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**Certification
system fit for
the future**

Authors

Ester Dross & Smruti Patel

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Certification system fit for the future

Introduction

This discussion paper has been developed to assist in exploring different options and contribute to making the humanitarian certification process fit for the future. It sets out some of the challenges from the lessons learned from the existing standard and certification process and suggests options for alternative processes for consideration for the future. It is hoped that the paper will be used to explore some more realistic options that will ensure wider reach and more inclusion of local and national actors in the Global South.

Core Humanitarian Standard

Since the early 2000 there has been an effort to improve humanitarian response and to ensure accountability to those affected by crisis. Quality and Accountability Standards have been developed to ensure that the populations affected by crisis can expect consistent response by humanitarian aid actors. Various attempts have been made to improve the way aid providers work through adhering to quality and accountability standards. In 2014, the Joint Standard Initiative, a group of INGOs and NGOs reached an agreement through a consultative process on a Core Humanitarian Standard which considers the different specificities and challenges inherent in the work of humanitarian organizations. There was also an agreement that verification and certification is necessary for quality assurance and improved accountability to affected populations and better adapted and efficient humanitarian aid.

Certification provides an organization with multiple advantages – the recognition that they operate at a certain standard and the ability to demonstrate compliance to a set standard so stakeholder know what to expect from them. An often-overlooked benefit is the learning and improvement delivered because of the certification process. This means that the audit must include not only a historical check of what the organisation has achieved, but also a check that the it has systems that enable continuous improvement. Simply put, these core elements together provide the organisation with an effective system for improving. By using the standard, implementing it and being checked against it, improvement becomes embedded within the organization.

However, three key challenges remain after many years of implementation: Firstly, if the standard itself is too complex and bar set too high that majority of organisations cannot meet the requirements and there is inadequate take up of the standard, especially in the aid system where programmatic and funding decisions are made elsewhere and there is inequitable distribution funding and the power to decide. Secondly, if the certification process is complex

and costly leading to difficulty of obtaining funds to cover the costs of the certification audit and thirdly if the certification is centralised leading to only a limited number of organisations being certified.

Complex Standard

The Core Humanitarian Standard takes into account humanitarian principles and related issues; however, it is a very complex standard. Small organisations, although somehow better placed to implement the different key actions than big, diverse and decentralised networks, federations, INGOs, have often increased difficulties to obtain the necessary funds, covering costs related to complete the process (setting up safeguarding systems, complaints procedures, continuous learning, etc.) The current system is not only costly but also heavy on human resources and therefore not always easy to be implemented by national, regional and smaller NGOs from the Global South. The demonstration that invested efforts and costs have effectively changed the system into a more transparent, accountable, inclusive and equilibrated environment with fair partnerships and providing expected services to the people in the centre has so far not been made; reports on ongoing exploitation, abuse, unequal power situations remain at the front-page of newspaper articles and donor preoccupations. National and regional organisations and networks remain vulnerable to the high cost of certification; 'cost' being understood not only as financial cost. Small organisations lack expertise in a number of domains, do not have sufficient human resources to fulfil all the different processes leading to certification when handled centrally, involving complex procedure. In the light of the CHS review and revision process there is an opportunity to review and simplify the current standard and certification process and make it more realistic and achievable so it can have a wider reach.¹

Complex verification and certification process

As mentioned previously, the Core Humanitarian Standard is a very complex standard. The auditors must not only be familiar with the standard itself and the humanitarian work, but also with the different contexts to enable a certain level of contextualisation and flexibility. It also appears that auditors who are not familiar with the humanitarian context find it difficult to understand structures specific to humanitarian work, to use the provided evidence and apply to CHS audits.

¹ A contribution to the review of the Core Humanitarian Standard, Smruti Patel and Koenraad Van Brabant, July 2022

HQAI currently is recognised by the CHS Alliance, one of the three co-owners of the Core Humanitarian Standard, as the accredited certifying body, to certify, verify or benchmark interested organisations and networks. HQAI with its network of certified auditors tries to address this gap by providing a professional standard taking into account the very specific situation of humanitarian actors. HQAI is currently serving 50 organisations, 23 are certified, 14 are verified and 3 have gone through a benchmarking exercise. These organisations represent a wide variety of sizes, geographical outreach, services and missions. Nevertheless, some questions remain still unanswered and lead to renewed discussions on potential alternatives to the HQAI certification, to the verification process as well as demonstrating evidence for the ultimate scope of certification, improved accountability to affected populations and better adapted and efficient humanitarian aid.

