



hqvai

HUMANITARIAN QUALITY
ASSURANCE INITIATIVE


So you can **#TrustAid**

20
22

Annual Report

Figures, insights and a spotlight
on improvement and impact

Mangrove afforestation by and for the people.
© Friendship Bangladesh



**When we
measure, organisations
improve.**

HQAI is an independent
auditor for the humanitarian and
development sector,
putting accountability to
affected people at
the centre of its work.

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Farmers' Clubs: cultivating prosperity.
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WHAT WE DO

HQAI is an independent auditor for the humanitarian and development sector. Professional, not-for-profit, and non-governmental, HQAI undertakes risk-based management system audits to assess the level of application of the Core Humanitarian Standard on Quality and Accountability (CHS) by organisations. Accountability to affected people is at the centre of HQAI's auditing services which include certification, independent verification, and benchmarking.

Our mission is to provide professional quality assurance services to improve the work of humanitarian and development organisations. HQAI's services trigger sustained organisational capacity building within NGOs and provide consistent measurable data in the delivery of quality action, thus improving a principled, accountable, and efficient provision of aid.

We practice what we preach

As an active member of the humanitarian and development sector, HQAI is accountable to affected people, audited partners, donors, as well as other interested parties. HQAI's work and engagement is annually verified through the accreditation of HQAI's certification scheme under ISO/IEC 17065:2012, a process that ensures that HQAI complies with ISO-relevant standards.

The standard we use

As a core standard placing people affected by crisis at the centre, the CHS describes the essential elements of principled, accountable, and quality humanitarian and development work. The CHS is a measurable standard - a unique feature - and HQAI was created to independently assess the degree to which organisations apply the CHS across their work.

Accountability at the centre

Accountability to affected people (AAP) is at the centre of HQAI's work. The combination of 1) regular independent audits with 2) the CHS as an accountability standard, actively improves AAP within organisations and in their ways of working. The CHS also offers a universal language on accountability that makes expectations, practices and measurements of quality and accountability accessible.

Renewed accreditation of HQAI's certification scheme under ISO/IEC 17065:2012.



Core Humanitarian STANDARD

Publication of a position paper about HQAI's work: what it entails, how it works and the journey ahead.

WHAT WE DO

HQAI responds to growing demands from NGOs, governments, donors, and the public, for a professional, independent assurance that organisations supporting vulnerable and at-risk communities act in accordance with the CHS. The sector demonstrates a growing interest in HQAI's practical contribution to the delivery of some of the Grand Bargain commitments, in particular on localisation and reducing duplication of due diligence requirements.



(note) UNICEF benchmarking audit conducted in 2019.

The diversity of HQAI's audited partners and their organisational set-ups (small, big, national, international, humanitarian, development, working through partners, federations, pooled funds) demonstrates the flexibility of the CHS and of HQAI's methods to measure its application.

HQAI works with 40 registered auditors worldwide.

The number of organisations covered by HQAI's services is continually increasing. >30% are L/NNGOs.

WHY WE DO IT



Progress can be seen when organisations take these Commitments seriously, assess how they are meeting them and make concerted efforts to improve where they are not delivering. As evidenced in the snapshot of those committed to the certification cycle, such an enduring commitment results in real change over time.

