

Towards recognition of the CHS and independent quality assurance

SUMMARY OF HQAI's ANNUAL DONOR OCTOBER ROUND TABLE on 27 October 2020

About this Round Table

Accountability is not just a buzzword. The concept has received increasing attention over the last 20 years in the humanitarian and development sector and is closely linked to some of the Grand Bargain commitments (participation, localisation, reducing duplication). And it concerns all of us: the chain of accountability reaches from taxpayers to governments and donors, to aid organisations and - most importantly - to the communities these organisations seek to work with. Effective tools exist to put accountability into practice and link it to robust, but harmonised due diligence (DD) requirements.

On invitation by

The Ministry of Foreign Affairs of Denmark (DANIDA), The German Federal Foreign Office (GFFO), The Directorate for Development Cooperation and Humanitarian Affairs of the Grand Duchy of Luxembourg, The Swiss Agency for Development and Cooperation (SDC), The UK Foreign, Commonwealth and Development Office (FCDO) and The Humanitarian Quality Assurance Initiative (HQAI),

the round table was set to prioritise an open dialogue across governmental and other donor representatives, strategic partners and HQAI (see list in Annex 2). Applying Chatham House rules, the following summary does not attribute content to people but focuses on the essence of their contributions.

Introduction, facts and figures

The Core Humanitarian Standard on Quality and Accountability (CHS) and independent quality assurance by HQAI offer a solid framework and significant potential for the entire sector. If adopted holistically, they raise together the bar for more quality, more accountability and better safeguarding mechanisms along the chain of accountability. And most importantly for vulnerable and at-risk communities.

Today, 60 organisations are covered by independent verification or certification against the CHS. The associated numbers are already far-reaching: the audits cover these organisations' programmes in 94 countries. In 2019, HQAI auditors assessed the systems of these organisations in 48 countries, travelling personally to 26 of these. Independent verification or certification against the CHS is a tough process. Organisations invest time, money and human resources to live up to the commitments of the CHS and continuously improve their quality and accountability. What is in it for them? Certainly pride in doing the right thing and boosted satisfaction within the organisation. Also, some donors (see Annex 1) recognise the CHS and verification, but we are far from reaching a threshold where the CHS and independent quality assurance become a common reference and the norm.

On the road towards aligning DD requirements, the CHS and independent quality assurance are efficient drivers and can contribute to significantly decreasing transaction cost. Further, rolling out the CHS Verification scheme more largely has a positive impact on localisation, boosts the confidence of national NGOs, increases trust from donors, peers and the public. So today's question is: What are we waiting for?

On the next pages, read about the realities shared by speakers representing organisations and donors, including their experiences, challenges and suggestions to move forward.

The reality of audited organisations

“COVID was wake-up call on the slow progress on localisation. We are at a crossroad now: too many donors and INGOs create barriers to engaging local national NGOs”.

Representatives of audited organisations confirmed that learning also inspires others. HQAI’s external audits are perceived as reality checks - highlighting strengths and areas for improvement - that help organisations to reflect on their systems and operationalise policies and processes. The process of addressing identified weaknesses and promoting a systematic approach **triggers incredible efforts and innovations within the organisation and with partners**. It is not just a tick box to satisfy certification requirements, it is a wider engagement towards quality, accountability, inclusion and dignity, but also partnership and humanitarian localisation.

Progress on localisation is, however, slow. The current trend among donors and INGOs is perceived as **risk-adverse and top-down**. The risk is that this attitude creates a humanitarian bubble with only few big players having access to funding because they meet the ever increasing compliance and DD requirements. **Where does this leave the national/local NGOs** that have access to communities, stay in the country and continue to deliver, as lively demonstrated in the current pandemic?

Positive impact was reported by a national NGO who saw the DD assessments of various donors shortened thanks to their CHS audit report. Growing trust by donors has led to **increased funding** and staff feels more confident and empowered.

“A number of donors recently used our initial audit report and shortened their due diligence assessments. We have increased donor confidence in our systems and as a result signed a new grant amounting to 20m USD.”

