



# NGOs PERFORMANCE IN CAMBODIA

The Assessment Process Through NGO GPP

2007-2013



June 2014

Partnerships for Sustainable Development in Cambodia



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Thanks also to the members of the CCC Research Advisory Board for sharing their ideas in the meeting at the initial stage into the plan of conducting NGOs performance index, and other new proposed ideas to make improvements to the system.

Lastly, thanks to the more than a hundred CSOs that access to GPP team, therefore, we can produce this data file, and made possible to learn about this governance and performance. We hope that this report will help to speed up best practices as well as further provide to effectively development of Cambodia.

## FOREWORD

The Cooperation Committee for Cambodia (CCC) consolidated and analyzed this report to learn about the practical guidelines, and performances of NGOs in Cambodia. The results were assessed based on the Voluntary Certification System (VCS) conducted by NGO GPP since 2007 to 2013. Totally, there are 162 applications with 108 NGOs both national and international NGOs. Following the system, the data was analyzed on the six key areas developed by VCS. In each key area, there are major related indicators that specifically review from both written documents, and understanding and practices.

In this report you would learn the three majors focus in the analytical sections: the result from the first assessment, the areas of interventions, and final assessment result after period of improvement. Then common challenges and lessons learned of the key indicators are consolidated, as well as some means of improvement for the assessment process.

I would like to thank all stakeholders engaged in developing the system, and all applicants who access to system. Thanks also to CCC staff who keep the data available, confidential, and prepared this report. Last but not least, thanks to development partners, and funding agency that support for the system as code of conduct for NGOs practices in Cambodia.

CCC trusts that this consolidation and analytical report could help us to learn more about the system, and set up better strategy for improvement with those all key areas and indicators through capacity development approaches, and improve the system, as well as help other CSOs stakeholders learn the common situation on organizational performances, and their implementation in Cambodia's CSOs sect.

Warmest Regards



**Soeung Saroeun**  
**Executive Director**  
**Cooperation Committee for Cambodia**

## EXECUTIVE SUMMARY

CSOs are one of the major spheres of the society that play a significant role in the contribution to the development in all sectors in Cambodia. Nearly 4000 CSOs registered in Cambodia, and about 1,315 are actively working in Cambodia<sup>1</sup>. Therefore, organizational governance and programming to the performance among these CSOs for good practice and democratic development. The study will analyze the qualifications of the applicant NGOs operating in Cambodia, and explore common challenges to better respond to the standards developed by the VCS.

This study has been reviewed and consolidated from both qualitative and quantitative data from the assessment from 2007 to 2013 that existing of 162 applications/108 NGOs both national and international NGOs. This analysis was made to the six key areas: governance, relationship and communication, financial management, accountability and transparency, quality assurance, and human resource management) with total of twenty one standards among these key areas, and follow by various key indicators for the assessment. It measured into three levels (fully comply, partially, and not comply) with the criteria for rating the assessment.

The result showed 108 NGOs had been access for certification process since the starting to certify for good governance NGOs through the system since 2007. LNGOs are outnumbered, which equal 85% (92), while INGOs are only 15% (16). Among these NGOs there are 162 applications in which some NGOs have been more than one application for the review (57 NGOs). With the number of certified, there are 56 that some organizations had more than one time. If we split by year, the application reached a peak in 2010, and granted certificates peaked in 2011 and 2012. Since 2011 with the hibernation of Law on NGOs and Association, the applications were gradually decreased.

Based on the assessment with these 108 NGOs/applicants revealed that among six key areas/standards Governance, and Relationship and communication shows highest pattern (67%) to fully complied with the standard. Though governance is high, governing body is one of the four standards within area is very low, with only 47% fully complied. Regarding other areas, about half of the applicant NGOs (51%) had fulfilled to comply on Human resource management, whilst Qualitative assurance, and Accountability and transparency is nearly two third (60% and 58%). Noticeably, Financial management is the lowest percent (only 48%) among the six key thematic areas that need somehow more improvement. Generally, policies and procedures especially related gender, minority, and grievance policies are limited among the review NGOs.

Following the intervention and self improvement, the result from 57 applicants of these 108 who had been reviewed more than one time showed all improvement and changed comparing to the first assessment result which showed about half of these NGOs had fully complied with all these key standards but the maximum reach only 67% for actually in Governance standard, and Communication and relationship standard. Other improvement follow by: Quality assurance, Governance, Relationship and communication increased at least one fifth. Other standards on Accountability and transparency, Human resource management, and Financial management increase by about one third.

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<sup>1</sup> CCC, (2013). *CSO contributions to the development of Cambodia 2012: Opportunities and Challenges*, Phnom Penh.

For better improvement with the VCS and governance practice for CSOs in Cambodia, some common challenges and lessons are raised as below:

Some common challenges for consideration related to applicant NGOs:

- The most policies and procedure related to gender, minorities, and grievance policies are needed to well prepare, and improve for organizational practices.
- Review and updated registration, and change status with relevant ministry is somehow existed, especially renew the registration for INGOs.
- Financial policies are still limited to most of the organizations, especially the clear system, and organizational audit by register firm.
- Though the overall governance area is high among other areas, the specific key indicators on functioning of governing board is limited to have clear Terms of Reference (ToR), and follow to what have been mentioned.

Some common procedures for further consideration to the VCS system:

- Enhance communication between the applicant NGOs and other related VCS system to minimize some miscommunication after the application process. Moreover, if the application or request for capacity building supports are overloaded should be clearly identify the scope of supports, and inform about possible time for response back to these applicant NGOs.
- Some kinds of incentives for the working group, and other stakeholder in the system should be sought for case by case rather than working only a voluntarily basic.
- Some recommendation made for applicant NGOs should be clearly summarized and simplified to ensure the easier follow. Khmer language should be applied for certain NGOs who difficult with English language.
- The assessment strategy should be sought in a more professional and more systematic way in constructive engagement as well as minimize the fear, and feeling of annoy as an investigation process.
- The applicants and the GPP team is commonly made by individual NGOs, any consultative meeting for strategic improvement of the missing gap should be organized for improvement with the process, and dealing with above related issues.

## GLOSSARY OF ORGANIZATION TYPES

- CSO** There are myriad academic definitions but, in practice, civil society organizations are those that have *emerged beyond the spheres of the state*, the private (family networks) and the market (profit-driven entities), and which *have some type of formal structure and coherent non-profit agenda*, with any financial surpluses typically ploughed back into the organization to further their objectives. To be considered CSOs, such organizations must also be able to *practice independent self-governance*. The term CSO is generally considered to be an umbrella term that includes the subset of Non-governmental organizations (NGOs).
- NGO** Non-government and non-profit organizations are established for a specific purpose, or set of specific purposes - often a social goal such as relieving suffering, defending the rights or promoting the interests of the poor, protecting the environment, or undertaking community development. They do not belong to any state or government apparatus, although they may collaborate with them (sometimes closely and/or over a long period) if there are shared goals and objectives.
- LNGO** Local NGOs sometimes known as CNGO (Cambodian NGO) is a types of NGOs formed and operated in a particular country. This may be at the national level, with representation in provinces/districts (sometimes known as a national NGOs); or can be a more local/district-based NGO, concentrated on a particular locality. In the context of this report, local NGOs are those NGOs that operate within Cambodia by Cambodian nationals, and that do not have other international operations. Association here, include into the local NGOs.
- INGO** International NGOs are those NGOs which operate across more than one country, whether through multiple international operations, a foreign registration, or merely a founder who is foreign to the country in which operations are based. Some INGOs are thus highly localized. In the context of this report, INGOs are those which meet any of these criteria and which operate in Cambodia.



## ACRONYMS

CCC	Cooperation Committee for Cambodia
CSO	Civil Society Organization
INGO	International Non-governmental Organization
LNGO	Local Non-governmental Organization
NCCC	NGO Code Compliance Committee
NGO GPP	NGO Governance & Professional Practice
VCS	Voluntary Certification System

## INTRODUCTION

CSOs play a significant role in the contribution to the development in all sectors in Cambodia. Though there are high number which nearly 4000 CSOs registered in Cambodia, there are only about 1,315 are actively working in Cambodia. However, it is learned that external development factors is one side of development progress, but internal governance is also crucial roles in democratic development. This becomes a question how those registered CSOs operate in Cambodia related to their organizational governance, management and programming development for the beneficiaries.