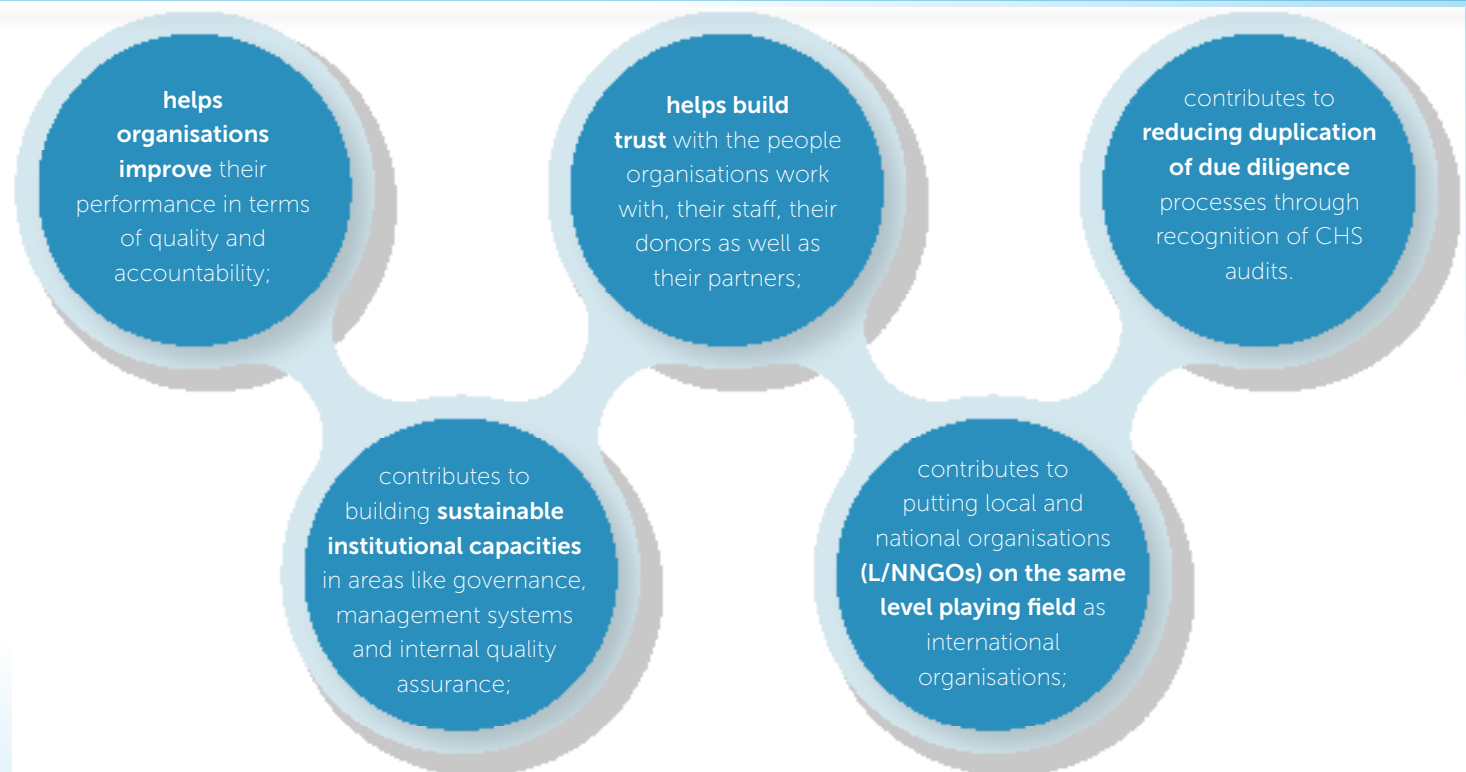
(...) Findings suggest that CHS verification can be the system of adaption for accountability that galvanizes change – one that can lead to reformulating how aid workers, leaders, organisations, and the system as a whole understand, use and are held accountable for their power.”

2022 Humanitarian Accountability Report

The audit cycle is a multi-year process which stimulates organisational change and improvements over time. Regular feedback from NGOs and findings of the [2022 Humanitarian Accountability Report](#) illustrate that the audits effectively impulse change.

WHY WE DO IT

Through the CHS, HQAI measures the extent to which organisations are accountable to the people they serve. Reflecting an objective view on the management systems an organisation has in place, HQAI's work:



Two areas of work, namely localisation and deduplication of due diligence requirements, have been the harbingers of HQAI's agenda this year. HQAI has contributed to both the above objectives and continues to provide impetus for a systemic change in the future. The following pages allow for a closer look at these.

HQAI developed a sound research methodology to measure three forms of accountability: to affected people, internally to staff, and to partners. This will feed into HQAI's impact study.