Centralised certification process

The very centralized and unique certification office of HQAI in Geneva is not the best example of global localisation efforts and empowering national organizations, led by national representatives. The question of verification of partner organisations also remains unanswered in light of hundreds of grass-root organisations partnering with INGO's and implementing their projects on the ground. Such number surpass the capacity of a single certification office and are a barrier to wider reach of the certification. There is a strong contradiction between better participation from the Global South, better inclusion and empowerment linked to Local to Global and a certification system which remains very dependent from traditional donors, guided by their expectations and requirements as well as headed by organisations based in the 'Global North'.

HQAI has been working on alternatives to support smaller organisations to access their services, through a Subsidy Fund as well as through the Group Scheme. Although these are valid efforts which should contribute to wider accessibility of certifying services, the question on both capacity and funding remains. Compared to the worldwide number of INGOs, NGOs, CBOs, FBOs and other grassroots organisations, these figures remain low and demonstrate that an increase of capacity can only go through a wider outreach and localising certification bodies. Both of these alternative options do take into account direct cost of audits but do not address the additional constraints on Human Resources, Coordination, Administration, Logistics, etc. which can represent a high burden on national and smaller organisations. The evidence to support value for money of the certification leading to effectively improved support to the people

organisations work with remains to be demonstrated.

One of the major objectives should be to push organisations to more accountability towards communities, better practice in terms of due diligence to staff and implementing efficient, effective and timely programmes; increase transparency and meaningful participation by all, give communities a voice and engage in dialogue to listen and respond to their expectations, feedback and complaints. We should be aiming for improved practice, and generating evidence for more accountable practices. Due diligence processes, even more when involving partners, can take years; therefore, audits should take into account also evidence generated by organisations themselves obtained through their own internal processes and control systems.

Many INGOs and NNGOs have their own M&E systems based on their own pillars of accountability; they generate a lot of evidence which should be taken into account by the HQAI or any other certification audit to not only speed up the process and reach out much quicker at all levels, but also to cut certification and audit costs and avoid duplicated efforts. For this to happen, the assumption or hypothesis should be one of honesty from the INGO / NNGO and a certifying body should trust the evidence the organization is providing to the auditors through its own M&E systems.

Reflecting on the above challenges It is vital to explore alternative models for certification to ensure it is fit for the future, has a wider reach and is affordable. In 2019, KPMG was retained by the CHS Alliance to conduct a review of the existing Verification Scheme and make recommendations for the way forward². This paper adds to the options by also suggesting some hybrid decentralised and localised options.

Why explore alternative models?

Having been through the certification and with more experience, some agency representatives feel that verification and certification is not necessarily generating any new evidence compared to their internal processes and disappointed by what sometimes feels like doubling efforts to achieve an identical goal. The expectation was for certification to generate some robust evidence how these processes have led to improved accountability and giving more voices to smaller organisations; however it is still unclear how voices from Southern led networks have been taken into account and what is the level of cooperation with such networks to explore options such as accreditation systems for delocalized audit options.

² CHS Alliance Verification Scheme, *The Way Ahead, Final Report*, 12 June 2019, KPMG

To achieve higher buy-in, but also more participating organisations, alternative options for certification must be explored and identified. A system depending from a limited number of auditors and managed out of one single small Secretariat is not a viable option on a mid-term basis to verify or certify hundreds and thousands of organisations globally.

The section below set out initial ideas for alternatives to the HQAI model. In the past ISO9001 certification as well as SGS certification³ have been used in some cases for alternative certification audits of humanitarian work.

ISO 9001:2015 auditing principles

- ISO audits certify against their own quality management principles which are:
- Customer focused
- Leadership
- Engagement of people
- Process approach
- Improvement
- Evidence based decision making
- Relationship management

The ISO standard 9001:2015 enables an organisation to use the process approach coupled with Plan-Do-Check-Act Cycle and risk based thinking to align or integrate a quality management system. However, ISO9001:2015 does not include requirements or other quality management systems and does not cover some of the requirements directly related to humanitarian work.

Comparing ISO principles with CHS commitments

Although some overlaps can be identified (see table below), the two standards are still far apart. Before the HAP standard as well as the current Core Humanitarian standard existed, using ISO9001 certainly represented a progress for organisations. However, as ISO did not take into account specificities of humanitarian environments, sometimes challenging donor's acceptance of ISO9001 as a valid certification for measuring accountability to affected populations, humanitarian organisations have moved towards their own humanitarian standard, addressing these identified shortfalls and specific to the sector. 10 years into this experiences, other challenges can be identified today for smaller actors.

