focused organisations either operating in a more or less similar mode to IRC, or providing a range of complementary skills and competencies.

IRC is part of a wider range of international thematic platforms to pursue sector change in areas as diverse as knowledge management, public finance management and training. We aim to maintain and expand our network and membership of key international and regional platforms including the World Water Council (WWC), the Water Supply and Sanitation Collaborative Council (WSSCC), Sanitation and Water for All (SWA), the European Union's (EU) Africa Working Group, Water Integrity Network (WIN), Multiple Use Water services (MUS) group, the Rural Water Supply Network (RWSN), the Netherlands Water Partnership (NWP) and the Sustainable Sanitation Alliance (SuSanA).

Together with several other leading international water and development organisations, IRC helped initiate and launch the WASH Sustainability Charter in 2011, which now has been endorsed by 179 individuals and organizations.

In 2011, IRC signed a Memorandum of Understanding (MoU) with RedR, WaterAid, EngineerAid and Practical Action to set up KnowledgePoint , a collaborative helpdesk service.

At national level, IRC Ghana was invited to temporarily lead the country's development partners' coordination platform in 2011.

4.15 Basis for identification and selection of stakeholders with whom to engage. [GRI NGOSS: p. 29]

We are guided by our vision and mission and over the business plan period 2007-11 have been driven much more strongly by the need to achieve impact at scale than in the past. This has meant establishing much stronger partnerships, often with formal agreements, with national government ministries and departments in IRC's focus countries including Ghana, Uganda, Burkina Faso, Mozambique and India. As regional programmes were established, and country programmes developed, stakeholder engagement has also become much more focused and carefully established (for example based upon detailed stakeholder analyses). At the global level, we have also explicitly aimed to establish, catalyse and participate in networks and

initiatives with potential to achieve change in the sector, such as the WASH Sustainability Charter mentioned in 4.14

Data on Performance

Program Effectiveness

Indicator 1:
NGO1 Involvement of affected stakeholder groups in the design, implementation, monitoring and evaluation of policies and programs)

There is significant involvement of key stakeholders in our activities. Our country programmes which have developed during the business plan (2007-11), including the most developed programmes in Ghana and Uganda (with major projects like WASHCOST and Triple-S), have included development of official agreements with national governments and often early involvement of these partners in project design and monitoring as well as in implementation. Most country programmes have developed agreements with relevant government ministries such as with the DNA in Mozambique and the MoWE in Ethiopia.

IRC nurtures participatory processes of joint learning and change that are needed to bring about changes at sector level. We work in partnership at national, decentralised levels, and at international level-to promote and develop frameworks for learning in the sector.

Learning alliances is one approach IRC has been using to support sector learning. This involves multistakeholder learning through platforms that bring together government, NGO, academics, the private sector and users/user representatives to do joint research and find solutions. Learning alliances have been established in various countries, and have been incorporated in several of IRC's larger programmes.

Indicator 2:
NGO2 Mechanisms for feedback and complaints in relation to programs and policies and for determining actions to take in response to breaches of policies.

We have noted the mandatory requirement for a complaints policy and procedure (covering internal and external stakeholders) and have started to develop a procedure for external complaints based upon practice of other charter members. This complaints handling procedure will be operational by January 2013. As part of the revisions of our human resources manual and policies in 2012, a procedure for addressing the internal complaints of staff will be put in place. This grievance procedure will include the nomination of a specific independent and external 'trust'. This procedure will support formal complaints to IRC management about sexual

intimidation and/or harassment, prejudice, aggression, violence or bullying in the work place, and other possible complaints. There are existing separate procedures to deal with disciplinary matters (including appeals) and collective disputes (through the works council).

Indicator 3:

NGO3 System for program monitoring, evaluation and learning, (including measuring program effectiveness and impact), resulting changes to programs, and how they are communicated.