Publication of a briefing paper about HQAI's technical contribution to reducing duplication of due diligence requirements.

WHY WE DO IT



TESTIMONIAL

Localisation needs to be implemented in a systemic manner.

Hear from **Runa Khan**, Executive Director of Friendship Bangladesh (certified against the CHS since 2023 and part of the pilot "direct funding for L/NGOs" financed by HQAI's Facilitation Fund)

Creation of HQAI Facilitation Fund: a pooled donor fund for localisation projects and subsidies.



The most pertinent question we need to address first is, why do we need localisation?

"The simple reason is that local people are the first responders to any crisis as was evidenced by the Covid-19 pandemic and thus need to have the capacity to make important decisions in a limited time. Second, indigenous people know their context the best... While working for Friendship, before localisation even became a norm, I realised that unless the donors and people in need are brought together, the donor would never trust or understand the severity of the situation.

Localisation has become the buzzword recently, but it needs to be implemented in a very systemic manner. There needs to be a clear understanding of what local and international organisations can do; considering that both have a very specific set of skills to offer. Simply put, an international organisation cannot understand the context better than a local individual and a local organisation cannot monitor as efficiently as an international organisation due to a lack of resources, as we can envisage in the coming years with the economic crunch everywhere, and human capital. Therefore, both organisations should try to fill each other's gaps as opposed to engaging independently. We need to build this partnership together to make a global team and work towards better funding and aid. Let's not look at local or national organisations as exclusive of each other and focus on the complementarity of the two."

WHY WE DO IT

Contributing to localisation – Towards systemic change.

Under HQAI’s mission, localisation has a threefold objective: One, to make sure that independent quality assurance is accessible to all organisations, particularly to L/NNGOs, for whom resources could be a barrier. Two, to work towards developing quality assurance capacity where it is needed, especially national and local. And third, to contribute to the sector-wide localisation agenda and establish independent quality assurance as a tool to enable direct funding to L/NNGOs.

The Grand Bargain aims at a target of 25% of all funding delivered as directly as possible to L/NNGOs but we know that there remains a journey between intentions and practice. **Panellists at the HQAI Round Table 2022 shone light on a promising enabler of localisation:** certification on the CHS. The interactive discussion among governmental and other donor representatives, auditors and NGO alliances, international and national NGOs, CHS Alliance representatives and HQAI yielded a set of actionable reflections that can be found [here](#)

HQAI contributes to localisation at different levels: The CHS audit journey leads to continual capacity building which brings L/NNGOs on the same level playing field as intermediaries, including for trust-building with partners and potential access to funding. Our plans for 2023-25 are ambitious to further localise auditing capacities and increase the use of agile, contextualised, and decentralised approaches. To facilitate these developments, HQAI created a [Facilitation Fund](#) serving as a pooled donor fund in favour of localisation.

HQAI’s efforts don’t stop here: The [Group scheme](#) allows for economies of scale and is another option for L/NNGOs to access our services. Further, by auditing pooled funding mechanisms and applying the CHS to their due diligence, we can open the way to more collective approaches whilst maintaining AAP at the very centre of the process. For all innovations it remains central for HQAI as a quality assurance body that we maintain the required robustness and integrity of our audits (through the application of international norms for certification bodies, ISO, for example) as we advance on this agenda for change.

HQAI Round Table generates interest from more than 20 stakeholders representing governments, donors, INGOs, networks and L/NNGOS.

Two Group audits (pilots) are operated in collaboration with ICVA (International Council of Voluntary Agencies) in Palestine and Tanzania.

HQAI conducts its first CHS audit of a pooled funding mechanism, demonstrating the flexibility of its audit methodology.

Pilots are underway in countries where access is particularly complex, to test new, local methods of auditing.



HQAI is committed to ensuring that its services are accessible to humanitarian and development organisations however small, whatever their budget, and wherever they are located. The Facilitation Fund can open the way to new agile, contextualised and decentralised approaches.