ISO	CHS
Customer focused	1 – Relevant and appropriate 2 – efficient and timely
Leadership	8 – Competent and well managed staff
Engagement of people	4 – Communication, participation, feedback
Process approach	9 – Effective, efficient and ethical use of resources
Improvement	5 – Complaints handling 7 – Learning and continuous improvement
Evidence based decision making	6 – Coordination and complementarity?
Relationship management	3 – Enforcing local capacities, do no harm

Coordination and complementarity (Commitment 6) does not completely fit into ISO principles, whereas the ISO principle of evidence based decision making is not specifically assessed by HQAI and the CHS.

Comparing audit reports from ISO and from HQAI, it appears that the ISO audit does give the same high level of information and is not necessarily a useful tool for learning and improvement. On the other side, continuous learning and improvement is one of the key objectives, the CHS aims to achieve. HQAI, although a complex and time consuming exercise certainly contributes in a more exhaustive way to organisational changes and improvements. However, and as already mentioned, the fact that this more exhaustive exercise effectively leads to more accountability and at the end to higher quality services and satisfaction with the end user remains to be demonstrated.

Alternative options

1 – ISO9001:2015 certification widely accepted by donors as an equivalence of CHS certification by HQAI

Given the important differences of the two standards, it is unlikely to expect donors to accept an equivalence of ISO9001:2015 certification when expecting HQAI certification. However, the HQAI model also attracts criticism of some donors and governments (House of Commons – Enquiry <https://parliamentlive.tv/event/index/65fb4d60-6ba7-47e1-81f9-3243f1e1fdad>) To enable progress, a hybrid method between ISO2001:2015 and the CHS would need to be elaborated. During the next CHS revision, such a hybrid certification model could be identified as a 'light version' of the CHS to be used in different regions and handled by regional and local actors while at the same time being recognised by international donors and other partnership actors. ISO certification could be complemented by regional or national evaluators or monitors familiar with CHS standard to reduce the cost of the certification process.

2 – Localized opportunities via a group of ISO or social auditors against the Core Humanitarian Standard, approved by the CHS Alliance as certifying bodies

This option would mean a group of local ISO auditors or social auditors are approved by the CHS Alliance as certifying local bodies. This would increase the number

³ The full form of SGS derived from French which is called Société Générale de Surveillance. SGS is an international inspection agency which works all over the world in the field of improving quality and productivity, reducing risk, verifying compliance and increasing speed to market.

of bodies who are able to provide auditing services and would also increase the reach and may reduce the cost of certification process through decentralised process. Stopping the monopoly of HQAI. ISO would have to see the business opportunity and investment that may have to be made. This option would need acceptance by both CHS Alliance and the other CHS owners (Sphere and URD) as well as ISO to allow and accept the use of the CHS as the tool against which audits take place, either by HQAI or by ISO (or any other certifying body locally available). This option could be representing an additional market for ISO, so therefore attract their interest, but would be of no direct interest to HQAI. As one of the co-holders of the CHS, it is unsure if such a 'takeover' by ISO would be accepted by HQAI and CHSA. However, the key element in this process should be our common interest to provide quality support in an accountable way to different communities around the world, and not considerations around market shares and commercial interests.

3 –CHS Alliance accrediting national or regional certification networks (ISO or others) for CHS certification

Accrediting national or regional certification networks to enable them certifying locally had been on the activity plan of HAP International when alternative options were looked at more in detail. These accreditation options had been dropped, first because of funding, later because HAP International was replaced by the Joint Standard Initiative, leading to the Core Humanitarian Standard Alliance and subsequently to HQAI as the official certification body. However, decentralized options remain valid alternatives to move to more localization, but also to more economical solutions for smaller networks and NGO's. See the example from Uganda Quality Assurance Mechanism in Uganda and PCNC in the Philippines.

Quality Assurance Mechanism (QuAM)

The NGO Quality Assurance Mechanism (QuAM) has been developed for and by non-governmental organisations (NGOs) working in Uganda. It is the result of a participatory process, with wide consultations throughout the sector at national and regional levels, through meetings, newspaper inserts and electronic means. NGO Quality Assurance aims at promoting the 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.

An 'NGO Quality Assurance Certificate' is issued to a candidate NGO that has met the laid-down requirements by the National Certification Council. A National Certification Council, a body jointly appointed by DENIVA, NGO Forum and other national networks (but operating independently from them), oversees the QuAM Our Code Of Honour : The NGO quality Assurance Certification Mechanism (QuAM) and is established solely for this purpose. The Council issues an Annual Report, and reports to DENIVA, NGO Forum and other national networks. It is funded independently of the district committees, through contributions from the NGO Forum, DENIVA, donor agencies and other well-wishers. The NGO Quality Assurance Certification Council issues the Quality Assurance Certificates, upon recommendation from the relevant District Quality Assurance Committee. The National Council also acts as the 'keeper of the QuAM; it monitors its implementation, keeps the required records, sensitises and trains the district committees. It revises Quality Standards as and when necessary, withdraws certificates from errand NGOs, and hears complaints from any aggrieved NGO. The Council collaborates with other relevant bodies, such as the NGO Registration Board, the Office of the Prime Minister, the office of the IGG, and other professional bodies.

