

# *NGO Benchmarking*

« Getting the Seal of Good Housekeeping »



WHEN YOU NEED TO BE SURE

**SGS**

- Extremely diverse:
  - Managerial abilities
  - Working capital ratios
  - Effectiveness of operations
  - Leverage at the Public or Private sectors levels
  - Attitudes vis a vis grantors
  - ...
  
- Is their growing influence matched by increased

## ACCOUNTABILITY ?

- ❑ **To Inform** interested parties  
*(Implies knowing them all)*
- ❑ **To Listen** to their concerns  
*(Implies participation)*
- ❑ **To Report** i.e. to assume responsibility for  
the means and the results  
*(Implies sound management practices)*



## How to rise to the Accountability Challenge?

1<sup>st</sup> Party

### **Self-Assessment**

*“We are very good”...*

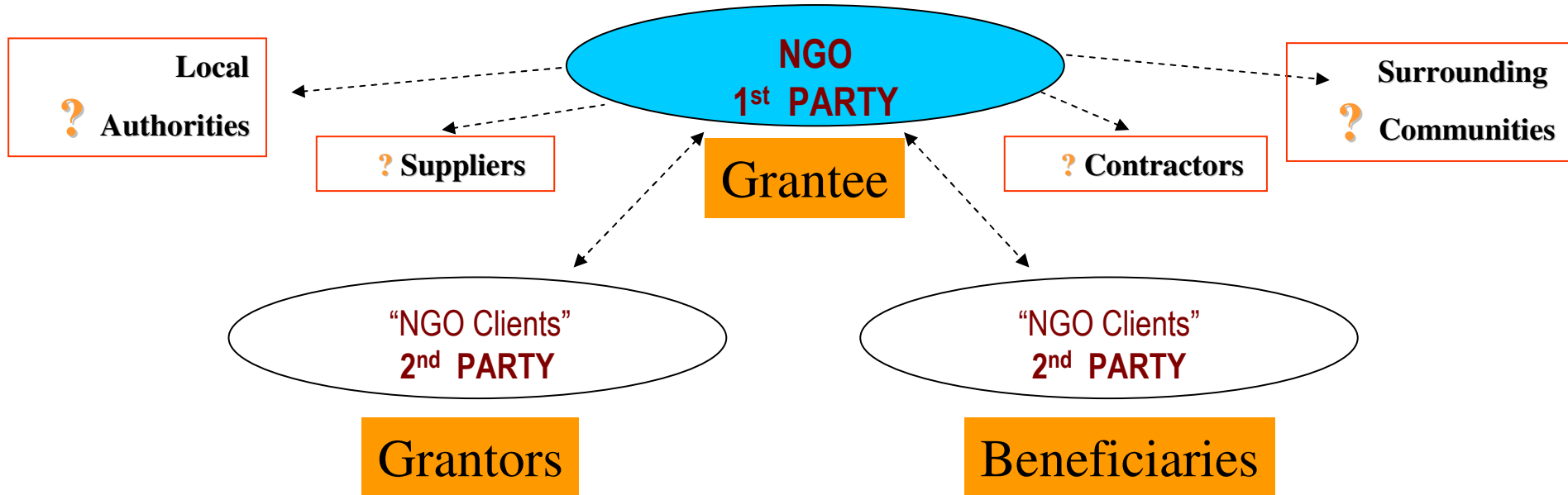
2<sup>nd</sup> Party

### **An interested party does the assessment**

*Conflict of Interest?*

3<sup>rd</sup> Party

### **An independent body, referring to a Standard**



## *Proper accountability*

- ***Shall consider ALL stakeholders and***
- ***Be assessed by bodies that are no party to the “transactions”***

## “Money talks”

- **Grantors** (and any **stakeholder**) are entitled to receive proper accounts on how their **trust** and **money** is being utilized
  
- How to identify an organization that
  - Is trustworthy, reliable, sustainable, compliant...
  - Could make a difference?