We have an internal system of reporting on the activities of IRC as a whole known as the 'monitoring protocol'. This was developed to meet the requirements of DGIS in monitoring the overall implementation of our 5 year business plan (2007-11). Other projects have their own monitoring and reporting requirements including external evaluations. Reports have been made available at www.reporting.irc.nl

In an external evaluation undertaken at the end of 2010 (published in early 2011), this monitoring protocol was criticized for its excess of monitoring indicators of inputs or intermediate outcomes that did not enable us to effectively illustrate our impacts in client countries. This has been identified as a major need for improvement during the next business plan period.

Based on the lessons learned in 2011, IRC's International Programme integrated the existing information dissemination activities with its thematic innovation and training programmes to become an active agent of change at the international level, while continuing to support the information needs of the global WASH sector.

Lessons learned from IRC's Regional Programmes led to a decision to further strengthen and consolidate focus country programmes, contextualise or adapt progress per country, and make use of IRC's enhanced visibility and recognition to support sector broad processes and for acquisition.

Indicator 4:

NGO4 Measures to integrate gender and diversity into program design, implementation, and the monitoring, evaluation, and learning cycle.

IRC has a long history of work on gender and pro-poor issues in WASH and has been at the forefront of efforts to mainstream these critical issues within our programming. IRC is a founder

member of the Gender and Water Alliance for example. Nevertheless, there is a concern that having been mainstreamed into our activities that these issues are not always properly tracked.

In the past, a senior staff member undertook informal evaluations and coaching with each staff member on how their work addressed gender and poverty issues but this practice stopped when the staff member concerned retired.

Indicator 5:
NGO5 Processes to formulate, communicate, implement, and change advocacy positions and public awareness campaigns. Identify how the organization ensures consistency, fairness and accuracy.

In 2011, together with several other leading international water and development organisations, IRC helped initiate and launch the WASH Sustainability Charter, which now has been endorsed by 179 individuals and organizations. Sustainability is now incorporated in IRC's mission to advocate for water, sanitation and hygiene (WASH) services that last. This has led to a request by DGIS to help formulate and support a sustainability clause for all new WASH projects that it aims to fund.

Also in 2011, an IRC staff member was elected on Steering Committee of Sanitation and Water for All to represent the Research and Learning (R&L) Constituency of this advocacy partnership.

Indicator 6:
NGO6 Processes to take into account and coordinate with the activities of other actors. How do you ensure that your organization is not duplicating efforts?

Learning Alliances, thematic groups and networks have frequently been established or supported by IRC with the aim to develop a critical mass of organisations working on a topic (e.g. corruption in the WASH sector, WASH and climate change, WASH financing) and the develop of common understanding, agendas, and messages.

Within our focus countries, we typically seek to establish strong partnerships with government and an important part of the WASH sector agenda in most countries is harmonisation and alignment between donors and implementing organisations. At country level we participate, and frequently help establish or support, coordinating platforms and processes such as Joint Sector Review processes, donor working groups on WASH etc

In 2011, a Monitoring & Learning section was established with the Director's Office. This section organises three internal learning and communication events (Travel Free Weeks/IRCsynergy weeks).

Economic

Indicator 7:
NGO7 Resource allocation.

Total expenditure in 2011 was 9.739 million Euros including Personnel (4.667 million Euro), Third party expenses (4.678 million Euro) and General and administrative expenses (0.394 million).

Africa remained the largest recipient of IRC funding in 2011 with over € 4.2 million spent on activities across the continent. This was closely matched by expenditure on global projects, which amounted to approximately € 3.8 million. The remaining funds were directed towards South Asia and Latin America. Breaking this down to the country level, Uganda, Ghana and Burkina Faso received the largest proportion of our project funding. The majority of our thematic-related expenditure (23%) went towards Costing Approaches and Impact Assessments in 2011. This was closely followed by funding directed towards Water Supply Service Delivery Models (20%), Sector Learning for Change (15%), Strengthening Local Governance (13%), Sanitation & Hygiene (11%) and Information and Other services (18%).

Indicator 8:
NGO8 Sources of funding by category and five largest donors and monetary value of their contribution.

The total revenue for 2011 amounted to € 9.75 million and the four largest donors, that made up most of our income, in order were the Bill & Melinda Gates Foundation, the Dutch government (DGIS/ I&M), the European Union, and UNICEF.

