

**STRENGTHENING ACCOUNTABILITY AND GOVERNANCE  
of NGOs IN NEPAL  
(SAGON)**

# **Periodic Progress Report**

17 July -16 October 2015

**NGO Federation of Nepal**

Buddhangar, Kathmandu

Nepal

[www.ngofederation.org](http://www.ngofederation.org)

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## **LIST OF ABBREVIATIONS**

BOGs	Basic Operation Guidelines
CSOs	Civil Society Organisations
DDC	District Development Committee
GoN	Government of Nepal
IBGM	Indicator based Internal Good Governance Monitoring
ICS	Internal Control Systems
INGOs	International Non-Governmental Organisations
M & E	Monitoring and Evaluation
NFN	NGO Federation of Nepal
NGOs	Non-Governmental Organisations
NPC	National Planning Commission
PMC	Project Management Committee
PSC	Project Steering Committee
SAGON	Strengthening Accountability and Governance of NGOs in Nepal
SDC	Swiss Agency for Development and Cooperation
SWC	Social Welfare Council
TA	Technical Assistance
TNA	Training Need Assessment
TOT	Training of Trainers
YPO	Yearly Plan of Operation

<b>Project Summary</b>	
<b>Title</b>	Strengthening Accountability and Governance of NGOs in Nepal
<b>Abbreviation</b>	SAGON
<b>Total duration</b>	15 November 2014-30 September 2017
<b>Goal</b>	To contribute to improved services to the people, especially disadvantaged groups, through a more effective, transparent and accountable NGOs with sound internal control systems and management.
<b>Objective/s</b>	To improve accountability, institutional governance and management capacity of NGOs
<b>Partner(s)</b>	NA
<b>Target group(s)</b>	NGOs, NFN network, and Civil Society networks/alliances/federations
<b>Final beneficiaries</b>	<i>Civil society activists and campaigners</i> working with poor, marginalized women, vulnerable people, excluded communities including Dalits, Muslims, indigenous nationalities, differently able people, sexual minorities, and the people living in remote areas.
<b>Expected Outcomes</b>	<p>Outcome 1: NGOs adopt stringent Internal Control Systems (ICS) and principles of good governance for strengthening their internal governance and management capacity.</p> <p>Outcome 2: The NGO Federation Nepal (NFN) and its regional and district chapters effectively backstop and monitor member organizations' compliance with good governance and management principles.</p>
<b>Expected Outputs</b>	<p>Outputs under Outcome 1.</p> <ul style="list-style-type: none"> <li>- NFN members complied with the NGO Law, the NFN Code of Conduct, and the Basic Operation Guidelines (BOGs);</li> <li>- Participatory planning, steering and reporting mechanism established/strengthened;</li> <li>- Internal Control Systems, including administrative, financial and personnel management systems established/strengthened;</li> <li>- Adequate division of roles and functions of board and the management of NFN members ensured; Boards and staff composition of NFN members is inclusive in terms of caste, gender, and ethnicity; Workforce diversity is promoted and monitored regularly.</li> </ul> <p>Outputs under outcome 2</p> <ul style="list-style-type: none"> <li>- Increased understanding of principles and practices of good governance and ICS among NFN and its regional and district chapters,</li> <li>- Indicator based Internal Good Governance Monitoring (IBGM) system established and used by NFN and its chapters</li> <li>- Hotline for technical assistance on governance issues established and used in NFN and its regional resource centers</li> <li>- Local Resource Persons identified and trained at centre and region</li> </ul>
<b>Key Activities</b>	<p><b>Activities under outcome-1</b></p> <ol style="list-style-type: none"> <li>1. Publish NGO-Governance resource books</li> <li>2. Organize trainings on Internal Control System and NGO Management</li> <li>3. Organize training on Institutional Governance of NGOs</li> <li>4. Institutionalize NFN's Code of Conduct, Istanbul principles of CSO development effectiveness and Basic operation Guidelines (BOGs)</li> </ol>

	<ul style="list-style-type: none"> <li>5. Publish Newsletters</li> <li>6. Organize multi-stakeholder meetings on resource mobilization</li> <li>7. Establish database of workforce diversity of NGOs</li> </ul> <p><b>Activities under outcome-2</b></p> <ul style="list-style-type: none"> <li>1. Develop regional coordination mechanism</li> <li>2. Develop organization management guideline of NFN</li> <li>3. Organize capacity development training to NFN district chapters</li> <li>4. Monitoring of Code of Conduct, Istanbul Principles of CSO development effectiveness and BoGs</li> <li>5. Organize sharing and review workshops in the regions</li> <li>6. Awarding best performing district chapters</li> <li>7. Coordination meetings with key stakeholders at central level</li> <li>8. Organize National Civil Society Conferences for development effectiveness</li> </ul>
<b>Total Estimated Budget</b>	NRs. 59,847,872