The district committee is initially composed of 5 voluntary members, of whom at least one third are women. It is entirely composed of representatives from civil society, respected figures in the district nominated and recommended by the NGO district network/forum at a meeting open to all network members. Members are appointed for a three-year term, renewable once, at a special meeting of executive committees of all district NGO networks/fora and endorsed by the National Council. To avoid any conflict of interest, no NGO district network member or representative and no representative of a candidate NGO (or intending candidate NGO) sits on the Committee.

So far 800 organisations have been certified at district, regional, national level. There is a different cost structure for different levels as follows:

- \$30 for district level organisations
- \$70 regional level organisations
- \$90 national level organisations
- \$120 for INGOs

The biggest challenge is the investment and resource mobilisation need to maintain it. At present GIZ and USAID are contributing to this scheme. They are updating these standards regularly and can also see the advantage of collaboration with other international standards including CHS (Interview with QuAm officer.)

Example of accrediting entity in the Philippines

The **Philippine Council for NGO Certification, Inc. (PCNC)**, a private, voluntary, non-stock, non-profit corporation, is a self-regulatory body of the NGO sector. As the duly designated “Accrediting Entity”, the Council’s main function is to accredit NGOs and Foundations that meet the established standards for good governance and management, and that demonstrate compliance with existing regulatory requirements.

PCNC’s accreditation is a pre-requisite for the registration of NGOs and Foundations with the Bureau of Internal Revenue (BIR) as qualified donee institutions.

Over the years, PCNC, in partnership with the Government, has lived up to the expectation of being the NGO sector’s “self-regulatory mechanism” in ensuring the integrity, transparency, and accountability, and service of accredited NGO. It is our collective commitment that PCNC will continue pursuing its mission for the benefit of more NGO that are trusted, respected, and reliable partners in national development.

4 – CHS Alliance formulating a lighter audit version for regional and national NGO’s and networks, using a local network of identified auditors

This option is partially linked to option 1 (hybrid and lighter standard and certification) and option 2/3.

Discussions with several INGO representatives who were familiar with both ISO9001:2015 as well as the HQAI audits clearly demonstrate an interest in this option. Keeping the importance (and acceptance) from the sector for the CHS certification process but taking into account localisation and financial constraints from national and regional organisations and networks. One of the challenges for this option would probably be time constraints as agreement on what would such a lighter option look like might be difficult to reach in a short time span. To elaborate and agree on a lighter option would need not only time but also a dedicated budget and could probably be best achieved with the cooperation of CHS Alliance and within the revision process of the Core Humanitarian Standard (now planned for 2022).

Alignment between HQAI certification and internal tools of organisations should be possible and automatic. This has recently started by aligning ECHO audit requirements and HQAI audits.

5- SGS - NGO and aid monitoring

In light of wider discussions on nexus approach. SGS could ensure efficiency, transparency and accountability in aid and development through standardized best practice. The SGS NGO Benchmark standard consolidates a range of codes and standards. It offers NGOs large and small, wherever they are in the world, a comprehensive view of their accountability and their requirements for improvement. They have provided hundreds of

benchmarking assessments to date, empowering organizations to identify their weaknesses and create steps for improvement – becoming more resilient and sustainable in the long term, while demonstrating their progress effectively to donors. It would be worth exploring how they would be able to take up CHS audits. It has a far reach worldwide already. This would also help to reduce the cost of a complex HQAI audit.

Conclusion

Reaching consensus on the CHS was a complex process, starting with consultations of more than 2000 humanitarian workers, wide continuous consultations throughout the design of the Core Humanitarian Standard, supervised by a 65-person Technical Advisory Group. It is therefore a rather ambitious project to create a lighter version. However, as the CHS is being revised this year, it might be the right moment to suggest such a change to be taken into account when revising the Standard. At the same time, some deep reflection on reorganising the certification process, using models of accreditation or other locally available options should be explored for a higher implementation of the CHS and achieving higher levels of accountability in humanitarian action. Initial investment will have to be made to support the institutional capacities of national and local certifying bodies. In the long run this will have longer term value for money that is invested and in line with the localisation and de-colonisation commitments of the sector. It should in the end lead to more equity, inclusion and diversity of organisation who own and adhere to quality and accountability standards that are fit for purpose and for the future.