This study will consolidate and review to analyze the organizational practice of CSOs that operated in Cambodia from the applicants CSOs of the NGO Governance & Professional Practice (NGO GPP). It looks into six of the seven key areas<sup>2</sup>: 1)-Governance, 2)-Relationship and communication, 3)-Financial management, 4)-Accountability and transparency, 5)-Quality assurance, and 6)-Human resource management) following with each specific standards in these areas.

### Background

The NGOs governance for best practice of the minimum standard was initiated as part of the coordination of the Cooperation Committee for Cambodia in 1995 as a guide of codes of ethics for CSOs operating in Cambodia. This became a measuring of conduct of compiling principles of the CSO's governance for members, and then it had been developed overtimes for widely used. In earlier 2000, there have been conducted research on other self-regulation initiatives internationally, and national consultation for the creation of the certification scheme known as NGOs Good Practice Project in 2004 aiming at promoting professionalism and good practice within NGOs operating in Cambodia. Since then the code has been revised ten times, and then fully operate, along with developed a supporting guideline for Code of Ethical Principles and the minimum standards for NGOs applying to measure and provide the certificate to good organizational practices in 2007. In 2011, it has been rebranding as NGO Governance & Professional Practices (NGO GPP). The code has been revised again, and with the latest revision taking place in 2013 based on an online consultation and specific consultation with experts and CCC members.

The code is one of the two NGO self-regulation practices operating in Southeast Asia. It is available for both national and international CSOs that registered with the competence ministries, and operating at least for three years in Cambodia, and later unlimited age of formation. With the continuous revisions, the code has currently under developed to a more precise containing six key areas with 25 standards, 65 guidelines and 71 indicators, which purposively to: 1) maintain enhanced standards of good organizational practice throughout the NGO community, and 2) to ensure public trust in the integrity of the individuals and organizations that make up the NGO sector, and the effectiveness of NGO programs.

It is perceived that the system is more rigorous assessment than that conducted by the third parties review rather than most of the experiences from other countries follow by a self or/and peer review. The VCS consists of various process through 1) submission of application, 2) preliminary review, 3) desk review, 4) field check and discuss with relevant key stakeholders, 5) generating recommendation, and review by NCCC, 6) providing back with recommendations, and keep twelve month period for improvement, 7) field verification with recommendations, and 8) then reviewed by NCCC and decided for certification, or continue improvement, and/ or resubmission (if exceed to recommendation period). If

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<sup>2</sup> Vision, Mission, and Values one key area as standard 1 is not included in the analysis in this study.

the organization completes fulfillment, it will be awarded a certification that is valid for three years period.

### **Impact from the certificate system**

The current study<sup>3</sup> about the impact of the VCS show that the primary impact from the system is boosting the reputation of the organization among donors<sup>4</sup>, where it gain trust, recognition, show organizational values, and can reduce risk.... that easy comply with donor's requirement. The second result shows an encourage organizational capacity development<sup>5</sup>, and then follow by to get reputation among peer government, and other NGOs<sup>6</sup>, and also express the important for access to funding<sup>7</sup>. Some other positive impacts from VCS show increased confidence among staff, useful for prepare themselves for dealing with future development trends, and create good leadership in the society. The system is not yet widely heard among CSOs sectors, the survey conducted in 2012 (CCC, 2013), there are only 39.1% have heard about the systems.

## **OBJECTIVES**

The study will help to learn about the pattern of applicant NGOs operate in Cambodia. Therefore, it could be a prompt for the GPP team, and especially capacity building team get the right target and respond to the gap of those NGOs to have completely fulfill the requirement. So this review on the documentation of the applicant NGOs want to explore the following objectives:

- Review key areas that have been achieved and qualified with the standards
- The common challenges, and low standards that needed to be addressed.

## **METHODOLOGY**

This is the consolidation of both qualitative and quantitative data from the assessment of CSOs operating in Cambodia. The data of the assessment contain from 2007 to 2013 that existing of 162 applications with 108 NGOs both local and international NGOs operating in Cambodia. The quantitative data was resulted from the assessment, and documented by the GPP team following their highly confidential to individual organization. The result received from the process of VCS, where individual NGOs are conducted desk review, and then field check with having face to face discussion, and interview with key relevant stakeholders.

The data will be consolidated analyze based on governance, relationship and communication, financial management, accountability and transparency, quality assurance, and human resource management) with totally of twenty one standards in these key areas, and follow by various key indicators for the assessment. Each standard was measuring into three levels (fully comply, partially, and not comply) with the criteria for rating the assessment. Fully complied it means that NGOs had been completely fit for the requirement both available documentation, and relevant stakeholders could clearly describe or

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<sup>3</sup> Richard J. Hocking (2013). *Study of certification impacts and feasibility for setting standards/guidelines for community based organizations*, NGO GPP.

<sup>4</sup> 27 respondents, 16 beneficiaries and 11 key stakeholders

<sup>5</sup> 26 respondents, 16 beneficiaries and 10 key stakeholders,

<sup>6</sup> 23 respondents, 15 beneficiaries and eight key stakeholders

<sup>7</sup> 20 respondents, 12 beneficiaries and eight key stakeholders

understand what mentioned in the documents. Partially complied means the organization had some documentation with the requirements, and could somehow mentioned or understand in the documents. It could also clearly have anyone of these two categories, but not well understand or documented. Whereas not complied, if any NGOs who did not have all documents, and limited understanding of these related documents.

The recommendations in each key area were consolidated to see the pattern of how the challenges of the manual and their operating. It is used to support the analytical evidence supporting the quantitative data. The data contain various steps of assessment from these NGOs; some NGOs were assessed only one time, while others have been done two to three times or even more. This consolidation and analysis looked only at the primary assessment in order to learn how the nature work and operation of NGOs in Cambodia, prior learning and/or mentoring and coaching support from the GPP team. In comparison to the initial assessment, and with the last assessment results also analyze in order to see how it has been changed and developed after the recommendation had been made, and supported.

The secondary data is also reviewed in order to find out some background of the system, and explore further evident complement to the study.

With the high confidentiality from each respective NGOs, the study will not explain or extract any individual organization, but the analysis has been consolidated and presents the applicants NGOs who access to GPP team for review into their organization.

## PERFORMANCE ASSESSMENT

### 1- Background NGOs Respondents

There are 108 NGOs who have accessed the certification process since the starting to certify for good governance NGOs through the system. LNGOs are outnumbered which equal 85% (92), while INGOs are only 15% (16). Among these NGOs there are 162 applications in which some NGOs have been more than one applicant for the review (57 NGOs).

Following database of NGO GPP team, among these 162 applications, 56 had been certified that some organization had more than one time. If we split by year, the application reached a peak in 2010, and granted certificates peaked in 2011 and 2012. Since 2011 with the hibernation of Law on NGOs and Association, the applications were gradually decreased.

	2007	2008	2009	2010	2011	2012	2013
Applications:	15	9	23	37	33	26	19
Certificates Granted:	2	4	10	8	12	12	8

*Source: NGO GPP database 2013*

## 2- Governance

Governance is one of the key areas in the VCS. Under this area, there are four standards: (standard 2.1)-the NGO is legally registered, (standard 2.2)-the NGO has a functioning governing body by whatever name, (standard 2.3)-the NGO adheres to clear written statutes or bylaws, and (standard 2.4)-the NGO develops all organizational policies, procedures and guidelines based on a participatory approach with staff members, reviewed and approved by the governing body.