With 2011 serving as the third implementation year of our Bill & Melinda Gates Foundation-funded projects – WASHCost and Triple-S – these projects accounted for 50% of our overall revenue. Programme subsidies from the Dutch government accounted for 26% of our total revenue. Other major donors for our project-based activities in 2011 included the European Union (EU) for SWITCH (FP6) and WASHTech (FP7), and the United Nations Children's Fund (UNICEF) for capacity building projects.

After that, a number of ministries from other countries or government agencies, such as AUSAid (Australia), USAID (US), DFID (UK), and PNUD (Honduras) provided resources although even together these were a small part of overall income.

Indicator 9:
EC7 Procedures for local hiring

and proportion of senior management hired from the local community at locations of significant operation. Do you have a policy or practice for local hiring? If so, report on the proportion of senior management hired from the local community at locations of significant operation.

During 2011, IRC hired two 'local' staff members, one in Ghana and one in India, both taking leaderships positions in the development of country programmes. These staff are the first country-based IRC staff as opposed to project staff employed and hosted by partners supporting implementation of our projects, or expatriate staff. Procedures are being developed as this is new ground for the organisation, but all appointments are managed by the Management Team advised by the Human Resources Team. Learning about national norms, conditions and taxation has required considerable investment, and separate contracts developed that both meet national requirements and include the elements of Dutch employment conditions that IRC wishes to extend to all employees globally. Taxation reserves (a hypothetical tax) are now managed for these overseas staff on the IRC payroll but liable for local taxes with IRC returning any overpaid tax to the staff member, but paying any additional tax over that collected when there is a shortfall. These kind of contracts are not yet addressed in our human resources manual which needs to be developed to include staff employed in other countries and project staff.

Environmental

Indicator 10:
EN16 Total direct and indirect greenhouse gas emissions by weight.

As a minimum, report on indirect greenhouse gas emissions related to buying gas, electricity or steam. You may also report on business travel related greenhouse gas emissions.

International travel which probably represents our major source of emissions was about the same in 2011 as the previous year, with a total of 380 flights. We still do not have an estimate of the footprint related to building and office consumption. This will be taken up in 2013.

Indicator 11:
EN18 Initiatives to reduce greenhouse gas emissions and reductions achieved.

What are you doing to reduce and how much have you reduced?

Efforts are underway to avoid any non-essential travel through the upgrading of video conference facilities with new systems to be installed during 2012. Staffing policies have also become more and more flexible enabling staff to be based in different locations and we have

more staff working from home (mainly in Europe outside the Netherlands) and increasingly in southern countries. This minimizes commuting and reduces some international travel. Travel to work by bicycle and public transport is also promoted through restricting parking access, making use of tax incentives for purchase of bicycles by staff, and we encourage travel to the airport and other locations in Holland for business travel by train through restrictions on the use of taxis.

Since moving into our current shared and rented office in the International Water House in 2008 no major environmental improvements have been made. However, in the beginning of 2013 the building owners will commission a specialized agency to conduct an energy scan of the building to see where the most energy is lost and how we can implement changes to lower our energy use. They will also hire a specialized agency to conduct an air quality scan in the building to ensure that health standards are met. A small budget has been allocated by the owner of the building to conduct these scans and the needed follow-up action.

Labor

Indicator 12:
LA1 Total workforce, including volunteers, by type, contract, and region.

At the end of 2011, IRC employed 61 persons (64 at start of year) directly with a significant (but not fully counted) number of further staff employed indirectly via partners for our projects. This included 52 directly employed staff working full-time and 9 working part-time. 41 staff had permanent contracts and 9 held temporary contracts. Two staff were based overseas in 2011 on expatriate arrangements (one in Ghana handing over to a locally recruitment country director at the end of the 2011, and one in Uganda). In addition, there were 4 associates at the end of 2011. IRC does not work directly with volunteers. The number of staff employed indirectly for our projects is 45 for the two major Bill and Melinda Gates Foundation funded projects but centralised information is not yet collated for all projects and the total number is higher.

