

NGOs regulating themselves: The NGO quality standards



BACKGROUND

NGOs working in Uganda launched a self-regulating instrument, the NGO Quality Assurance Mechanism (QuAM) in September 2006. This has been designed to promote adherence by Civil Society Organisations to generally acceptable ethical standards and operational norms. It sets principles and standards of behaviour for responsible practice, to protect the credibility and integrity of certified NGOs and their networks in Uganda.

Quality standards stand at the heart of the certification mechanism. A quality standard is a defined benchmark or target that an organisation promises to adhere to. Many of us are for instance familiar with the promise of quality made when we buy bottled water certified by UNBS, the Uganda National Bureau of Standards, with its familiar stamp.

There are three certification levels for NGOs: provisional certificate, certificate and advanced certificate. Each level has its own standards to be met. The Provisional Certificate is for NGOs that are of recent creation and meet only *selected minimum quality standards* (those marked below with a star). These NGOs are expected to apply for full certification after one year. A full Certificate is issued when all *minimum quality standards* have been met. These must be respected by all certified NGOs (or NGO networks) at all times. The Advanced Certificate is issued to an NGO that has met all minimum standards, as well as all *standards for improvement*. These standards for improvement can also be used as future targets for NGOs that meet the minimum standards, or to rate more 'experienced' NGOs at the outset.

Quality Assurance Certification has been specifically developed for "NGOs" and NGO networks. Any other civil society organisation may however find the NGO quality standards useful, even if it decides not to seek certification or is not eligible to do so.

Further information on the QuAM, including a leaflet describing the certification mechanism and how to seek certification, can be obtained from district NGO networks, DENIVA or the Uganda National NGO Forum.

The Quality Standards

There are altogether 59 standards: 32 minimum standards (including 18 standards for start-up NGOs, marked with a star *) and 27 standards for further improvement. Standards are classified under (A) the NGO as an organisation, (B) NGO programmes/activities and (C) Further improving our performance.

A. THE NGO AS AN ORGANISATION: GOVERNANCE

We recognise that quality starts at home: in the way our NGO is managed internally, with regard to its principles, its people and its other resources. A certified NGO or NGO network provides evidence that it:

1. Minimum standards

a | Ethical governance

1* Is legally registered with the appropriate authorities.

The NGO is registered with the National NGO Registration Board or, in the case of an NGO network, it is either registered with the NGO Board or with the relevant district authorities. The candidate NGO will be able to produce an up-to-date registration certificate or evidence showing that renewal of a certificate has been solicited and is pending.

2* Has a constitution and demonstrates it adheres to its provisions.

The Constitution must be a written document. The committee will check that selected articles it identifies are fully adhered to. This may include articles on the use of funds, composition of the Board, or other governance and/or programme issues. (Some of the provisions of the Constitution of an NGO applying for a provisional certificate may however not apply during the first few months of operations).

3* Has written and shared vision, mission/goal, objectives and values (or equivalent).

These are both documented and shared. Documentation may be in correspondence, on the NGO's notice board, etc. They are shared to the extent that, for instance, any staff are able to recollect them and Board members are familiar with them.

4* Has an office and address.

The office is in actual existence; the NGO has both a physical address (e.g. a street/road plot number) and correspondence address (postal box, e-mail or other). The physical address is made public (on the NGO letterhead, if available, for instance) and is known to the majority of the NGO's local stakeholders. The correspondence address is operational for communications purpose and is mentioned on the NGO's official exchange/letters. (For start-up NGOs, only a physical address is required.)

5* Has a development-oriented, non-partisan agenda, fostering citizens' rights.

The NGO's mission/goal and its practice is focused on improving people's welfare and/or rights, without engaging, as a body, in party political activities. While an NGO may

have income-generating activities, these are meant to benefit, directly or indirectly, the NGO's beneficiaries.

6* Does not engage in any subversive action.

Subversion is defined as any act meant to undermine the state by violent and unconstitutional means. While an NGO may protest and act against unfair policies and actions by government, this will at all times be within the provisions of the Constitution of Uganda.

7* Has laid-down governance and reporting structures, with a governing body whose members meet regularly.

The NGO has a board, committee or other type of governing structure to which its staff and other stakeholders are accountable. The body meets regularly, possibly as stipulated by its Constitution, and at least once a year. The body is responsible for the overall affairs of the NGO and is availed with the necessary information and authority to perform its functions. Its meetings are minuted and these minutes are accessible to those concerned.