## Referenced Codes and Standards

- Grantors and civil society organizations have established International Codes & Standards for eligibility / funding purposes (25 today)
  
- Based on **their** specific requirements
  - Humanitarian principles
  - Quality of Deliveries
  - Finances
  - Ethics
  - etc.
  
- **None is truly comprehensive** in terms of
  - Accountability
  - Risk Assessment



## Approach to these Standards: Our Rationale (1):

- Consolidate what exists today (and complement it)
  
- Focusing on the **RISKS** and their consequences in terms of
  - Image,
  - Performance,
  - Resource Allocation,
  - Control Mechanisms,
  - Sustainability,
  - ...





## Types of Risks

- **Management:** Leadership
- **HR:** Profiles in line with exigencies
- **Market:** Stakeholders going to buy
- **Competition:** Offering something similar/better
- **Funding :** Fundraising ability to sustain itself
- **Insurance:** Liability and property
- **IP :** Right to use the intellectual property it is using
- **Technology :** Appropriateness
- **Projects:** Reasonable, feasible, outcomes measurable
- ...

## Our Rationale (2):

***“IF YOU CANNOT MEASURE IT, YOU CAN NOT IMPROVE IT”***

*Lord Kelvin (1824 – 1907)*

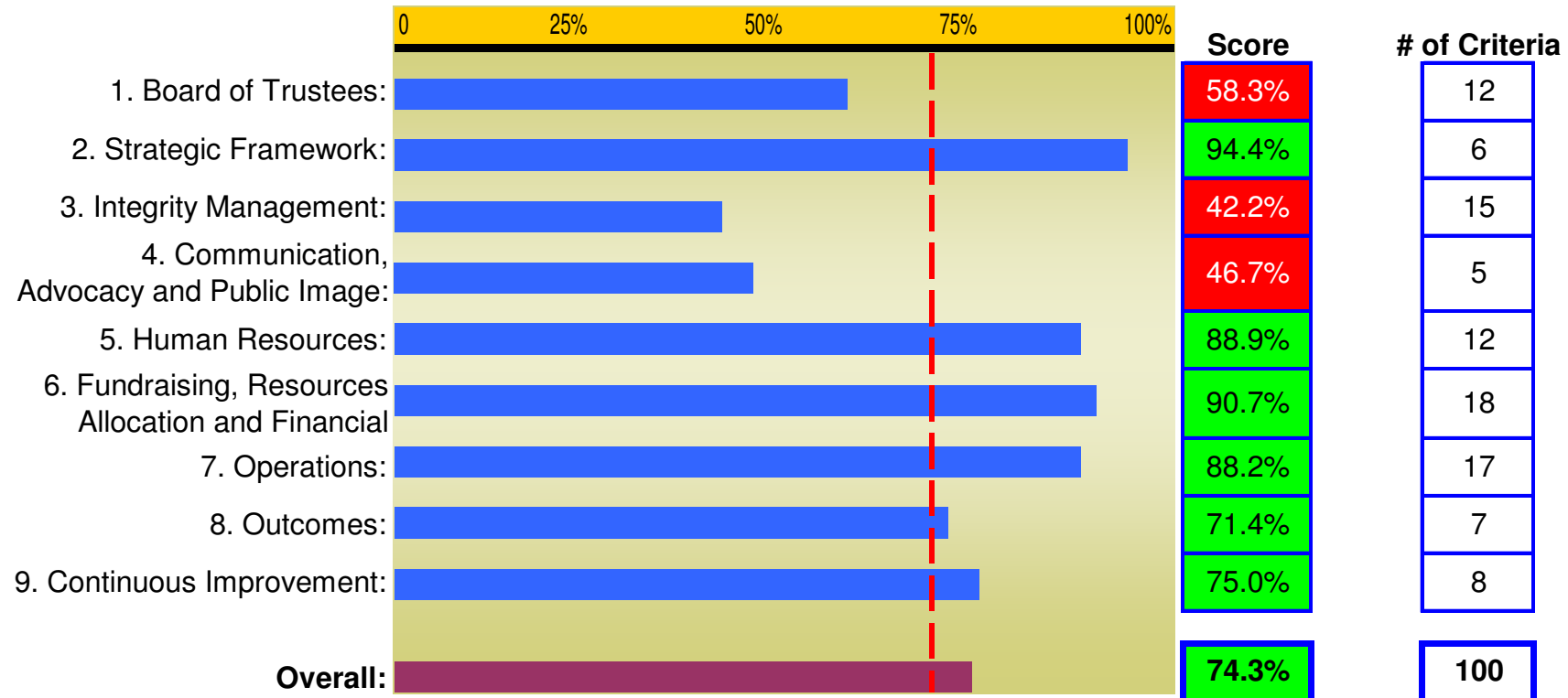
- Identify, in reviewed Standards, *“Objectively Measurable Indicators”*
  - *108 criteria in NGO BM V1*
  