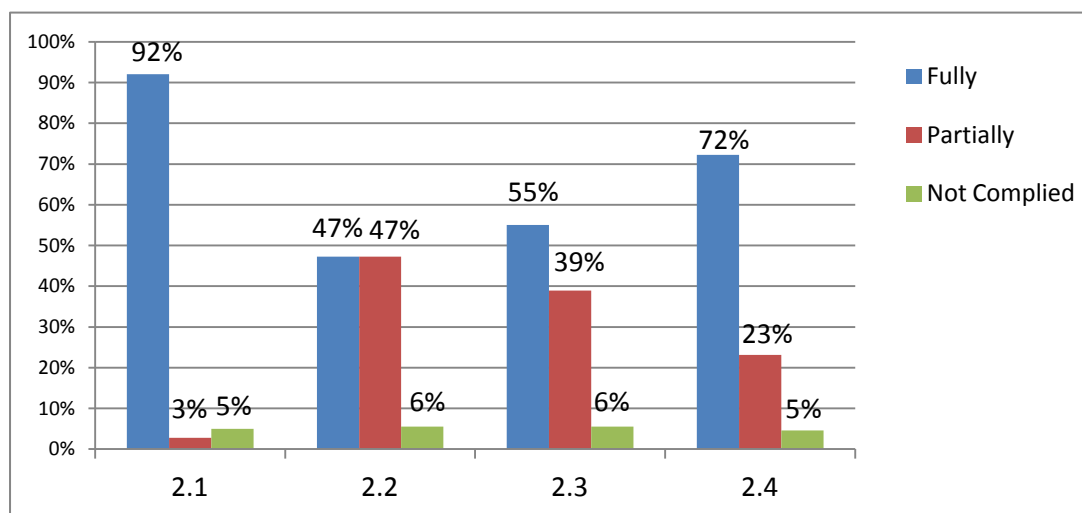


Figure 1- Detailed standard of composition in governance

2.1 The NGO is legally registered.

2.2 The NGO has a functioning governing body by whatever name.

2.3 The NGO adheres to clear written statutes or bylaws

2.4 The NGO develops all organizational policies, procedures and guidelines based on a participatory approach with staff members, reviewed and approved by the governing body.

The assessment result shows that legal registration (standard 2.1) has the majority number (92%) of fully complied under the governance area. This express the demand of registration prior the operation of the NGOs in Cambodia, and only few of 8% remaining, which especially INGOs who did not prove the valid date of renewal registration. While the functioning of governing body (standard 2.2) by whatever name, is the lowest in which only 47% rated as fully or partially fulfill to the requirement, and 6% not complied at all which equally one among eighteen NGOs are not complied. This reveals many limitations to the governing body related to the quorum for decision making, limits to have mentioning in the ToR and/or limit active functioning in management process, and so on. Other remain 6% are not complied at all. The other study on CSOs contribution survey also showed 78.6% having governing body at least as part of the requirement for the registration.

Whereas development of all organizational policies, procedures and guidelines with participatory process (standard 2.4) had reached 72% fully complied to the standard requirement, and with 23% got partially complied, and only 5% are not complied that these NGOs need to further develop as well, and have all organizational policies, and guidelines, especially related to gender, minority, conflict of interest, and grievance policy. In addition, over half of total applicants NGO (55%) had fully complied in standard 2.3 that could express their clear written statutes or bylaws. Unlike, 39% of them had partially and 6% had not complied. Following, the field assessment these NGOs did not develop a well or have all organizational policies, procedures and guidelines, especially major lack of the grievance policy, gender policy and conflict of interest policy based on a participatory approach with staff members, reviewed and approved by the governing body.

### 3- Relationship and Communication

Relationship and Communication is the third key area/standard in the VCS system. Under this area, there are six standards: (standard 3.1)- The NGO conducts and documents regular information sharing meetings, (standard 3.2)- Management staff meet regularly for decision making purposes, and meetings are documented, (standard 3.3)- An annual report is to be produced and made available, (standard 3.4)- Fundraising communication will accurately describe the NGO's identity, purpose, programs, and scope of achievement, (standard 3.5)- The NGO will participate in networks to improve coordination, disseminate information, share experiences and good practices, and (standard 3.6) - The NGO has good and supportive internal relationships.

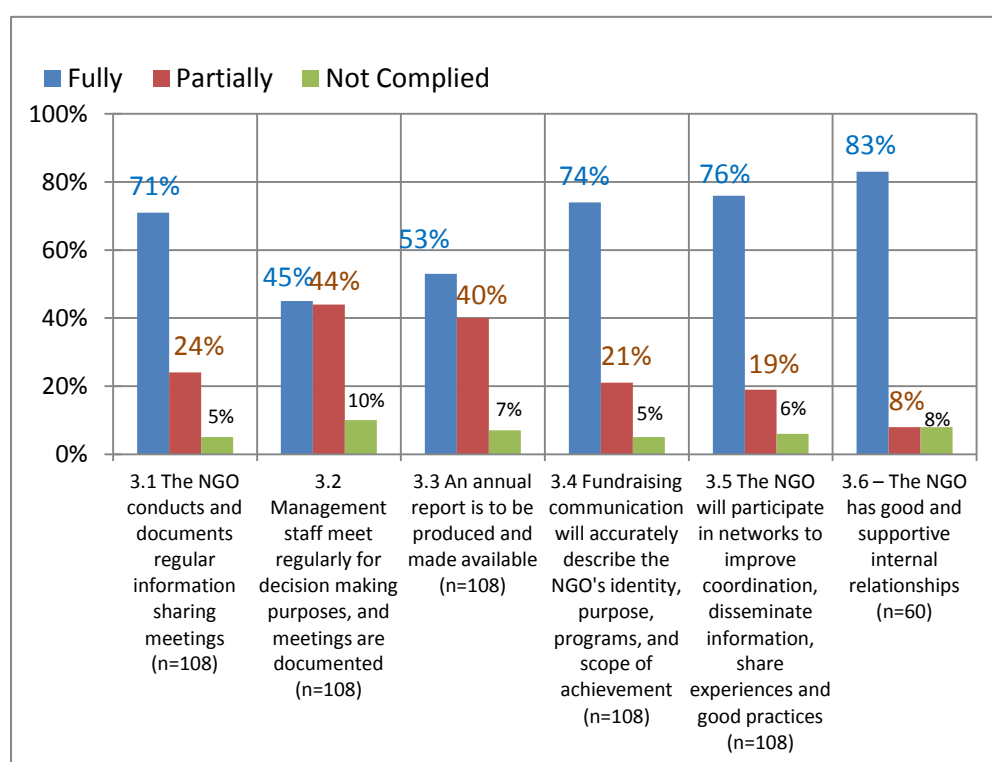


Figure 2-Detailed standard of composition in relationship and communication

It is interesting that only 45% of the review had been fully complied with management staff meeting regularly for decision making purpose, and meeting have been documented (standard 3.2). While other 44% have only partially complied as they don't well documented, or unable to conduct it regularly for especially the management team meeting, and the 10% not complied to this requirement in the standard that they don't have clear mention the role of management team, and the decision was not properly record. Whilst, the standard 3.3 on production and made available of annual report is also low number (53%) have fully complied compare to other standards, somehow higher for fundraising communication (74%) and participation of NGOs in networking to improve coordination, dissemination and sharing good experiences. With much better for number of fully complied NGOs (83%) has good supportive internal relationship.

#### 4- Financial Management

Financial management is the fourth key area/standard in the VCS system. It contains two standards: (standard 4.1) - The NGO has an annual global financial audit by a qualified and recognized auditor, and (standard 4.2) - The NGO implements clear and written financial management policies, procedures, and systems.