## Executive summary

NFN has been implementing a project titled '*Strengthening Accountability and Governance of NGOs in Nepal*' (SAGON) since 15 November 2014. The objective of this project is to improve accountability, institutional governance, and management capacity of NGOs. The project aims to produce two outcomes: (I) NGOs adopt stringent Internal Control Systems (ICS) and principles of good governance, and (ii) NFN backstops and monitor member organizations' compliance with good governance and management principles effectively. This report presents the information regarding the progress, achievements and outputs for the period 17 July 2015-16 October 2015.

In this period under outcome one, NFN was able to publish 3500 resource books on NGO Governance, which will be helpful to disseminate knowledge on institutional governance of NGOs. Similarly, 3-day ICS and NGO governance trainings were organized in 27 districts and now there is in process to evaluate this training before conducting in remaining districts. On the other hand, NFN published 3000 copies of books on NFN's code of conduct, Istanbul Principles of CSO development effectiveness and Basic Operation Guidelines (BOGs) of international agencies. NFN has started to orient the NGOs about this, but it will take place massively after Dashain. NFN has developed an operational guideline targeting to the districts for doing so. Similarly, third issue of newsletter "Sachetak" has been sent to the press for its publication. Regarding database of work-force diversity, 27 districts have collected information, those who conducted their ICS training. Likewise, baseline data have also been collected simultaneously on ICS and NGO management.

Under outcome two, NFN has regularized its regional mechanisms in the regions. It has published 1000 copies of Organization Management Guideline recently, which has been started to distribute in the districts and regions. Similarly, NFN is in process to finalize the training manual of Capacity Development Training of NFN district chapters. On the other hand, regional offices have been asked to select districts for the purpose of monitoring of compliance of Code of Conduct by NGOs. 15 districts have been selected for monitoring. Selection was done by the regions. NFN centre developed an operational guideline for monitoring targeting to the districts and shared with them. Further, NFN has started to organize Regional Sharing and Review Workshops in the regions. A workshop has been recently concluded in western region at Lumle, Kaski. But, it has been postponed in case of other districts. Awarding the best performing district is another activity. Its spadework has been initiated. For instance, an operational guideline and formation of selection committee for each region have been completed. Regional offices have begun their process in respective regions. Several coordination meetings were held in the period in order to enhance the space of NGOs in the country in changing political scenarios.

In this period PMC meeting held five times and they have taken some operational decisions including recruitment of staffs in vacant positions. For instance, Mr. Chhabilal Sunar, Regional Programme Officer and Mr. Binod Gautam, Programme Officer have been hired for the project. The meetings also reviewed the situations in the country.

This period of the project was stay behind very disturbance due to rainy season and unavoidable circumstances created by political processes such as constitution making and political unrests caused by Madeshi centric political parties. Project activities were not move forward due to uncomfortable situations across the country. But, it is hoped that the planned activities will run smoothly in coming days and there will be no obstacle for mobility from centre to the districts and regional centers and vice-versa.

According to the last report the total expenditure of the project was NRs. 4,309,202/-, which is now reached to NRs. 7,678,150. Some amounts are in advance in the districts.

## 1. Introduction

NGOs are integral part of society. They have been widely recognized as essential elements in development worldwide. Increasingly, they have become important players in local, national, and international governance process. Their engagements have laid positive impact on the democratic governance of state and the market. Despite worth mentioning contribution of NGOs, they are often criticized for not having appropriate internal control system, governing policies, separation of power, legitimacy of action, inclusiveness, and coordination with the government in action.

In order to address these issues NFN has been implementing "*Strengthening Governance and Accountability of NGOs in Nepal (SAGON)*" project since 15 November 2014. The objective of this project is to improve accountability, institutional governance, and management capacity of NGOs. The project aims to produce two outcomes: (i) *NGOs adopt stringent Internal Control Systems (ICS) and principles of good governance, and (ii) NFN backstops and monitor member organizations' compliance with good governance and management principles effectively.* This project is targeted to the NGOs/CSOs and their networks and it covers all the districts.

This report has been prepared based on the information regarding the progress and achievements made from 17 July to 16 October.