- Establish a **rating** system so that:
  - Clear identification of strenghts / weaknesses
  - Over time, improvements can be traced
  - Data bases for comparison purposes

- **P1: Dimensions of Best Practices**  
Governing Board, Strategic Framework, Integrity Management, Advocacy and Public Image, HR, Finances, Operations, Outcomes, Continuous Improvement
- **P2: Stakeholders' Expectations**  
Transparency, Efficiency, Effectiveness
- **P3: Management Components**  
System, Activities, HR, Finance
- **P4: Continuous Improvement**  
Plan, Do, Check, Act

Each and every stakeholder can select his “entry point” into the results



## P1: Dimensions of Best Practices

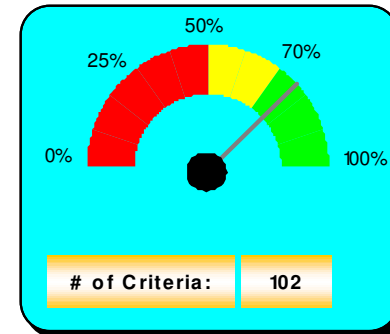
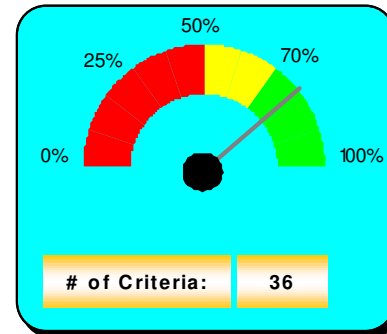
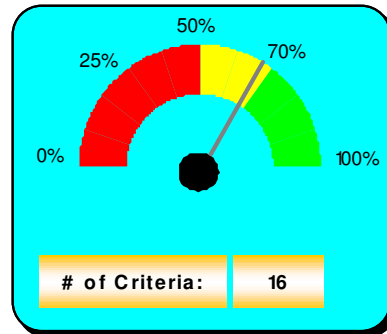
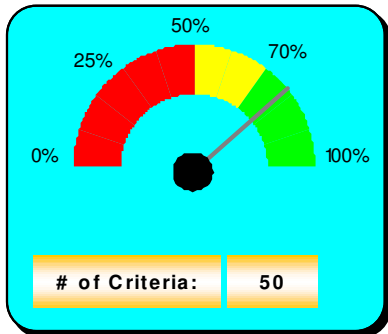
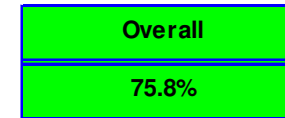
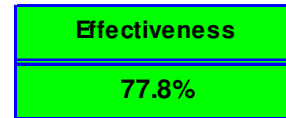
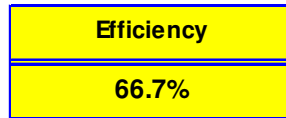
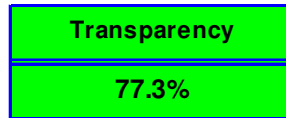


A Certificate is awarded if (a) **70+ %** , (b) **no major NC** and (c) **D1, 2, 6, 7 >50%**