Notoriety - or rather the lack of it - is another issue. The CHS, as well as the work of the CHS Alliance and HQAI are not enough known and valued, be it by organisations, donors or government entities across the globe. This lack of recognition weakens the appeal for organisations to engage in their verification journey. **Too much time, money and goodwill are lost**, although the appropriate tools exist to reduce duplication and lighten the burden.

“When ECHO launched the ex-ante audit for Partner Framework Assessment, we decided to ask HQAI to use the knowledge they have built by auditing our organisation over the last 5 years to answer the ECHO questionnaire instead of bringing in yet another auditor.”

An average of 80% of donor DD requirements are covered by the information collected during CHS certification. This makes the audit such a powerful tool: it allows to progress in the direction of simplification, without waiting for donors to harmonise DD requirements among themselves. By adding only few indicators on the CHS audit and little burden (cost; resources) on the organisation, **HQAI can create bridges between different sets of requirements and achieve significant economies for organisations**.

“If ECHO recognises HQAI as an auditor, this will lead to annual savings of millions of euros for the European humanitarian sector.”

The speakers presented their realities, but no conclusions were drawn at the Round Table. Further discussions are needed, including on the suggestions that were presented. These include the need for an alignment of DD expectations based on the CHS; multi-year funding for capacity strengthening of national NGOs; effective risk-sharing including donors and INGOs; support of country-level mechanisms and consortia as well as the possibility to use un-earmarked aid funding for independent quality assurance against the CHS.

The reality of donors

A summary on where donors stand today with regard to recognising the CHS and independent quality assurance can be found in Annex 1.

In relation to Protection from Sexual Exploitation and Abuse and Sexual Harassment (PSEAH), the FCDO has committed to adhere to the CHS requirements and the IASC minimum principles, considering these two sets of standards as complementary and **solid enough to build on, instead of re-inventing something new.**

“Since 2018 the FCDO has focused on how an alignment with these standards (CHS and IASC) within the FCDO and among donors, the UN and NGOs could be enabled.”

Switzerland has supported the CHS and HQAI from the beginning and is convinced that their approach lifts the bar of quality and accountability, and reduces duplication. Yet, the CHS principles and HQAI quality assurance are not referenced in Switzerland’s institutional partnership framework.

Denmark and the UK’s Disasters Emergency Committee (DEC) have made the CHS and external verification mandatory. The result is **tangible positive change**: Danish NGOs are more people-centred and have improved their complaint and feedback mechanisms as well as PSEAH. The process of independent audits has raised peer-to-peer accountability among DEC members and builds **trust with a wide range of stakeholders**, including governments, corporate trustees and foundations, as well as the public and the people affected by crisis.

“We found that by pushing through and insisting on CHS audits we have managed to persuade and to work better together. It works really effectively for DEC.”

The reduction of duplication is a recurring topic for all present donors. Let’s not forget: the CHS has a verification scheme that includes two options for independent quality assurance.

“The particular role of HQAI is to provide a high level of assurance to a multiple set of donors.”

The benefits of such an alignment would be the decrease of the number and the variety of complex requirements leading to **less duplication and lower transaction costs** for NGOs dealing with multiple funders. If these efficiencies were realised, it would free up time, finances, resources and goodwill that could be concentrated on other areas such as implementation, community engagement and the localisation agenda more widely.

Yet, for change to happen, a critical mass is necessary. Donor recognition of CHS Verification is crucial to increase the number of audited organisations, but the **accessibility** of independent verification and certification must be guaranteed for organisations of all sizes and locations. It requires important financial, temporal and human resources to obtain and maintain CHS verification. We must not close that door for local NGOs. Strengthening HQAI’s subsidy fund, proposing accessible audit schemes and offering direct funding to CHS-audited national NGOs were some of the tools proposed.

“DANIDA encourages colleagues to make independent quality assurance against the CHS mandatory. Experience has shown that it increases the speed to reach critical mass of CHS-verified organisations and raises the bar for more quality and accountability.”