## 2. Key achievements

### ***Outcome 1: NGOs adopt stringent Internal Control Systems (ICS) and principles of good governance for strengthening their internal governance and management capacity.***

Under the outcome one, the project aims to produce outputs such as establish/strengthen ICS; establish/apply participatory planning and steering mechanism; apply PMS for the monitoring of the staff; adopt and apply Financial Management System; adopt procedure for promoting work-force diversity; form inclusive board in terms of caste, gender and ethnicity; develop clear guidelines for making and inclusive board and staff structures; and separate board and the management with clear TORs. Some activities were undertaken in first year to achieve the results. In this reporting period, following activities were undertaken:

#### **Publish NGO-Governance resource books**

NFN has published 3500 NGO Governance resource books (*enclosed*) recently. This book included contents such as concept of governance; elements of good governance; ingredients of good NGO governance; Government's policies for promoting good governance; and tools and techniques to promote good governance. This book will be helpful to the NGOs and civil society activists to deepen their knowledge on institutional good governance of NGOs. Now, NFN is planning to distribute these books to NGOs through its regional offices and district chapters.

#### **Organize districts level trainings on internal control system and NGO management**

Training on ICS and NGO management is one of the core activities of the whole project. NFN district chapters have been made responsible to conduct this training in their respective districts. Duration of the training was 3 days for each group. Resource persons developed in TOT were mobilized as resource persons. They have used the training manual developed by the centre during the training. Similarly, district chapters were also provided an operational guideline for their effective management. So far 27 districts have already completed these training (*Annex-I.*). This training has been now postponed for remaining districts as the project is planning to evaluate the effectiveness and implication of these trainings in the districts. The purpose of this evaluation will be to improve the training further in rest of the districts. This training is believed an instrumental to bring the changes in entire NGO sector.

## **Institutionalize NFN's Code of Conduct, Istanbul principles of CSOs development effectiveness and BOGs**

***Publish NFN code of conduct, Istanbul principles of CSO development effectiveness and BOGs:*** The project had published 3000 copies of pocket books on Code of Conduct, Istanbul Principles of CSO Development Effectiveness and BOGs (*enclosed*). Now, NFN has started to distribute these books to the NGOs and within NFN's network. Moreover, as a part of this activity, NFN has also produced 100 hanging flex boards, which will be hanged in the office of NFN district chapters, regional offices. They will be helpful to sensitize NGO activists and concerned agencies. Because of the transportation problem, centre office has not been able to deliver to the districts. Regional offices will support us to deliver them in the districts.

***Orientation on NFN code of conduct, Istanbul principles of CSOs development effectiveness and Bogs:*** This activity has been planned to organize in all the districts in the second year. NFN has already developed an orientation guideline (*Annex-II*) targeting to the NFN district chapters, who have been made responsible to organize this programme in the districts. The guideline has been already sent to the districts through email. But, due to political unrest and transportation problems, districts are not in position to conduct this programme. However, Morang (15 October) and Rupandehi (14 October) have organized the programmes in their district. As per information from the districts some districts are planning to organize their programmes. NFN central committee members and Regional Committee members are responsible to facilitate the orientations in the districts. Even the centre office could not send the book of Code of Conduct, it has sent its electronic copy to the districts through regional offices.

### **Publish newsletters**

As in the first year, the newsletter called "Sachetak" has been finalized and it has been given to the press for its publication. This issue is the third issue under the project. The newsletters are found important to disseminate the news and information related with the projects and NGO governance. In addition, experiences and good practices of the NGOs have been included in this issue. NFN will deliver this publication to all the districts in October-November.

### **Establish database of workforce diversity of NGOs**

The project has planned to establish a database of workforce of NGOs including the NFN. A guideline including survey questionnaire form developed by the centre has already been sent to the district chapters. NFN has planned to collect the information during the time of ICS training, where representatives of NGOs do present. So far 28 districts have already collected their data. Data compiled by the districts will be sent to the regional offices. Regional offices have been made responsible to compile and analyze the data at regional level. After receiving data from all the districts, they will be analyzed at the centre, which will come up in the form of baseline data.