WHY WE DO IT

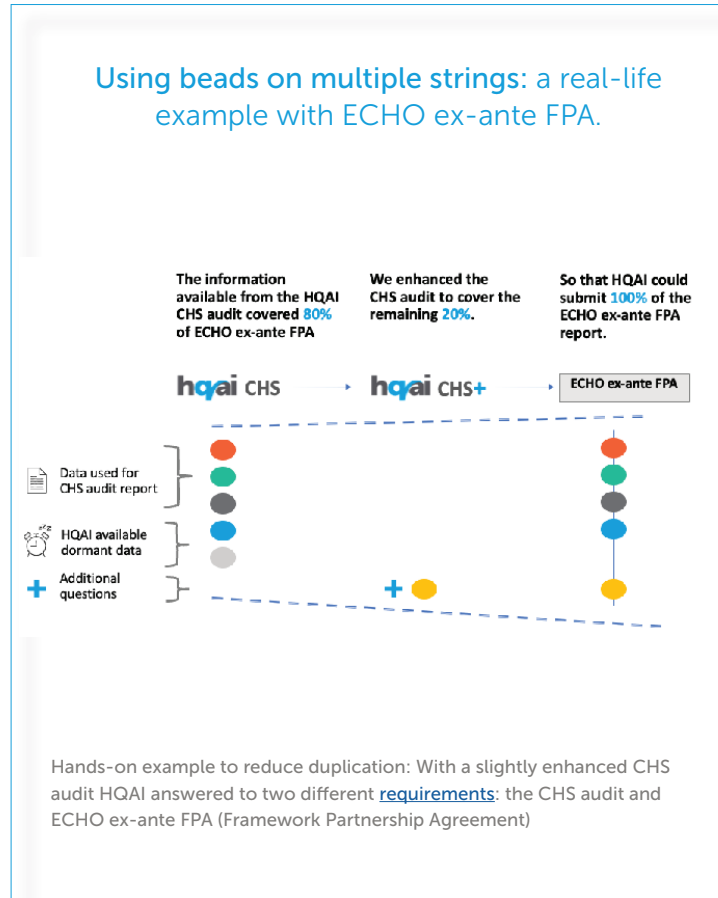
Contributing to deduplicating due diligence requirements - Building bridges.

Different donors have different due diligence (DD) requirements and systems in place for which organisations need to invest significant resources (financial, technical, human). The duplication of such requirements and a lack of harmonisation in the sector constitute one of the tougher barriers to successfully furthering the localisation agenda. In order to preserve resources and capacities, HQAI investigates together with donors how to consolidate/streamline due diligence processes.

The following examples illustrate HQAI's contribution to this work:

1. Using one audit for more than one requirement (the "ECHO case")

There can be significant overlaps between the information collected during an HQAI CHS audit and the data typically required for DD assessments. Bridging from one assessment to another by using validated audit data for more than one purpose can be a means to reduce complexity, increase cost effectiveness and simplify reporting.



2. Use of CHS Verification in donor DD

Donors and governments who require or recognise CHS Verification in their own processes create significant potential to reduce the DD requirements for the organisations they fund. Beyond gains for each organisation, the roll-out of "DD passporting" can lead to significant economies of scale for the sector and contributes to the overall added value of CHS Verification. To date, Denmark (DANIDA), the Disasters Emergency Committee (DEC), the Dutch Relief Alliance (DRA), UK's FCDO, Germany and Irish Aid recognise and/or use CHS Verification to [various degrees](#)

3. Pilot in favour of direct funding (CHS+)

The work on DD has entered a new stage with the completion of a pilot in collaboration with three government donors (Denmark, Luxembourg, and the United Kingdom). With direct observation by UK's FCDO counterparts, this pilot tests the coverage between CHS+ audits and the donors' own DD requirements, ultimately asking whether direct funding can be granted to L/NGOs based on an extended CHS+ audit. The results of the pilot confirm that the HQAI audit methodology is solid and we now have a proof of concept that the CHS+ audits can meet key DD requirements for key donors - Luxembourg, FCDO, DANIDA and ECHO - including on safeguarding. While the project continues with a second pilot in 2023 with an international NGO, this first milestone lays the foundation for donors to position themselves on the use of CHS audits for DD passporting.