HQAI currently offers two tools to facilitate access to its services: the Subsidy fund and the Group scheme. The International Council for Voluntary Agencies (ICVA) and HQAI are working on implementing a national Group scheme in 2021 to further facilitate access to HQAI audits for national and local organisations.

“HQAI’s Subsidy fund is easily accessible and revolutionises organisations.”

Again, the speakers presentations' were not followed by sufficient debate to draw conclusions. Yet the voices are starting to synchronise and the discussion will be continued bilaterally and collectively for the sake of our common aim: make aid better.

From an eagle's perspective

It is broadly accepted that **higher accountability to affected people leads to higher quality aid, better value for money, and improved performance**. Despite these compelling arguments the aid sector still needs to become more accountable. One solution is to amplify the voices of affected communities and seek their perspective on every aspect of humanitarian action.

"This is where the CHS and HQAI come in. The CHS provides a powerful framework against which to measure progress. We need to use it to make a difference."

This requires determination from donors and organisations. The recently launched Humanitarian Accountability Report 2020 confirms that **the CHS and its Verification scheme are well alive**. It is not just a tick box exercise but a story of learning and improvement, with organisations making massive progress to maintain their certification and keep up the process.

"Evidence shows us that we are not building another humanitarian sand castle. It has well-laid foundations and we need to put more energy to drive it."

The CHS Alliance's Global CHS Exchange, a three-day event gathering a global community committed to make aid better, was held only three weeks before HQAI's round table. Similar concerns and challenges were raised and voices keep getting louder and aligning on ever returning topics. Three of the major recommendations from the Global CHS Exchange are equally valid for the Round Table today:

- 1) donors need not only to recognise the CHS and make it mandatory but bring it into the broader agenda of change. Make the CHS part of the **broader policy agenda**.
- 2) Accountability is a chain. **The UN, pooled funds and INGOs need to take responsibility, too**. What does it take to get their national partners engaged in the verification process?
- 3) Alignment and efficiency: **CHS passporting**, i.e. using CHS Verification to fast-track through a number of DD requirements, is a concept that should be looked at more concretely.

The call for making independent verification and certification mandatory was initially launched more than five years ago by DANIDA. It is increasingly being echoed both by NGOs and donors.

"We are crescendoing the message around the value of the CHS and independent quality assurance and should take confidence in the realities shared through the round table."