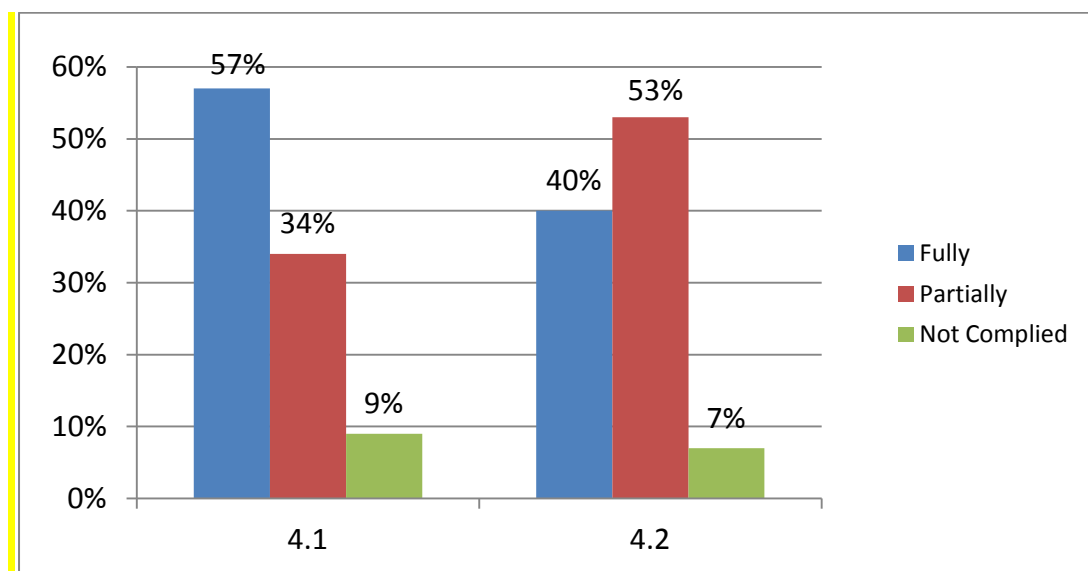


Figure 3-Detailed standard in composition of financial management

4.1 The NGO has an annual global financial audit by a qualified and recognized auditor.

4.2 The NGO implements clear and written financial management policies, procedures and systems.

It is limited for financial management system, there are only 40% of the NGOs reviewed had fully complied, and more than half (53%) only partially or not complied (standards 4.2) on clear and written financial management policies, procedures and systems. The assessment is commonly recommended to have understood the terms and conditions in the policy among staff and especially management team, and endorsed it by governing body. Whereas (standard 4.1) on global financial audit by qualified and recognized auditor little more improvement 57% of the NGOs. There are 34% got only partially complied due to the audit is not conducted by the recognized audit firm and some NGOs go to the same audit company over than 20 years. The CSOs contribution report commissioned by CCC also reveals that only 52% had external auditing, and only 71.2% have annual financial report. Moreover, many organizations do not conduct organization audit but are dependent on project audit or the audit conducted by NGOs partners supporting for the projects.



## 5- Accountability and Transparency

Accountability and transparency is fifth key area/standard. There are three specific standards in this area: (standard 5.1)-The NGO provides members of the public, the target population, donors and government with accurate information about their activities, finances and other relevant information, (standard 5.2)-The NGO ensures the participation of the target groups/population in development processes, and (standard 5.3)-The NGO has a written conflict of interest (COI) policy that applies to all board members and staff members.

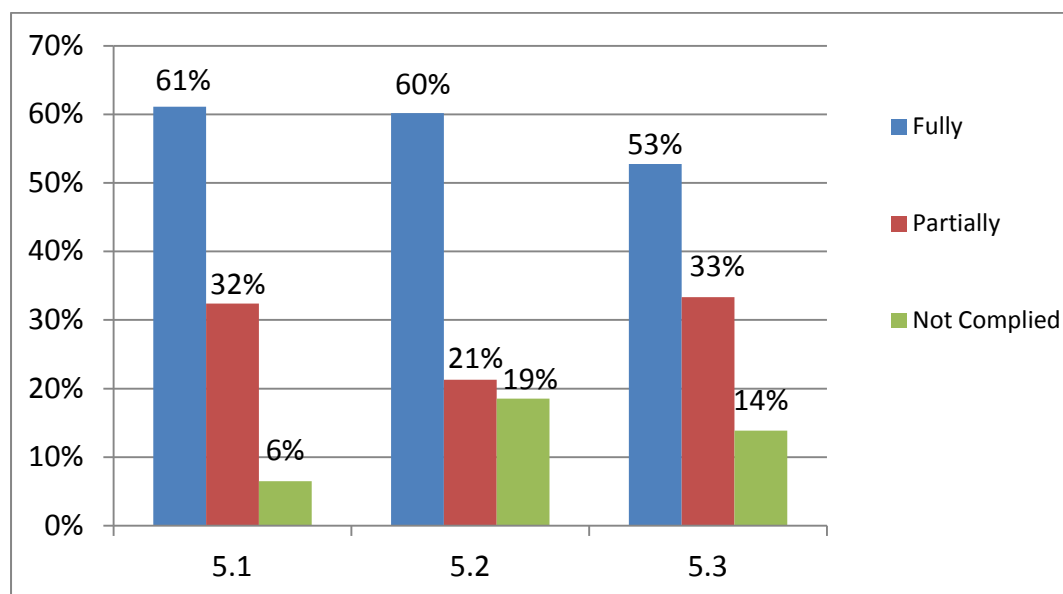


Figure 4-Detailed standard in composition of accountability and transparency

5.1 The NGO provides members of the public, the target population, donors and government with accurate information about their activities, finances and other relevant information.

5.2 The NGO ensures the participation of the target groups/population in development processes

5.3 The NGO has a written conflict of interest (COI) policy that applies to all board members and staff members.

The result shows that nearly two thirds of the applicant NGOs had fully complied in accountability and transparency in sharing of accurate information to key relevant stakeholders (standard 5.1), and ensured the target groups participation in development process (standard 5.2). Following about one third of NGOs have partially complied to this standard 5.1, and less following by about one fifth could get only partially or not complied for promote participation of the target group in development process. However, only little more than half had fully complied with a written conflict of interest for board and staff member (standard 5.3), 33% had partially, and 14% had not complied. The common recommendation for the improvement is to develop a clear conflict of interest policy that cover staff and governing board, and disclosure of information for good practice.

## 6- Quality Assurance

Quality assurance is sixth key area/standard. There is only one standards consisting of the NGOs conducts regular monitoring and evaluation of the organizational management and program.

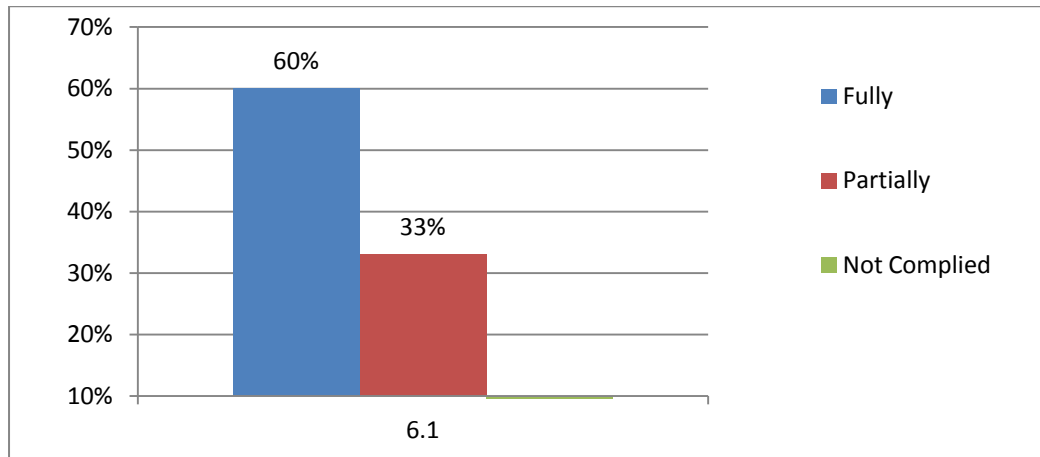


Figure 5-Detailed standard in composition of quality assurance

6.1 The NGO conducts regular monitoring and evaluation of the organizational management and the programme.

All NGOs had more or less conducts regular monitoring and evaluation of the organizational management and the program, in which nearly two thirds (65 or 60%) of 108 NGOs had fully complied. That means these organizations have monitoring systems and have been conducting monitoring and evaluation. The remaining of applicants NGO had partially complied (33%) that these assessment NGOs should have clear monitoring and evaluation framework, and could be conduct by external evaluator with involve in respective stakeholders, and only 7% had not complied (see figure 5).