HQAI organises a panel discussion at HNPW on "Benefits of CHS Verification for Donor Due Diligence".

The Dutch Relief Alliance makes independent verification or certification on the CHS mandatory for its members (as of 2023).

Proof of concept following a pilot with three donors to test the coverage between extended CHS+ audits and donors' individual due diligence requirements.

WHY WE DO IT



Building Resilience in Southern Karamoja (BRISK) project. The project empowered communities, built their resilient capacities to climate change, increased agricultural production and strengthened market linkages through a value chain approach for women, men and youth in an environmentally sustainable way. © TPO Uganda

The audit process has empowered us as much as our partners.

"It has made us accountable to them and the communities we serve (...). For example, we have been entrusted by the Ministry of Health to chair and coordinate the national working group for mental health and psychosocial support, and many more achievements in terms of trust from both the government and donors. Since we've started the independent verification process, this has increased our resources from donors such as Dutch Relief Alliance, USAID, Danish Church Aid, UNHCR, and, to some extent, ECHO, **who have also used our audit reports to shorten their due diligence processes.** As an example, we obtained a US \$20 million grant from USAID to lead a project as the first time ever local prime agency in the country, subcontracting three other national NGOs as implementing partners. Our annual budget has consequently increased by 40%, and our staff motivation has greatly improved, leading to enhanced donor satisfaction as well.

I would encourage organisations, especially local and national, to sign up for CHS Verification and an assessment scheme that suits their situation, because the benefits they will enjoy are many, from **increased donor confidence and funding to improved internal policies and procedures, to being more accountable to the people that they serve.**"



TESTIMONIAL

It has made us accountable to them and the communities we serve.

Hear from **Rehema Kajungu**, Deputy Country Director of TPO Uganda (certified on the CHS for its humanitarian and development mandates in 2023, after being independently verified on the CHS since 2018)

LEARNING AND IMPACT



Cash for Work: A worker builds dams in Petra to protect the historical location from floods.
© Duha Jaafreh, DRC 2022



A home-based tailoring business established by a Syrian family after receiving a livelihood grant.
© Dana Jaafreh Danish Refugee Council 2022

We see our feedback and complaint mechanisms steadily improving.

“For the last four years, CHS certification audits have shown that we have a weakness in our feedback and complaints handling systems, or a ‘non-conformity’ in the language of the independent CHS auditors at HQAI. At DRC, we knew this had to change. Following on from an internal review triggered by seeing our verification scores against the CHS and numerous requests from global colleagues, DRC created a global Community Feedback Mechanism Guidance and Toolkit. It is a significant addition to our **ability to be accountable to crisis-affected people**. Crucially, for DRC, this guidance marks significant progress in our CHS verification journey to improve our work and deliver our CHS Commitments to those we serve. We are excited to report that we see our feedback and complaint mechanisms steadily improving, as shown through our annual CHS certification audit scores.”



TESTIMONIAL

Our CHS verification journey to improve our work and deliver our CHS Commitments to those we serve.

Hear from **Joanna Nevill**,
Global Advisor, Accountability and Participation Division for Effectiveness, Knowledge and Learning, Danish Refugee Council (certified on the CHS for its humanitarian, development and advocacy mandates since 2017)

LEARNING AND **IMPACT**

Independent CHS quality assurance has a demonstrated positive impact on organisations' accountability.

HQAI audits are contextualised and adapted to the organisations and the locations where they work, whilst maintaining a consistent rigorous process conducted by experts who identify organisational strengths and weaknesses. Hence the CHS audit journey is a continual learning tool for organisations to meet their quality and accountability commitments and a powerful way of building sustainable institutional capacities. Ultimately, and of paramount importance, the entire process is intended to benefit the affected populations and communities that organisations work with.

Auditing and learning, both are processes.