## **Outcome 2: NGO federation Nepal (NFN) and its regional and district chapters effectively backstop and monitor member organization's compliance with good governance and management principle.**

Under this outcome the project has planned to establish Indicator Based Governance Monitoring (IBGM) system and hotline services in NFN regional offices and district chapters for technical assistance on governance issues in second year. Also, it is targeted to evaluate internal governance system in 5 sample districts. Development of at least 125 resource persons to conduct training on capacity development of NFN district chapters and awarding to the best performing districts are additional outputs to be produced based on their performances. In order to produce the intended outputs under this outcome, NFN has implemented following activities in this period:



### **Develop regional coordination mechanism**

NFN has project offices in each regional centre. Also, Regional Programme Coordination Committees have been formed in each development region in first year as the regional mechanisms. As in first year, regional offices have continued their functions as regional hubs and they are fulfilling their responsibilities to undertake day-to-day activities of the project in the regions. Central office has been providing technical guidance and operational supports to the regional offices. Regional Committees of NFN are supposed to supervise the works of the regional offices.

### **Develop Organization Management Guideline of NFN**

In first year, NFN has developed its Organizational Management Regulation (*enclosed*) as a part of its policy guideline, which was approved by its last board meeting held on 28-29 June 2015. Now, NFN has just published 1000 copies this regulation in a form of book which has been started to distribute to the districts and regions. This regulation will contribute in entire organizational management process of NFN and it will help to solve the practical problems being faced inside its organizational functions.

### **Organize capacity development training to NFN district chapters**

In first year, NFN has assigned to ODC to provide its technical services for this activity. They have already submitted the TNA Report, curriculum of regional level TOTs and draft training manual. NFN is going to finalize the training manual and TOTs will be organized in regions later. It is anticipated that this training will enhance the capacities of NFN district chapters. Because of the political unrest and transportation problems, NFN has not planned to move forward it.

### **Monitoring of code of conduct, Istanbul principle of CSOs development effectiveness and BOGs**

The project has planned to monitor the Code of Conduct, Istanbul Principles of CSO development effectiveness, and BOGs in 45 districts. Monitoring will take place in three phases. So, NFN has asked regional offices to select the districts. Regions have selected following districts for the purpose of monitoring:

*Eastern Region: Jhapa, Sankhuwasabha and Udayapur*

*Central Region: Sindhuli, Sindhupalchowk, Chitwan and Kathmandu*

*Western Region: Kaski, Parbat and Rupandehi*

*Mid-Western Region: Dolpa, Banke and Pyuthan*

*Far Western Region: Doti and Bajhang*

For monitoring a 3-member monitoring team representing from District Administration Office, District Development Committee and NFN will be formed in the districts. To ease the monitoring process NFN has developed a guideline (*Annex-III*). According to the guideline maximum NGOs will be covered for assessment process in the selected districts. NGOs will be categorized into excellent, good, average and poor according to the results of assessments.

### **Organize sharing and review workshops in the regions**

The project has proposed to organize sharing and review workshops in September 2015. The aim of these workshops is to share and discuss on experiences of district chapters in the regions. Workshop will review the problems and challenges faced by the district chapters regarding project and NGO sector. So, far western region has concluded its one-day workshop in its region on 14 September. The workshop was also remained useful to share the experiences and lessons of the ICS Training. In order to organize the regional workshops, NFN has developed a guideline (*Annex-IV*) targeting to the regional offices. The regional workshops have been postponed in case of other regions due to political unrest and transportation problems.

### **Awarding best performing district chapter**

NFN has begun a process to select best performance district chapter in each region. The performance of the district chapters will be measured by the regional committees of each region and they will nominate the names of districts to be awarded. In this regard, a guideline and assessment indicators have been determined for awarding the best performing district chapters. The nomination and awarding will take place during the annual general meeting of the NFN and the best nominee will be awarded with a cash prize and certificate on the same occasion. In order to carry on the assessment process in the regions, NFN has formed 3-member assessment committees (*Annex-V*) for each region. After forming these committees, they have started their works.

### **Coordination meeting with key stakeholders at central level**

NFN has organized several coordination meetings with various organizations such as civil society networks, federations, alliances, government and international agencies in this period. These meetings were remained useful to improve the participation of civil society sector in policy engagement. For instance, NFN organized a meeting with CSOs on draft constitution and analyzed the provisions related with CSOs on 22 July. Based on conclusion of discussion a suggestion paper (*Annex-VI*) was developed and handed over to the chairman of Constituent Assembly Mr. Subash Nemwang on 23 July. Similarly, a meeting was held with Minister of Women, Children and Social Welfare on 30 July and discussed on new legal documents (*Social Development Bill and draft Social Welfare Council Bill*). Most importantly, NFN organized meetings with CSOs on 31 July and on 3 September and discussed on Post 2015 sustainable development agenda. A joint statement (*Annex-VII*) has been produced on the basis of conclusions made in the meetings. CSO networks again meet on 18 September and discussed on contemporary political situation and promulgation of new constitution of the country. Likewise, a consultation meeting was held on 24 September with NFN advisors to develop a view of NFN on emerging political development.