8. Has a governing body whose members are regularly appointed or elected, in accordance to its constitution and generally accepted practices.

The NGO's board, committee or other governing body consists of elected or appointed individuals whose mandate is not open-ended (the number of years a member will occupy a position on this body has an upper limit) and these members are regularly elected or appointed, in a transparent manner.

9. Actively avoids any conflict of interest among members, staff, and board members.

While the board or coordinating committee of the NGO does not involve itself in its day-to-day activities, it effectively plays a supervisory role, including overseeing the use of financial and other resources. The NGO staff, through the Chief Executive, are accountable to the Board for the day-to-day operations. These roles are documented and adhered to.

A conflict of interest may include: a board member benefiting from access to the NGO's resources (transport, fuel, stationery), other than as stipulated in the constitution or other policy documents or benefiting from its decisions (e.g. consultancy work, "bright ideas"). It may include members of staff using the NGO's resources for their own benefit, beyond that allowed in their conditions of service and NGO policies. Not only is the NGO reprimanding such practice, but it also actively avoids it.

10* Does not condone any misconduct by its members, staff, and/or board members.

The NGO reprimands any of its members, staff or Board members who disregard any organisational policy or regulation, and/or act against the NGO's values. This may include sharing of confidential information, misappropriation of resources, and other unethical behaviour.

11. In the case of an NGO network, additionally to the above, it can demonstrate:

a) the existence of laid down membership criteria

There are clear, written rules that inform any prospective

applicant of its eligibility to join the network and that inform the selection of any such applicant, in a transparent manner. These rules have been officially sanctioned by a representative body of the network or its entire membership and are currently in use.

b) the existence of a regularly updated members' register

A regularly (e.g. yearly) updated register of the membership is kept and is open to scrutiny by members of the Network.

c) the involvement of the members in its policy-making processes

Members take part in any process that sanctions the Network's policy (such as its mission, its strategies and main programmes). This could be through regular meetings, or electronic and other means of consultation.

b | Effective management of resources

12* Documents its financial transactions.

All financial transactions are transparently and effectively documented. Financial records are up to date, including detailed records of income and expenditure, cash book and banking records. These are kept by the appropriate person in the organisation, whose work is supervised by the competent authorities. Where procedures governing financial transactions are written down, these are adhered to.

13* Prevents any abuse of its property, whether by Board members, staff or its membership.

The NGO prevents any of its stakeholders to use its property, other than as allowed for by policy, e.g. assets and consumables are not used or disposed of for personal gain;

property is not used for purposes other than for which it has been acquired.

14. Where it has staff, recruits personnel in a transparent manner.

Staff (including the head of the NGO) are recruited in a transparent manner, following written policies or guidelines where these exist, to avoid nepotism and all other forms of favouritism.

15. Produces an annual report that is publicly accessible and can fulfil the information requirements of its stakeholders.

An annual report will normally at least include a brief on the NGOs activities in the past year, list its Board members and supporters, and provide key financial figures (income and expenditure). Such a report will be available at least at the NGO office for public scrutiny, and will be produced annually within a reasonable time period (no longer than 9 months after the year in review has come to a conclusion).

16*Complies with reporting and other requirements, as per Uganda's laws and statutes.

These include adhering to the NGO board requirements and those of the Companies Act (in cases where the NGO is registered as a company). Reporting to local authorities and other government institutions may also be required, depending on circumstances.

17. Has a mechanism to authenticate its documents and safeguard its organisational identity.

The NGO has taken measures to ensure that its identity is safeguarded and that no-one misuses its name. This may

include the use of an organisational seal, stamp, authorised signatories and other identification mechanisms.

18*Only receives funds that are consistent with its mission or goal.

The NGO does not raise funds (through donor funding or other income generation activities) for purposes other than those that contribute to the realisation of its mission/goal. The NGO therefore avoids any situation where it might lose focus and/or become a quasi-business enterprise, driven by a profit motive.

19*Uses any surplus funds only to further its mission.

Should the NGO have any funds above and beyond those directly utilised for agreed projects or programmes, such surplus funds are only used to further its mission/goal, to the exclusion of any other purpose.

20*Has a properly managed bank account.

The NGO operates at least one bank account, with a licensed financial institution. It adheres to the rules and regulations of that financial institution. The account is only used for organisational (not private) transactions. Withdrawals of banked funds are properly documented, are in accordance with written procedures if any, and are authorised by at least two signatories.