One of the lessons learned by HQAI is that the process for an organisation to fully embrace the CHS and independent quality assurance, create buy-in throughout the organisation, and integrate mechanisms to allow for changes to happen, needs time. After seven years of operations, the right moment has come to prove our claim "When we measure, organisations improve" beyond anecdotal evidence. HQAI has therefore launched a research project to systematically measure the impact of certification and independent verification on the CHS scores and, importantly, on a set of wider forms of accountability, namely: accountability to people affected by crisis (PAC), accountability to peers and partners within the sector, and internal accountability towards staff. This study goes beyond the CHS as a standard and tests the hypothesis that an audit process leads to greater accountability and better quality.

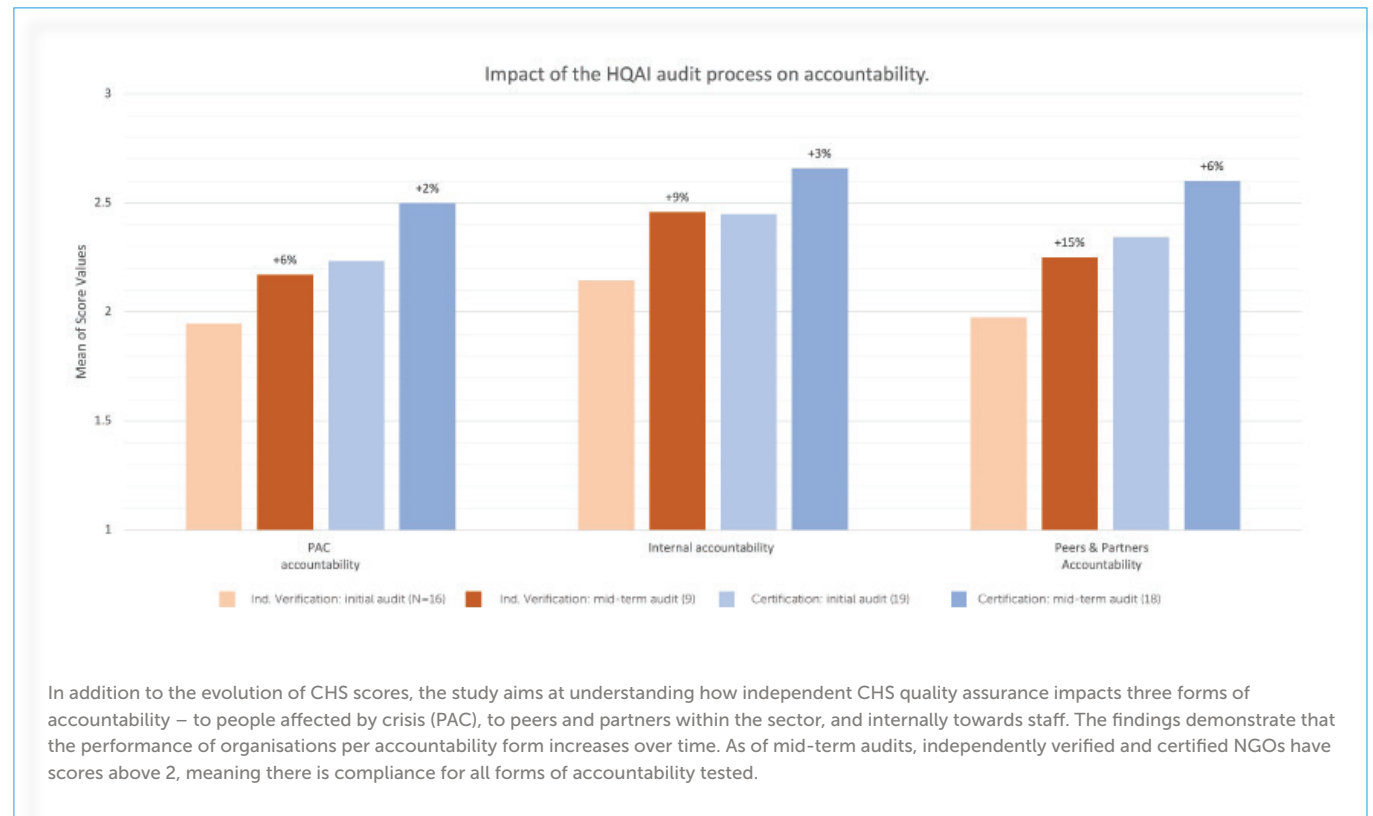
Preliminary findings of this three-stage study are promising:

Study finding 1: for independently verified and certified organisations the **average scores on all CHS Commitments improve over time.**

Study finding 2: audited organisations also **improve their performance on three forms of accountability:** accountability to people affected by crisis, accountability to peers and partners within the sector, and internal accountability towards staff.

Find more about the preliminary study results and next steps [here](#).

Publication of preliminary results of HQAI's Impact study demonstrating that independent audit processes lead to greater accountability.



FROM THE PRESENT TO THE FUTURE

2022 Milestones.



Systemic change for the ultimate benefit of people affected by crises.

"I am honored as HQAI's new Executive Director since June 2022 to share some strategic priorities and directions that emerge as we start preparing for our next strategic phase.

When taking on the role as the Executive Director of HQAI I found a solid house with strong foundations and rigorous processes, a professional and enthusiastic team at the secretariat and within the group of auditors as well as highly committed corporate bodies, all working hard toward a meaningful mission. A unique mission indeed, which combines the world of quality assurance and ISO standards with that of development and humanitarian aid, holding accountability to affected populations at its very centre. This **distinctive mission and our focus on the most vulnerable** strata of populations inspires me in my new position.

Since HQAI's foundation in 2005, the essence of its work and our *raison d'être* have not changed. On the contrary: humanitarian needs are expected to hit record levels in 2023 and we will seize the writing of the new strategy for 2024 and onward to build the extensions to HQAI's solid house and reconfirm our mission.

HQAI has set itself ambitious objectives in three main areas for the years ahead, namely driving localisation, scaling up and improving the accessibility of its audit services and enhancing the added benefits of independent quality assurance on the CHS. To date HQAI has already made significant efforts towards meeting these objectives, highlighted by the milestones summarised on the previous page, notably: more and more of HQAI's audited partners are L/NNGOs, we are directing increased efforts toward expanding our pool of trained independent auditors to the geographies we work in, Group audits build local audit capacity and offer significant economies of scale

to L/NNGOs, new hybrid methods of auditing and more decentralised operating options are being explored and tested, and with the latest "proof of concept" our work on due diligence deduplication and passporting has reached a new milestone.

I appreciate how far HQAI has come, but we are **still far from a systemic change towards sustainable quality and accountable aid**. This sector-wide challenge eventually begs for responses at scale: Can a sector that aims to respond to the needs of 339 million people facing striking power imbalances afford not to have a solid quality assurance mechanism centred on accountability? How can latent tensions between an increased compliance agenda and a push for localisation be addressed operationally?

Answers to such questions should trigger systemic change in the sector for the ultimate benefit of people affected by crises. It will only happen if we can work hand in hand with partners and stakeholders in the sector, and in particular those based in crises-affected geographies. I am sincerely looking forward to continuing this work."



TESTIMONIAL

Our unique mission combines the world of quality assurance with that of development and humanitarian aid.

Hear from **Dr. Joost Mönks**,
Executive Director of HQAI

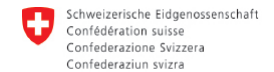
Audit them, an intriguing phrase as captured by our auditor in Damascus. Audits are indeed the way forward to ensuring better quality of aid, especially for the most vulnerable people. © Phillip Miller 2022





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HQAI is generously supported by its strategic and funding partners who value HQAI's initiative and facilitate its activities. We take this opportunity to warmly thank our donors and partners for their generosity and continuing support.

Do you have a complaint against an organisation audited by HQAI or against HQAI or a member of our staff?
visit
www.hqai.org/complaints/
or send an e-mail to
complaints@hqai.org