## 7- Human Resource Management

There are five standards in the key area of effective human resource. These include: ( standard 7.1)-The NGO has clear and fair written staff policies and procedures which are implemented, (standard 7.2)- Management and staff roles and responsibilities are clearly defined and written, (standard 7.3)- Each staff member of the NGO has an annual performance appraisal, (standard 7.4)- The NGO has policies and procedures to promote gender and minority equity, and (standard 7.5)- The NGO has a clear, written grievance policy and procedures that protects the interests and rights of all staff members.

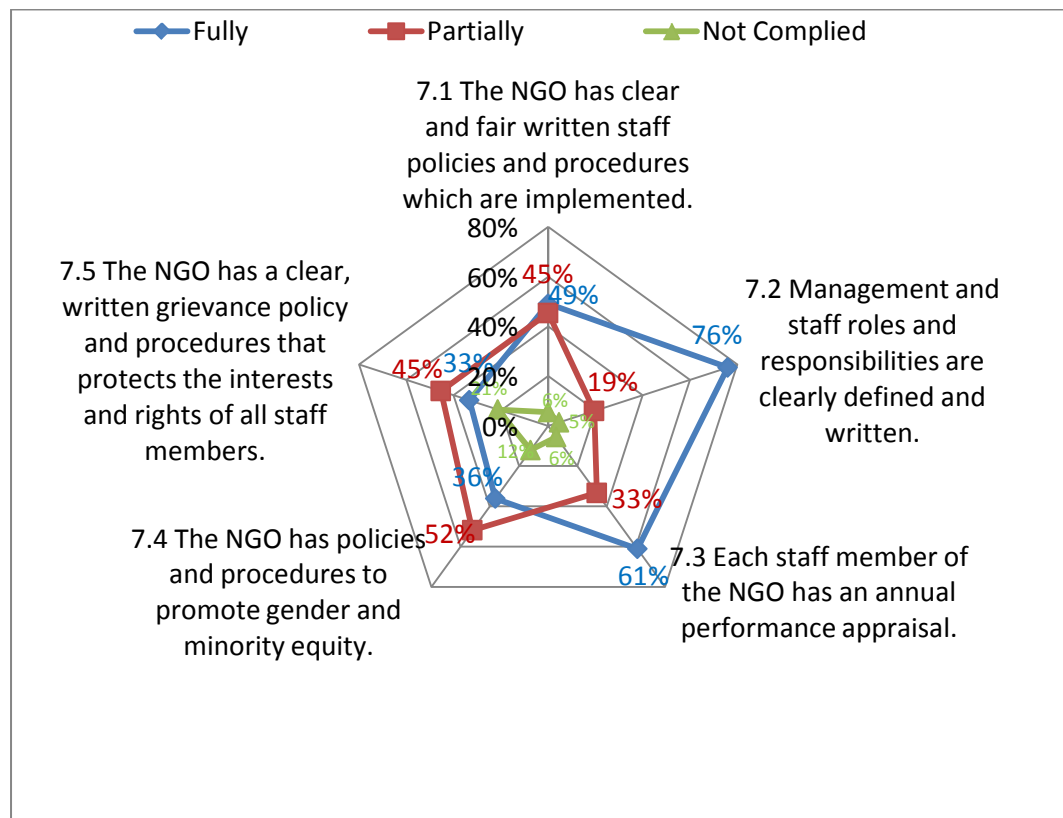


Figure 6-Detailed standard in composition of effective human resource management

Among these five standards, standard 7.2 on written and define the roles of management and staff had the highest proportion (76%) of NGOs who had fully complied. In contrast, it is very low among others that only about one third for fully complied to (standard 7.5) on a clear, written grievance policy and procedures that protects the interests and rights of all staff members, and (standard 7.4) policies and procedures to promote gender and minority equity. Therefore, these NGOs need further develop on these related policies, and improve understanding with staff and relevant stakeholders. Whereas for partially complied up to 52% for standard 7.4, and follow by standard 7.5 & standard 7.1 for 45%. Noticeably, the standard 7.4 on policies and procedure to promote gender and minority is somehow higher (12%) than others that have not complied that likely express limitation with preparing and implementing on these policies and procedures.

## Overall Rating of the Key Six Areas of the Initial Assessment

These are the primary assessment of 108 NGOs/applicants that provide the overall rating based on these six key areas: Governance, Relationship and communication, Financial management, Accountability and transparency, Quality assurance, and Human resource management, out of the seven key areas under the framework of NGO GPP.

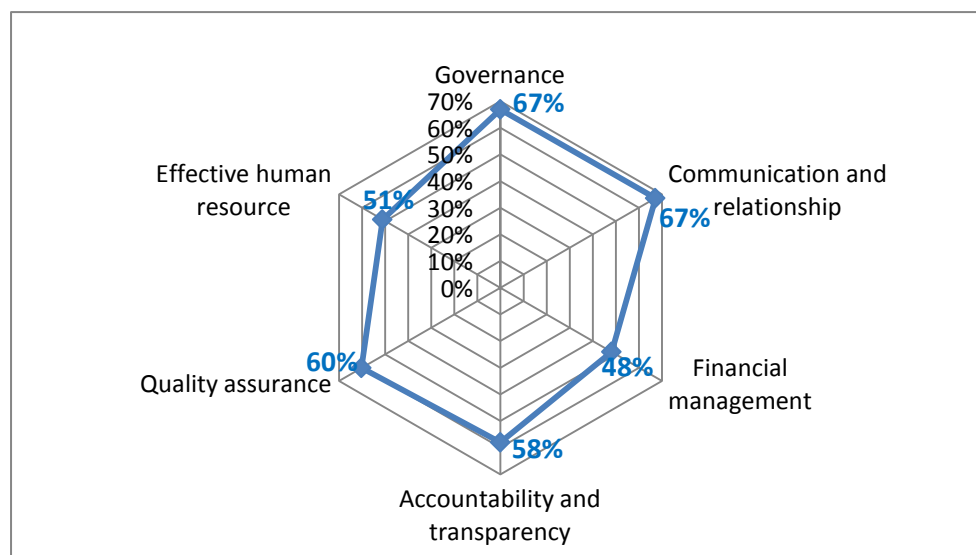


Figure 7-Overall rating of fully complied following the six key areas

The overall result by these key areas/standards in VCS show that Governance (standard 2), and communication and relationship (standard 3) shows highest pattern (67%) reach for fully complied that determined by each standard within these key areas. This expresses they have properly documented and followed, and understood by relevant staff and governing body. About half of the applicant NGOs (51%) had fulfilled to comply on human resource (standard 6), whilst qualitative assurance (standard 6), and accountability and transparency (standard 5) is nearly two thirds (60% and 58%) of the total applicants. On the other hand, financial management (standard 4) is the lowest percent (only 48%) among the six key thematic areas. For further specific recommendations for improvement in these key areas, please see detailed result determined by each specific standard above.

## Intervention and Support after the Initial Assessment

After the assessment or review all NGOs will provide the summary result following each standard along with the key recommendation or feedback for improvement where it is not yet reach the standards. Therefore, these NGOs could learn and reflect on the areas where they need for improvement. Some NGOs could improve by own way following the feedback to improve their policies and other procedures, and strengthening an understanding among staff and other related stakeholders. Many other NGOs need some further technical support for improvement.

Following this response, the system having team provides technical support for improvement as needed by those NGOs. Moreover, mentoring and coaching by organization also introduce for this improvement. Besides these supports, other capacity development was conducted oriented to enhance organizational practice and management through Good Governance and Professionalism, and Accountability (GPA Course), and other related forums such as monitoring and evaluation, finance, human resource, and so on.