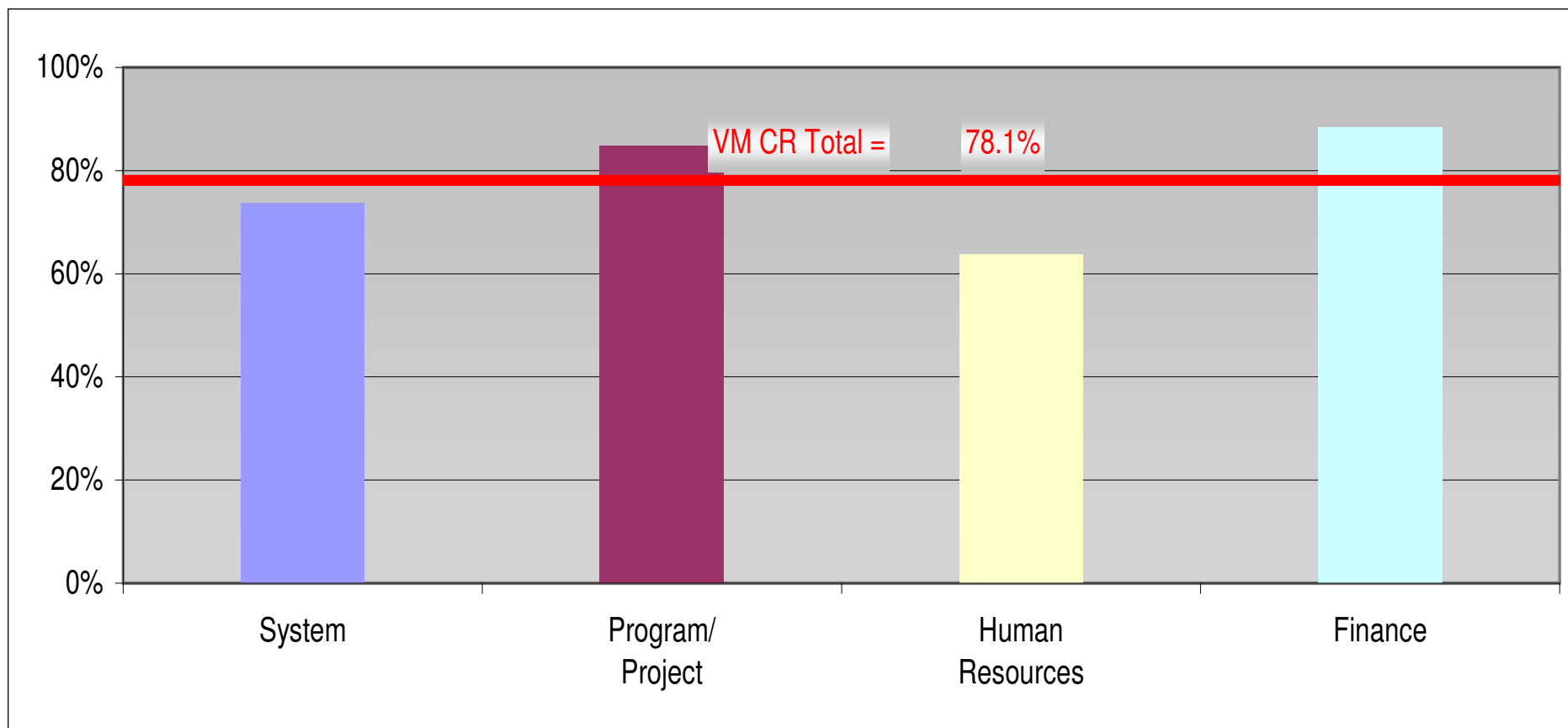
Validity: 12 – 18 months

## P2: Contributors' Expectations

⋮



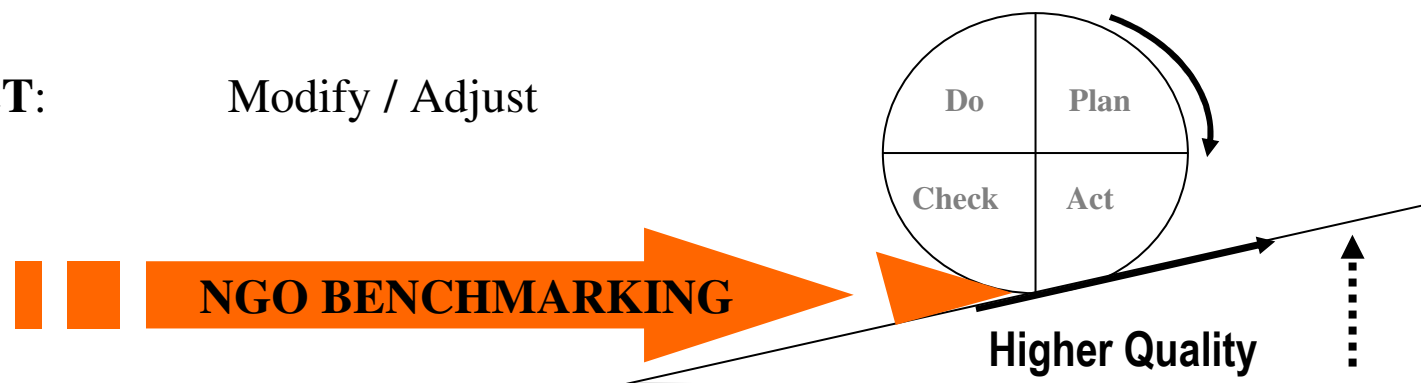