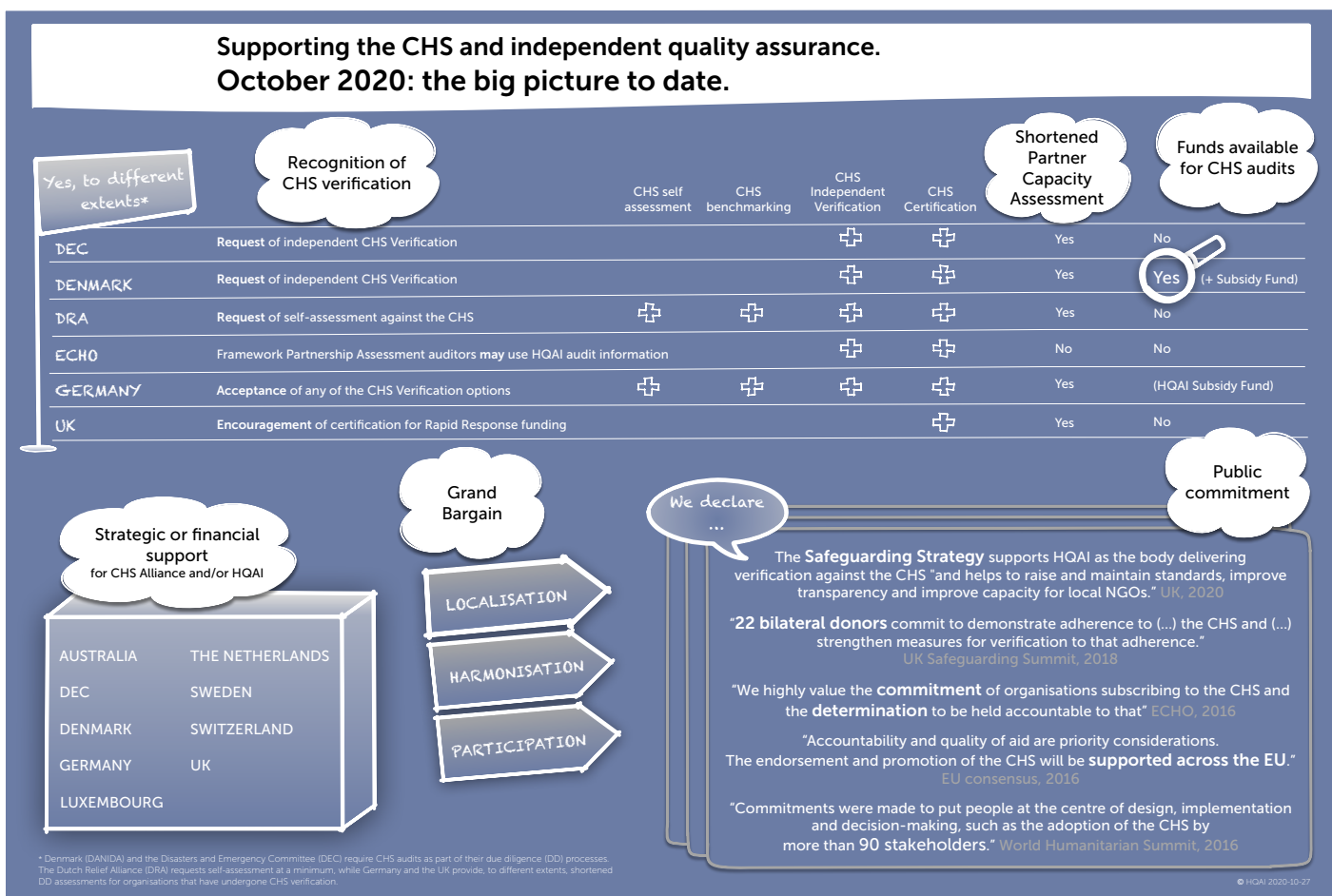
Independent quality assurance has the potential to effect change in humanitarian and development organisations towards more holistic accountability.

What are we waiting for?

HQAI would like to express its formal thanks to all speakers and contributors, to attendees who took the time to listen in and in particular to the SDC for hosting the digital event, technically orchestrated by PHAP.

Annex 1

Supporting the CHS and independent quality assurance: the big picture to date.



Annex 2

The following interested parties participated and contributed to the Round Table:

Australia: Australian Government Department of Foreign Affairs and Trade (DFAT)

Australia: Permanent Mission of Australia to the UN

Belgium: Federal Public Service of Foreign Affairs Belgium

Denmark: Ministry of Foreign Affairs of Denmark (DANIDA)

EU: Directorate-General for International Cooperation and Development (DG DEVCO)

EU: Directorate-General for European Civil Protection and Humanitarian Aid Operations (DG ECHO)

Germany: Permanent Mission of Germany to the UN

Ireland: Department of Foreign Affairs Ireland

Japan: Ministry of Foreign Affairs Japan

Luxembourg: Ministry of Foreign and European Affairs Luxembourg

The Netherlands: Ministry of Foreign Affairs of The Netherlands
Sweden: Ministry of Foreign Affairs Sweden
Switzerland: Swiss Agency for Development and Cooperation (SDC)
Switzerland: Permanent Mission of Switzerland to the UN
UK: Foreign, Commonwealth and Development Office (FCDO)
USA: USAID

ACT Church of Sweden
CAFOD
CHS Alliance
Disasters Emergency Committee (DEC)
Ground Truth Solutions
HQAI
InterAction
Organisation for Economic Co-operation and Development OECD
Steering Committee for Humanitarian Response (SCHR)
TPO Uganda