In contrast, there are some NGOs that could get successful certificate since the initial assessment. Following the assessment data, there are nine NGOs among 108 had fully complied without the support or don't need any further improvement. This express good functioning and practices of some NGOs in Cambodia about their governance, management, and well prepare and understand of other necessary related policies and procedures. Whilst more than half of total organizations have only one assessment just to learn about feedback, and did not further proceed for follow up to get another assessment.

### The Last Assessment of Applicant NGOs

This section compare the improvement for fully complied with the standards between the initial/first assessments to the last/final assessment. The final assessment is conducted after both internal and external support for improvement after the period of twelve months. There are 57 NGOs which have been conducted more than one times under this below analysis.

#### 1- Governance

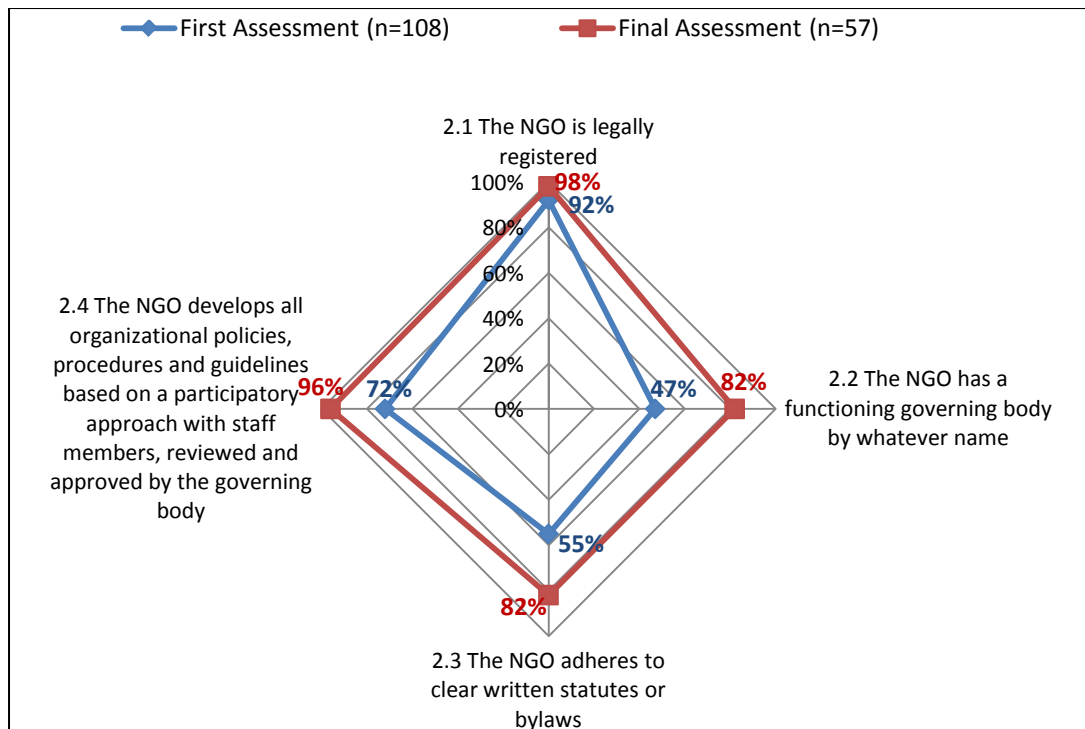


Figure 8-Compare governance area

Since the applicant NGOs engaged with GPP team, they have experienced many changes. As the figure above shows that 98% of applicants NGO had fully complied the legal registration as they have learned about the specific recommendations for their improvements, and only few did not reach to have fully complied. If we look specific standard in this key area, functioning governing body by whatever name, and clear written of statutes or by law have changed from 47% for first fully complied to 82% at the final assessment, though this remain 18% not fully complied that need further improvement related documents and practice.

Moreover, at least, having eight applicants NGO out of ten had fully complied on standard 2.3 at the second or third assessment. Furthermore, the analysis shows that 96% among 57 NGOs had fulfilled the organizational policies, procedures and guidelines based on a participatory approach with staff members, reviewed and approved by the governing body (Standard 2.4).

## 2- Relationship and Communication

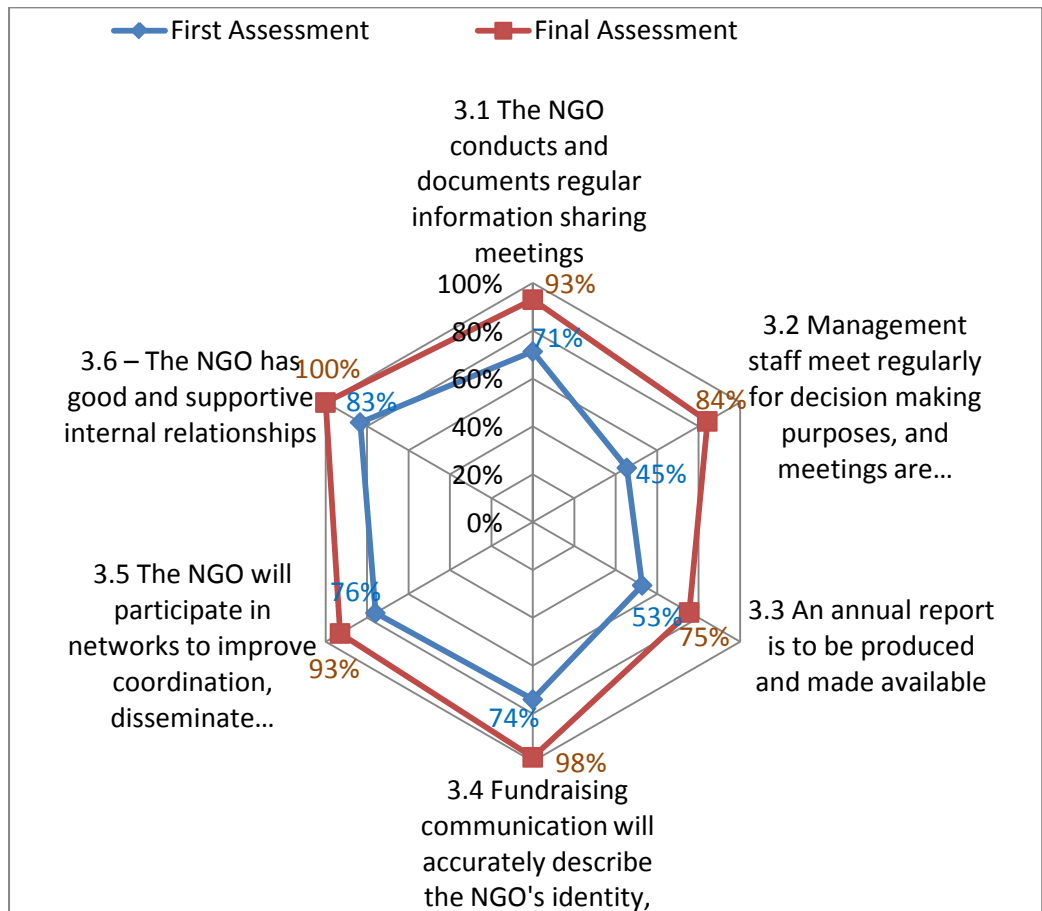


Figure 9-Compare on relationship and communication

Though standard 3.2 on management staff meet regular for decision making with record is low in the first assessment, it is the most significant improvement from 45% to 84%, where these NGOs had properly conducted and well prepared record. However, standard 3.3 on annual report produce and made available still low among these standards where improvement from 53% to 75% that need further address response the requirements following the system. Other standards had significant increase to nearly fully comply up to a hundred percent.