## P3: Management Components



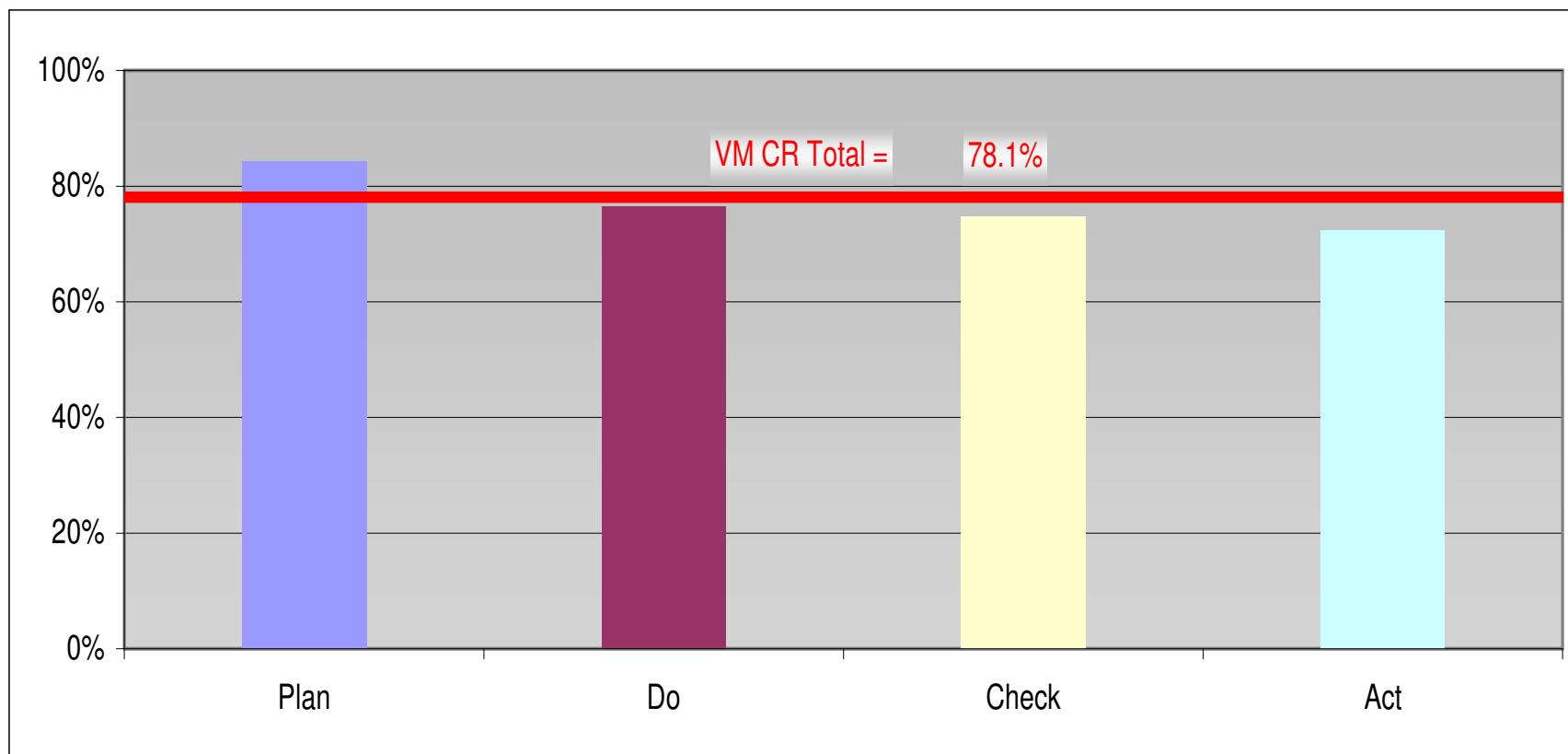
## P4: 4 Steps towards Continuous Improvement