Indicator 13:
LA10 Average hours of training per year per employee by employee category.
If you can't report on average hours of training, report on training programs in place.

All staff met together for the intensive week-long programmes of training and coordination activities known as 'Travel Free Weeks' or the IRC synergy weeks that are held three times a year. These represent a major investment and are considered to have been continually improved and more focused and effective.

Regarding other training and education, structural problems remained in 2011 (as in 2010) that led to very limited utilisation of available resources. Only 10% of the allocated 50000 euro education budget was used, and 79 out of the allocated 325 days time (24% utilisation). This has been recognised and addressed through a reorganisation of training (including a specific of team and individually based training) that will be effective in 2012.

Indicator 14:
LA12 Percentage of employees receiving regular performance and career development reviews.

All staff received an annual appraisal in 2011 (as in 2010). The appraisal includes a review looking back, at performance during the past year and looking forward to the next year including discussion of time allocation between activities, professional development objectives and training or other support requirements. Many managers also arrange a six-monthly progress review in addition.

The plans and agreements made in the annual appraisal meeting are summarised in a Personal Commitment Statement (PCS). The drafting and discussion of each individual PCS takes account of variations in job profiles, needs and required performance levels and includes updating a Personal Development Plan (PDP). In 2012, we intend to start introducing 360 degrees feedback with staff receiving and providing feedback on collaboration with colleagues as part of the appraisal process.

Indicator 15:
LA13 Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership, and other indicators of diversity.

Supervisory Board: Five experienced Dutch nationals including four men and one woman (male chair), all aged over 50 years..
Management: Four Dutch nationals, three men and one woman.
Works Council (elected by staff): Three women and two men including female chair (2 Dutch nationals, two other European, one African national).
Staff: In 2011, we recruited an equal number of women and men, and the total composition of staff remained tipped in favour of women (37 female employees, 24 male). In total, 62% of the staff were Dutch nationals and 38% of other nationalities (17 different nationalities). However, less than 10% staff are drawn from low or middle income countries. The average age of our staff in 2011 was 43.4 years with a distribution as follows: 25% aged 25-34 years, 31% aged 35-44 years, 28% aged 45-54 years and 16% aged 55-64 years. To allow comparison with the 2010 report, additional figures by the same categories were 3 staff younger than 30 years of age, 43 staff were between 30-50 years, and 15 staff older than 50 years. Data on diversity other than nationality are not collated. Although different ethnic backgrounds were represented,

there was limited diversity in the staff with most staff from European and related backgrounds. Ethnic diversity is expected to improve as decentralisation leads to recruitment of more in-country staff.

Society

Indicator 16:
SO1 Nature, scope, and effectiveness of any programs and practices that assess and manage the impacts of operations on communities, including entering, operating, and exiting.

This indicator was designed to talk about the positive/negative side effects of what you do, not about your main purpose.

As reported for 2010 we are not engaged directly in WASH service delivery/implementation activities at the local level given our research, capacity building and policy focus of operations. Nevertheless we do sometimes fund or undertake significant activities at the community level including data collection in major research programmes and pilot and demonstration activities e.g. relating to new technologies or approaches. With a long standing commitment to participatory approaches in development and community managed water supply, we are generally sensitive to the communities that we interact with, for example, in ensuring that research findings are reported back to communities and other agencies. However, we do not have formal protocols established in this area. Sometimes arrangements are specified in our funding contracts and possible side effects and their mitigation explored such as environmental impacts.

Indicator 17:
SO3 Percentage of employees trained in organization's anti-corruption policies and procedures.

We have not yet developed an anti-corruption policy however this will be developed and made operational by mid-2013.

Product responsibility

Indicator 18:

PR6 Programs for adherence to laws, standards, and voluntary codes related to ethical fundraising and marketing communications, including advertising, promotion, and sponsorship.

As reported for 2010, IRC generates income through a long-term funding arrangement with the Dutch government (renegotiated every 5 years) and through solicited and unsolicited proposals to donors, foundations and funding programmes. We have not yet been involved in direct fundraising or related marketing although this is a possible source of income in the future.