## **3. Project Management**

Following activities were undertaken as management actions in this period:

### **Project Management Committee**

NFN is solely responsible to implement the project and it has established a Project Management Committee at the centre. NFN has organized five meeting of PMC in this period. Its detail has been given below in table.

No. of Meeting	Date	Major discussion and decisions	No. of attendees
6 <sup>th</sup> Meeting	3 August 2015	<ul style="list-style-type: none"><li>Reviewed on project activities such as ICS training held on districts</li><li>Endorsement of payment of Development Matrix Pvt. Ltd.</li><li>Extension of contract of Mr Dabal Kaji Rokaha, Programme Officer</li><li>Approval of resignation of Mr Ram Krishna Humagain, Regional Programme Coordinator, Nepalganj</li><li>Extension of contract of ODC Pvt. Ltd on Capacity Development Training of NFN District Chapter</li></ul>	14
7 <sup>th</sup> Meeting	14 August 2015	<ul style="list-style-type: none"><li>Postponing ICS training and evaluation of completed training</li><li>Shared the progress such as Second Year-</li></ul>	9

		YPO, First Year Report, Development of Training Manual of NFN District Chapter Capacity Development Training, and finalization of Operational Guideline to organize orientation on Code of Conduct.	
8 <sup>th</sup> Meeting	25 August 2015	<ul style="list-style-type: none"> <li>Discussed on the situation of the districts caused by political strikes and closures</li> <li>Decided for service contract with Mr. Chhabilal Sunar for Regional Programme Coordinator in Nepalganj</li> <li>Approval of Resignation of Mr. Dabal Kaji Rokaha, Programme Officer and formed a Staff Selection Committee</li> </ul>	5
9 <sup>th</sup> Meeting	18 September 2015	<ul style="list-style-type: none"> <li>Discussed on the situation of the country and reviewed the project activities</li> </ul>	7
10 <sup>th</sup> Meeting	29 September 2015	<ul style="list-style-type: none"> <li>Shared the information of Regional Workshop held in Western Region</li> <li>Decided on service contract with Mr. Binod Gautam as Programme Officer at Centre</li> </ul>	12

#### **Human resources**

Altogether, there should be ten staffs in the project team. But, meanwhile Regional Programme Coordinator of Mid-western Development Region Mr. Ram Krishna Humagain had resigned from his post. So, the NFN has recruited Mr. Chhabilal Sunar in the vacant position. He has started his service from 25 August. Similarly, Mr. Dabal Kaji Rokaha, Programme Officer had also resigned from his post. In his position, NFN has decided to appoint Mr. Binod Gautam recently. He will join the office from 1<sup>st</sup> October. Both vacant positions have been fulfilled through open competition process.

#### **Budget, financial management and auditing**

In this period, NFN did not receive additional budget from the embassy. As per financial report, the project has spent a total of Rs. 7,678,150/- by the end of 16 October 2015 and some amount are in advance in the districts. Financial management of the project has been done as per the contract signed between SDC and NFN. All procurement and spending were taken place on general norms and policies of NFN. Furthermore, the project is maintaining accounting and financial management system according to the norms and policies of NFN. Meanwhile, KB Chitracar & Company has been hired by Embassy for the purpose of auditing/reviewing the financial management for the period 15 November 2014 to 16 July 2015.

#### **Webpage and update**

NFN has created a webpage inside its official website: [www.ngofederation.org](http://www.ngofederation.org). This webpage aims to highlight the information related with SAGON project. Initially, the basic information of the project has been published in this page and all the outputs, reports and related materials of the project are continuously uploaded. The webpage has been regularly updated in this period as well.

#### **4. Experiences and lessons**

The reporting period was entirely the rainy season in the country, so the project activities could not be carried out smoothly in this period. Similarly, another problems faced by the project was political unrest at the time of constitution making process. Most of the districts were affected by strikes and closures. Later on, political movement announced by Madesh centric parties have also affected the programme since mobility was become difficult, which is still prevailed, especially in Tarai districts. Similarly, absence of Programme Officer had also affected the project activities. But, it is hoped that situation will

be improved in coming days. Office had spent some days for the recruitment in vacant position. Despite, uncertainties some districts were able to conduct trainings on ICS and NGO management, but they could not send their reports and financial documents on time, so their final payments could not be sent. Some districts postponed their training due to unexpected situation created at the stipulated time. Regional offices are continuously contacting with the districts to receive the reports of the training.