All organizations need a "feedback loop" to improve!

1. **PLAN:** Define / Prepare
2. **DO:** Apply / Execute
3. **CHECK:** Confirm it works!
4. **ACT:** Modify / Adjust



## P4: Continuous Improvement





- Institutional Due Diligence:

Beyond programs & projects: Overall assessment to determine if leadership and management have the capacity, willingness and readiness to accomplish what they claim

i.e. To provide assurance to stakeholders that an NGO is

- Fit for purpose
- Accountable
- Sustainable

- ...In reference to a consolidated Standard of Best Practices



## NGO BM Certification Audit

### IS NOT:

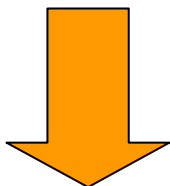
- An Impact Assessment of projects, activities
- A financial or a management audit
- A substitute for dialogue with Stakeholders

### IS

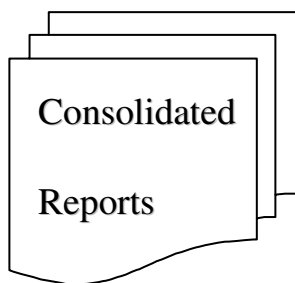
- A Measure of Compliance with International Best Practices
  - ...to be translated into an internal management tool
  - ...for Continuous Improvement Purposes
- Designed for the NGO to keep control over its processes / results, using it for the outside world, whenever necessary and appropriate.

## Services provided under NGO BENCHMARKING

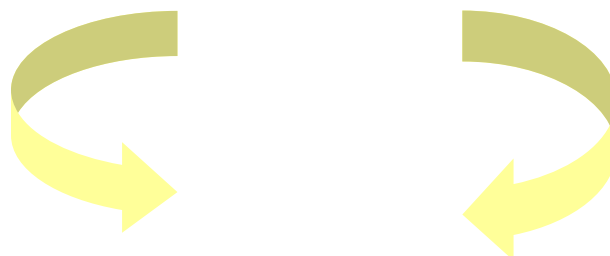
### AUDIT



- Self-Assessment (web)
- Pre-Audit
- Documentary Assessment
- Certification Audit



### TRAINING

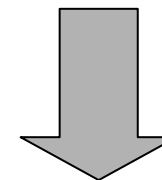


Trainers

NGOs

**Coverage:** The 50 most important  
**Best Practices** criteria  
2 to 3-day sessions  
with case studies, exercices etc.

### CONSULTANCY



Design of  
*“Second-Party Standards”*  
based on  
client’s by-laws or specific  
requirements  
+  
application through audits



[www.ngobenchmarking.sgs.com](http://www.ngobenchmarking.sgs.com)

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