### 3- Financial Management

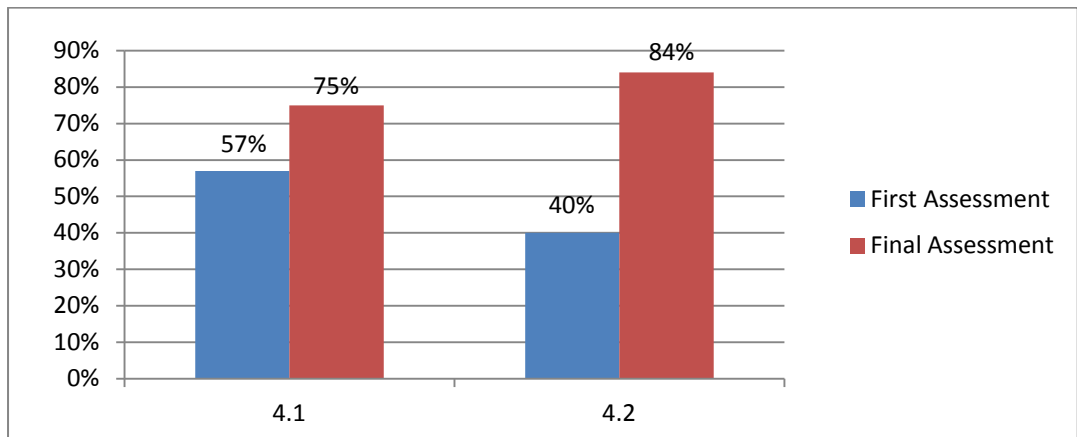


Figure 10-Compare on financial management

The reviewed NGOs had significant improvement (44% increased) from the first assessment that have only 45% had fully complied, and then reach to 84% fully complied that even higher than standard 4.1 on global financial audit with qualified and recognized auditor (only 18% increased). This is more likely that many NGOs have prepared their financial system and procedures, whilst conducting audit with qualify auditor is still challenges for many NGOs.

### 4- Accountability and Transparency,

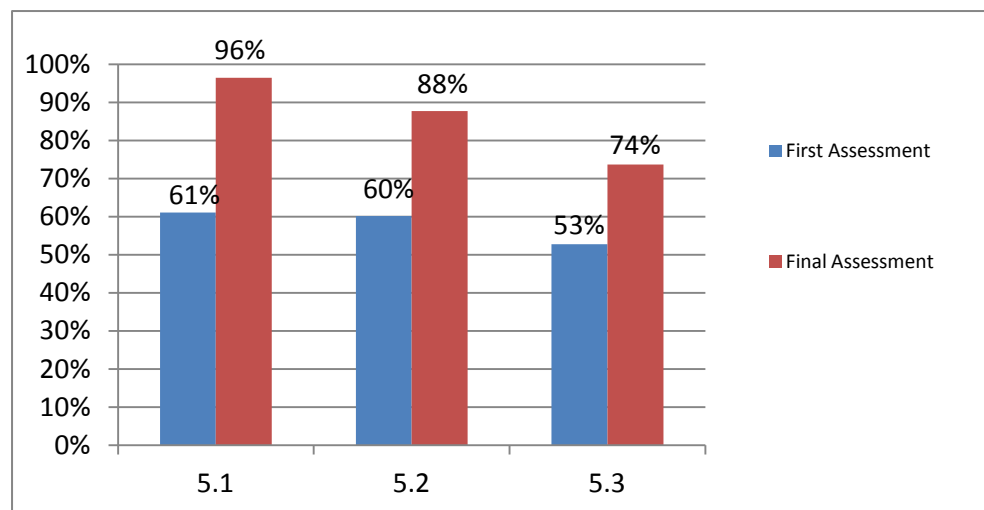


Figure 11-Compare on accountability and transparency

The figure above shows the differences or improving of each standard after the applicants NGO applied for assessment/feedback and get support. Some recommendations for improving in this key area based on the assessment had improved such as should have new revision of bylaw on conflict of interest, gender policy, and grievance policy have been developed by participatory approach (further information in the next section). It is better to know that all those applicants NGO have improvement or not after engaging with GPP team. The result found that all these three standards (5.1, 5.2, and 5.3) have been increased at least 21% for fully complied up to 35% for standard 5.1 that reach to 96% fully complied. It means that their performance in the area of Accountabilities and Transparency seem to be better if comparing between the first and final assessment.

## 5- Quality Assurance

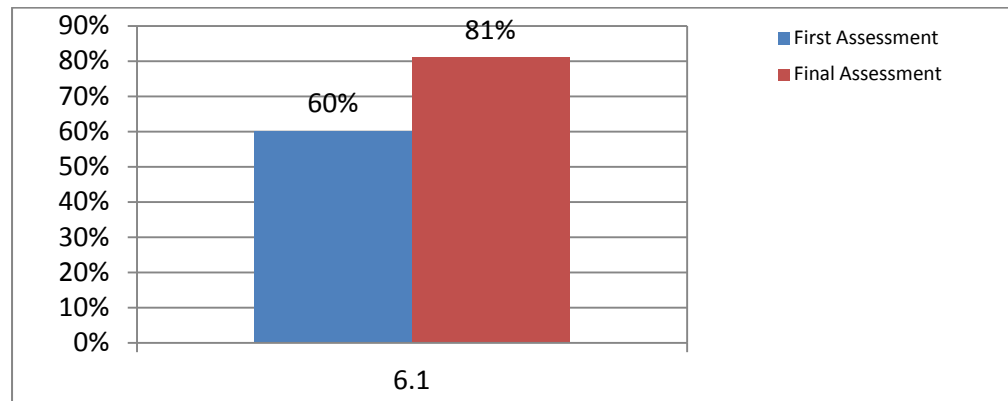


Figure 12-Compare on quality assurance

Among these 57 applicant NGOs, there are 81% have fully complied in this standard in the last assessment which improved 21% different from the first. At the first assessment, far less than half of applicants NGOs (43 NGOs) out of 108 NGOs had not fully complied and there were some recommendation for improving such as develop clear tools of monitoring and evaluation to all programs and organization both internal and external evaluator, conduct external evaluation for all projects to ensure the effectiveness and efficiency of the project implementation, and so on.

## 6- Human Resource Management

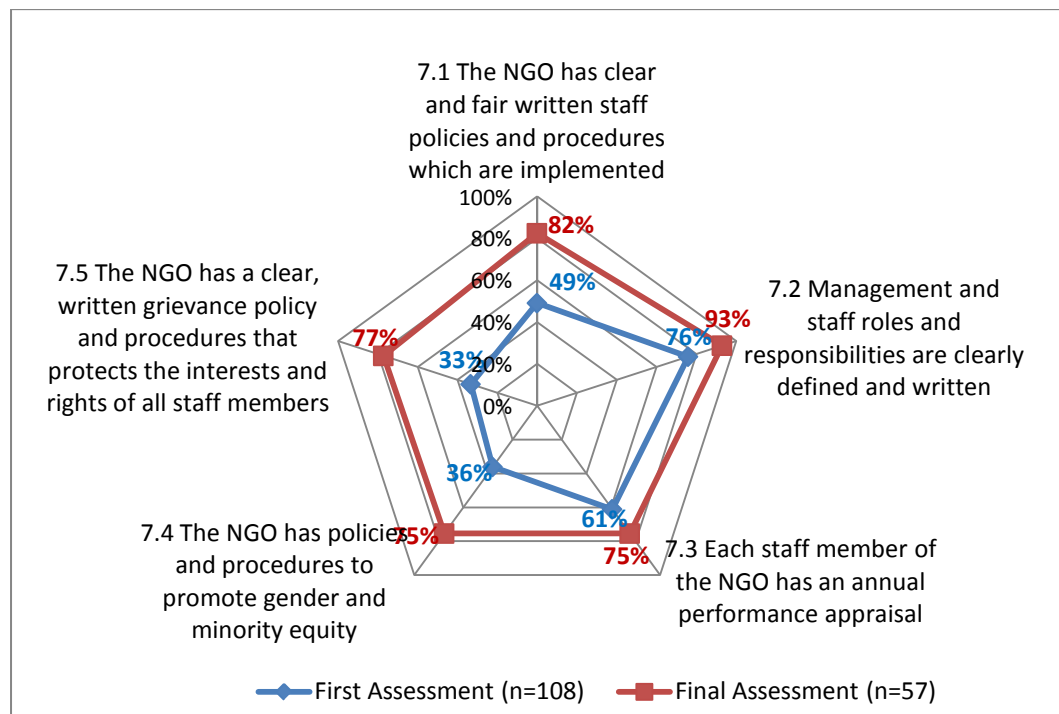


Figure 13-Compare on human resource management

All applicants NGO who had the second or third assessment were all improved. They had revised their policies and procedures for human resource management based on feedback/recommendations, and make increase to fully complied at average 30% (at least 14% in standard 7.3 and up to 44% for standard 7.5 that increase from 33% to 77%). All the standards in areas had fully complied at least three fourths after improvement.