21. Keeps a regularly updated register of fixed assets.

The NGO maintains a register of fixed assets (vehicles, equipment, furniture, land, etc), in accordance with auditing practice. This is open to scrutiny and is regularly updated.

22. In the case of an NGO network, additionally to the above, it can demonstrate:

- a) having procedures for the acquisition, management and disposal of assets

The Network has procedures that inform the acquisition, management and disposal of assets, such as vehicles, books and other resource materials, furniture, etc. These procedures have been adopted by the members and are in use.

- b) how members benefit from any acquired resources

Financial and other resources made available to the Network (e.g. through fundraising) benefit the members, rather than any secretariat or coordinating committee alone. The network is able to demonstrate that this is so.

2. Standards for improvement

23. Maintains sound systems to ensure its resources are effectively, efficiently and transparently managed, including procedures for the acquisition, management and disposal of assets.

The NGO has financial policies that are officially sanctioned, documented, and adhered to by all its stakeholders. These include policies for acquiring assets (such as through transparent tendering procedures); for managing and maintaining them (such as through the use of appropriate records, log books and maintenance schedules) and for disposing of them (such as through internal and external advertising).

24. Adheres to gender and minority equity standards, e.g. in recruitment.

The NGO has a policy or written guidelines that ensure it is fostering gender equity, safeguards the rights of minorities and avoids any form of discrimination in its operations and internal practice. This covers such areas as staff recruitment, remuneration, promotion and staff development.

25. Has, and follows, internal policies in place.

The NGO has documented policies and procedures in place and in use that govern its human resources (this may include recruitment, remuneration and other benefits, promotion, disciplinary and grievance procedures, health); its operations (this may include monitoring and evaluation guidelines, partnership principles, planning guidelines, etc.) and its finances (this may include accounting guidelines, financial reserves policy, depreciation policy, funding principles, etc.)

26. Adheres to Generally Accepted Accounting Principles and Standards.

These are a set of principles and standards that are internationally applicable. Further information can be obtained from the International Accounting Standards Board or IASB (www.iasb.org), which publishes and interprets International Accounting Standards, which are “authoritative statements of how particular types of transaction and other events should be reflected in financial statements”. These normally inform the practice of chartered accountants and quality-certified audit firms in Uganda.

27. Has independently audited and publicly accessible annual accounts and acts upon any audit report recommendation.

The NGO has its accounts audited annually by a legally registered firm of auditors. These audited accounts and the auditors' report are accessible for public scrutiny. The NGO acts upon the recommendations of the auditors (such as through a 'management letter'), if any.

28. Has mechanisms to measure the cost benefit of fundraising and running the organisation.

The NGO is able to estimate its cost effectiveness, and the amount of resources it puts into its fundraising efforts. The NGO is able to measure its 'overhead' costs (e.g. administration and coordination costs) in relation to its total costs. The NGO learns from this information and adapts its practice where necessary.

29. Develops and uses management tools/practices, as per its stage of development and requirements.

As the NGO develops, it is able to adapt its management systems and practices to its stages of growth. This may for instance, entail developing or adapting an information management system, or decentralising decision-making.

B THE NGO PROGRAMMES/ACTIVITIES

Quality has to be reflected in all we 'do' as an organisation. We also recognise that no organisation works in isolation. To be successful, it needs to develop effective relationships with other 'actors' in its environment and be accountable to them. A certified NGO or NGO network demonstrates that it ...

1. Minimum standards

30*Has written programme/activity plans that aim at achieving its objectives, mission and/or goal.

The programmes of the NGO are all meant to contribute to the realisation of its mission/goal. Plans are current, written down and accessible.

31.Understands and is able to identify its current/actual programme outputs and/or outcomes.

The NGO is able to explain what change (or changes) it wants to make through its projects or programmes. Its projects or programmes therefore go beyond a collection of activities.

32.Documents its programme work.

The NGO is able to produce up-to-date progress reports or other documents that describe its activities. These may be part of an Annual Report (see Standard 15).

33.Has made efforts to monitor and evaluate its programme activities.

The NGO documents its monitoring and/or evaluation of its projects/ programmes, based on regular and recent programme or activity reviews.

34* Has shared its objectives with its members/ intended beneficiaries.

The beneficiaries, intended beneficiaries or members of the NGO – where it is a membership organisation – have been given sufficient information to understand the NGO's current objectives. There is therefore a minimum of participation and understanding by the NGO's 'target' group and/or partners.