### Overall Improvement among the Six Key Areas from the Last Assessment

There are totally 108 organizations among 162 applications have initial reviewed, and then 57 applications than one time. The first review had been conducted by GPP team after those applicants NGO applying for certificate. Meanwhile, they will get the recommendation if they are not yet fulfill the standard and also get the mentoring and coaching for area improvement. Then, the applicants NGO will reapply for certificate and the second or more review for certification.

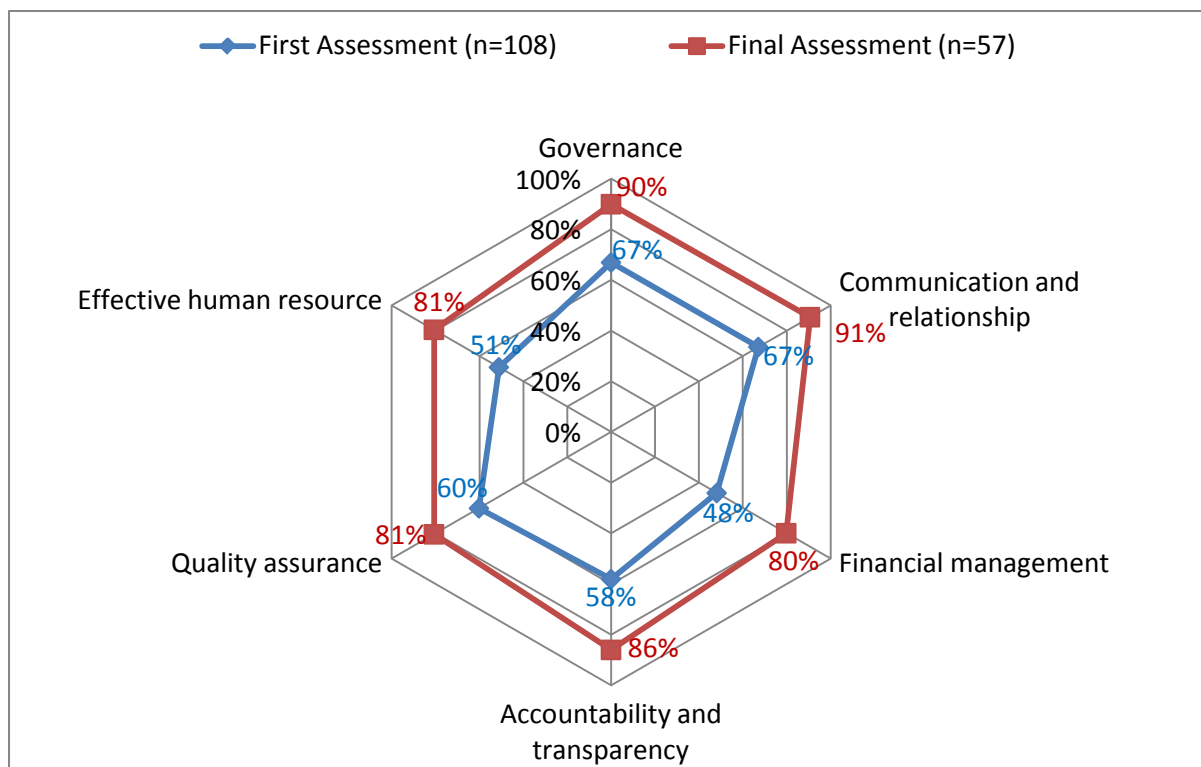


Figure 14- Comparison of all key six areas

Following Figure 14, the result change after engagement with GPP, we could compare between the first and final assessment of applicant NGOs. Overall, the first assessment all key standards get fully complied from about half up to 67% of these applicants. On other hand, the last review showed further improvement as following: Quality assurance, Governance, Relationship and communication increased at least one fifth. Other standards on Accountability and transparency, Effective human resource, and Financial management increase about one third. Some remaining applicants still not yet fully complied as they limited to improve their standards following their restructure, and some are likely to miscommunication or difficult to understand how to make improvement.

## CHALLENGES AND LESSON LEARNED

Following the working procedures so far, and other different meeting and forums with relevant stakeholders, the certification system had learned about challenges both from the system itself, and with other relevant stakeholders as the following.

Some common challenges for consideration related to applicant NGOs:

- The most policies and procedure related to gender, minorities, and grievance policies are needed to well prepare, and improve for organizational practices.
- Review and updated registration, and change status with relevant ministry is somehow existed, especially renew the registration for INGOs.
- Financial policies are still limited to most of the organizations, especially the clear system, and organizational audit by register firm.
- Though the overall governance area is high among other areas, the specific key indicators on functioning of governing board is limited to have clear ToR, and follow to what have been mentioned.

Some common procedures for further consideration to the VCS system:

- Enhance communication between the applicant NGOs and other related VCS system to minimize some miscommunication after the application process. Moreover, if the application or request for capacity building supports are overloaded should be clearly identify the scope of supports, and inform about possible time for response back to these applicant NGOs.
- Some kinds of incentives for the working group, and other stakeholder in the system should be sought for case by case rather than working only a voluntarily basic.
- Some recommendation made for applicant NGOs should be clearly summarized and simplified to ensure the easier follow. Khmer language should be applied for certain NGOs who difficult with English language.
- The assessment strategy should be sought in a more professional and more systematic way in constructive engagement as well as minimize the fear, and feeling of annoy as an investigation process.
- The applicants and the GPP team is commonly made by individual NGOs, any consultative meeting for strategic improvement of the missing gap should be organized for improvement with the process, and dealing with above related issues.

## CONCLUSION

Since the initiative of the NGOs governance for best practice of the minimum standard 1995, the system had developed over time with the guideline and procedures. It began from merely the code of conduct for NGOs operating in Cambodia to be clear for measuring and provide certificate that complied to the standards.

Based on the assessment or review since 2007 up to 2013 with 108 NGOs/applicants who initially access to the system for feedback or learnt about the organizational practice, as well as purposely advancing to get the certificate indicated that among six key areas/standards, Governance (standard 2), and Relationship and communication (standard 3) showed highest pattern (67%) for fully complied. About half of the applicant NGOs (51%) had fulfilled to comply on Human resource management (standard 7), whilst qualitative assurance (standard 6), and Accountability and transparency (standard 5) is nearly two third (60% and 58%). Noticeably, Financial management (standard 4) is the lowest percent (only 48%) among the six key thematic areas that need somehow more improvement. Generally, policies and procedures especially related gender, minority, and grievance policies are limited among the review NGOs.

Interestingly, after the intervention both internal and external support, the result from 57 applicants of 108 who had been reviewed more than one times show all improvement and changes comparing to the first assessment result. It indicated that about half of these NGOs had fully complied all these key standards but the maximum reached only 67% for actually in governance standard, and communication and relationship standard. The result showed the improvement as following: Quality assurance, Governance, Relationship and communication increased at least one fifth. Other standards on Accountability and transparency, Human resource management, and Financial management increase about one third.

This express the significant improvement after approaching to the system for feedback and recommendation, though they have improved by their own way or get intervention in support or capacity building from the related system. Moreover, the review on the impacts of the system also identified about its important image and trust among staff and other related development partners for good organizational performance.

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**Vision:**

Sustainable development for Cambodia.

**Mission:**

We provide high quality service to society and influence Cambodia's development actors.

**Values:**

- Integrity
  - Cooperation
  - Responsiveness
  - Quality
  - Inclusiveness
- 

**Goal:**

A strong and capable civil society, cooperating and responsive to Cambodia's development challenges.

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