35* Keeps appropriate government authorities informed of its plans, activities and programmes.

The appropriate government authorities (e.g. line ministry; local district government; sub-county extension personnel, parish development committee) are informed about the NGO's current plans, activities and programmes.

36. Has made efforts to relate with others actors (beyond its membership) working in its operating environment.

The NGO has made efforts not to work in isolation; it has tried to relate, for instance, with other NGOs involved in similar work. It has tried to establish working relationships with government and/or other stakeholders, where appropriate and feasible.

37* In the case of an NGO network, additionally to the above, it can demonstrate:

a*) that it represents the collective voice or position of its membership
The Network represents the collective voice of the members and not only that of any coordinating secretariat. Position papers, for instance, are developed and endorsed by a broad section of the membership.

b*) an ability to mobilise its membership on relevant emerging issues

The Network is able to mobilise a broad cross-section of its membership on relevant issues; it avoids any tendency to be dominated by a small group of members.

c*) that it uses mechanisms to share information and consult its membership on programme issues

The Network members are actively involved in strategy and programme development work. This could be through committee meetings, thematic group meetings, general membership meetings, joint 'field' visits, or joint evaluations. Mechanisms are in place to ensure that relevant information is regularly shared across the network

d) that it has a regularly update register of members' profiles and programme inventory

The Network has at its disposal an up-to-date inventory of its member' profiles, competencies and current programmes, in order to facilitate sharing and using members' capacities. This inventory may be updated at the same time as the members' register (see Standard 11b)

e) that its secretariat, if any, plays a coordinating role and does not duplicate or compete with members' activities/programmes

The primary role of any network secretariat is to facilitate the implementation of the Network's set objectives (which often include coordination of membership, exchanging experiences and information, and engaging in activities that clearly benefit from the value added of its collective membership). The network therefore does not engage in activities that are (or could be) undertaken by any individual member.

- f) its commitment to building the capacity of the membership, where necessary, to effectively participate in its vision and mission
- The Network has developed and uses mechanisms that enhance the participation of a broad cross-section of its members in the realisation of its common vision and mission, where this is necessary. This may include various forms of capacity-building for its members, such as training, field visits, and coaching.*

2. Standards for improvement

38. Mainstreams such issues as gender, human rights, social justice, poverty focus, environmental sustainability, disability, HIV, as cross-cutting in its activities.

The NGO has succeeded in 'mainstreaming' issues that are critical to the realisation of its mission/goal in all its activities. If, for instance, it considers social justice to be such an issue, all its projects, programmes and its behaviour as an organisation reflect the centrality of social justice as an issue of concern. This could be through having programme objectives, specific activities, indicators of performance, a choice of partners, and a Board, management and staff whose behaviour and job descriptions reflect this emphasis.

39. Has developed, maintains and uses an appropriate M&E system.

The NGO currently uses a monitoring and evaluation system whose scope goes beyond any individual programme or project, to include the range of programmes/projects being implemented by the NGO and their contribution to achieving its overall mission. The M&E system is within the implementation capacity of the NGO and is in regular use.

40. Is able to define and measure its programme outcomes.

As part of the system mentioned in Standard 39, the NGO has clearly defined and measures the outcomes (or effects) of its programmes. An outcome describes how a beneficiary or 'target' group has used the products or services being offered by the NGO (e.g. well used by a beneficiary population or reduced incidence of malaria). Evaluative questions might include: "How did the beneficiary utilise the products or services?" and "How did this application contribute to achieving the objective of a particular programme?"

41. Has made efforts to track the impact of its programmes.

Impact usually refers to a desired change in the long term. While tracking the impact of the NGO's programmes may be difficult (because impact might have required the combined efforts of several development actors and cause-effect relationships might be hard to establish), the NGO is at least able to show that it has attempted to do so, as part of the system mentioned in Standard 39 above.

42. Is able to analyse the cost benefit of making an impact.

The NGO is able to estimate (if not precisely) and analyse what has been the cost of making the desired long-term change it has sought to make. This might include its own costs, as well as other contributions made to a programme or project. The NGO has given attention to the ratio between its overhead and programme delivery costs.

43. It has used M&E to improve on its practice and its impact.

The NGO can show how its M&E has led to an improvement in its practice (such as the way it implements a particular programme or plans its interventions) or in its impact (such

as improved long-term results or new initiatives).

44. Engages productively with government, where appropriate, in its area of competence.

The NGO is able to show how its engagement with government has led to enhanced effectiveness. This engagement can take several forms, including advocacy work, joint programme implementation, and monitoring of government interventions.

45. Has influence on other actors present in its operating environment.

The NGO can document how it has been able to influence, through its practice, other actors in its environment, such as local government or other NGOs. A 'best practice' might for instance have been adopted by other organisations in the vicinity.

46. Contributes to cohesion within civil society in its area of operation.

The NGO can demonstrate how it has contributed to a cohesive civil society (consisting of CBOs, NGOs, trade unions, other associations, citizens' groups) in its area of operation (for example, by supporting joint advocacy work, information sharing, or contributing to a local civil society network).

47. Has established and uses feedback mechanisms from its beneficiaries or constituencies.

The NGO has documented how it elicits feedback on its activities, programmes and performance from its 'beneficiaries' or constituency (e.g. participatory programme reviews, annual assemblies). It can also demonstrate how it

has improved its practice, as a result of this feedback.

48. In the case of an NGO network, additionally to the above, it can demonstrate:

- a) its value added as a network

The Network can articulate and document how it makes (and/or has made) a difference as a collective organisation, beyond what all its members can achieve individually.

- b) that it has strengthened the organisational capacity of its members to achieve their goals, where appropriate

The Network can demonstrate how it has contributed to enhancing the capacity of a cross-section of its members to better achieve their own goals, independently of the common network agenda. Training organised by the network for members on M&E, for instance, has led to enhanced practice not only for network activities and programmes, but also for the internal M&E practice of individual members.

C

FURTHER IMPROVING OUR PERFORMANCE

We recognise that we constantly need to improve as organisations. To do so, we need to strive and become “learning organisations.” The certified NGO can demonstrate that it ...

1. Minimum standards

49. Has made efforts to reflect on its past successes and challenges.

This could take the form of a review workshop, a staff meeting dedicated to a programme or organisational evaluation, or

a Board meeting to evaluate past performance.

50. Is able to identify and has documented how it (or its membership) has learnt and responded from past challenges and successes.

The NGO can identify how lessons have been drawn and used to improve on practice and policy. This could have been through revised plans, revised mission, changes in implementation practices, etc. This documentation could include review or evaluation reports, workshop minutes, annual reports, etc.

2. Standards for further improvement

51. Has made efforts to reflect on its past successes and challenges as an organisation, with input from other stakeholders, including beneficiaries.

This might include participatory programme reviews, external evaluations of a programme or of the entire organisation. The NGO can show how these processes have led to changes in its policies, mission and practices.

52. Has actively tried to learn from other (re)sources available in its operating environment.

The NGO is actively learning from other development organisations, such as local government and other NGOs (through joint visits, collective activities, attending conferences, etc) and can show how it is using this to improve.

53. Has undertaken regular events to reflect on its core business and rationale for existence.

The NGO regularly undertakes reflection events to review its mission/goal and core activities, to ensure its continuing relevance as a development organisation.

54. Has learning practices that involve its Board, members, and/or staff.

The NGO has put in place learning practices across the organisation, that are in regular use. This may include participatory reflection events, retreats, and reviews that involve a cross-section of organisational stakeholders.

55. Has developed a staff development system (where relevant), which is in use.

Where the NGO employs staff, it has developed and implements a staff development policy that promotes individual staff learning. This might include support for further studies, exchange visits, encouragement to reading, study tours, etc.

56. Has developed and is using its own learning system.

The NGO has developed, documented and is using a set of policies and practices that make it a 'learning organisation'. The NGO is able to track and document the impact of its learning on its practice.

57. Has identified, documented and shared its best practices.

The NGO is able to document its best practices and to build on such strengths. Best practices might include a programme delivery method, an effective collaborative mechanism, an innovation leading to greater impact, etc. Best practices are

shared internally and promoted with other NGOs working in the same area, relevant government institutions, etc. This might be as part of an advocacy initiative or other influencing work.

58. Has undertaken and makes use of organisational development/ review processes.

The NGO has periodically engaged in a comprehensive organisational development (OD) process and has implemented agreed recommendations arising from it, in a timely fashion.

59. In the case of an NGO network, additionally to the above, it can demonstrate support to learning across its membership.

This may include joint documentation initiatives, support to M&E systems amongst members, promotion of specific learning and reflection events for groups of members.

