

# G o v e r n a n c e

Transparency

Participation


## **How does NGO governance work**

**Findings from MJF partner organizations**

Accountability

Legal framework





# **How does NGO governance work**

**Findings from MJF partner organizations**





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**Published:** December 2011

**Published by:** Manusher Jonno Foundation

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**Design and Print:** Arka

ISBN: 978-984-33-4465-6

Price: BDT 300.00, US\$ 10.00



## Preface

Manusher Jonno Foundation (MJF) is a non-governmental organization providing support to promote human rights and good governance in Bangladesh through partner NGOs. Since its inception one of the major objectives of MJF is to strengthen the human and institutional capacity of partner NGOs, so that they can implement their programs and projects more effectively, efficiently and in a sustainable manner. In the last nine years, MJF has supported organizations to improve their capacity in terms of staff's development, organizational policy and governance system. MJF has also provided technical assistance on project implementation and sound financial systems through regular monitoring visits by program and finance personnel.

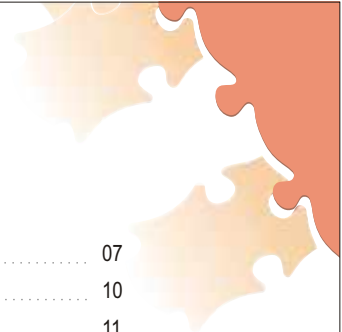
After providing such support for the last nine years, MJF decided to conduct a study on its partner NGOs to understand and assess their present institutional capacity, good governance and effectiveness of MJF support. The study was conducted on 39 NGOs out of 113 partner organizations and MJF was also assessed with the same tool. 11 senior level staff members from MJF with an external consultant were involved in the process. The team visited the partners and met the ED, EC members, senior-mid level staff and in some cases the stakeholders including beneficiaries. All organizations cordially welcomed the team and it is important to note that the study would not have been possible without their active participation and support.

This governance study will help to understand the capacity and governance situation of partner NGOs and identify the gaps of organizational governance despite sustained and regular support from MJF since inception of partnership. This study will also help to formulate a new capacity development strategic document for PNGOs collectively or individually. Though the study was conducted with MJF partners, the recommendations can be applicable for other organizations who are implementing projects by using donor funds.

Finally, we hope this study will extend learning beyond the limitations and will be useful for PNGOs, other organizations and donors. I wish to thank all those who contributed to making this study such a success including the survey team, participating partner NGOs and the community people.

**Shaheen Anam**  
Executive Director  
Manusher Jonno Foundation





## Table of Content

Executive Summary .....	07
Introduction of Governance Study .....	10
Purpose of the Study .....	11
Determining Factors .....	11
Study Methodologies .....	12
Findings and Analysis of the Study .....	14
Limitation of the Study .....	15
Qualitative and Quantitative Analysis using Determining Factors .....	16
Classification of Organizations on their Emerging Nature .....	38
Some Identified Key Causes .....	40
Recommendations .....	41
Conclusion .....	41

## List of Tables

Table 1: Interpretation of quantitative analysis .....	14
Table 2: Quantitative assessments on numbers of NGOs ranked under different categories .....	14
Table 3: Comparative analyses of MJF support and its effectiveness .....	32

## List of Figures

Figure 1: Ranking of NGO in existence and knowledge of policy, procedures, tools, Systems of the organization .....	16
Figure 2 Ranking of NGO in the use of Policy, procedures for policy and management decision and program designing. ....	17
Figure 3 Ranking of NGO regarding Participation in policy decision and Monitoring and implementation .....	18
Figure 4: Ranking of NGO Non-Discriminatory performance Management .....	19
Figure 5: Ranking of NGO according to their Transparency in financial System .....	21
Figure 6: Ranking of NGO according to their demonstration of accountability .....	22
Figure 7: Ranking of NGO based on existence of Gender policy and Practices .....	23
Figure 8: Ranking of NGO based on Inclusiveness of staff in decision making .....	24
Figure 9: Ranking of NGO based on Right to Information law Implementation .....	25
Figure 10: Ranking of NGO based on Monitoring and evaluation system .....	26
Figure 11: Ranking of NGO based on Attitude and Behaviour of Management Staff .....	27
Figure 12: NGO ranked the support of MJF .....	29
Figure 13: Ranking of NGO based on the effectiveness of MJF support .....	30
Figure 14: Ranking of numbers of NGOs against determining factor A. ....	33
Figure 15: Ranking of numbers of NGOs against determining factor B. ....	34
Figure 16: Ranking of numbers of NGOs against determining factor C. ....	35
Figure 17: Ranking of numbers of NGOs against determining factor D. ....	36

Figure 18: Overall Ranking of NGOs.....	37
Figure 19: (Sample A,B,C,D) NGO trend in ranking by determining factors .....	38

**Annexure:**

Annex 1: Questionnaire for governance study .....	42
Annex 2: Team for the study .....	48
Annex-3: Partner Assessment Format Assessment / Study Tool .....	49

**List of Acronyms**

CHT	Chittagong Hill Tracts
EC	Executive Committee
ED	Executive Director
FGD	Focus Group Discussion
GBP	Great Brittan Pound
IDP	Information Discloser Policy
HR	Human Rights
KII	Key Information Interview
MJF	Manusher Jonno Foundation
NGO	Non Governmental Organization
NGOAB	NGO Affaires Bureau
OAT	Organizational Assessment Tools
OCAT	Organizational Capacity Assessment Tools
PNGO	Partner NGO
RTI	Right to Information
TIB	Transparency International Bangladesh
ToR	Terms of Reference
WB	World Bank



# Executive Summary

## Introduction and Background

After independence of Bangladesh, people actively engaged in voluntary work either through paid employment in Non Governmental Organizations or joined various civil society organizations to volunteer their services to rebuild the country and improve the socio-economic condition of the people. International aid comprising funds, commodity and human resources flowed in to assist the government and a large portion of it went to Non Governmental Organizations (NGOs). As the NGOs became more professional and able to reach more and more people with diverse services, more funds were diverted to them. This was the main reason for the rapid growth of the NGO sector in Bangladesh. During the 80s and 90s, NGOs in Bangladesh were able to diversify and provide doorstep services to millions in the form of mainly micro-credit, health and education services. As many as 2061<sup>1</sup> NGOs are registered with NGO Affairs Bureau (NGOAB) and numerous are with Social Welfare Department and other regulatory bodies. However, this growth was not accompanied by management capacity of the sector resulting in inefficient use of resources and in many cases lack of accountability and transparency.

Being such a large and important sector, the issue of NGO governance and transparency has emerged as a concern among government, donor agencies and civil society. A number of studies on this topic have been conducted by international development agencies. Study conducted by World Bank (2006) and Transparency International (2009) are significant among these and widely discussed among the stakeholders.

Since its inception in 2002, Manusher Jonno (MJ) has been supporting the NGOs working for promoting human rights and good governance. Till date MJF has provided funding support to 174 organizations all over Bangladesh disbursing over GBP 6.5 million annually. Committed to addressing the most marginalized and vulnerable population of Bangladesh, MJF through its partners has brought about positive changes in the lives of a significant number of people across the country. Improved well-being of poor women, men and children in Bangladesh is the goal of MJF. MJF has been implementing programs under four broad themes:

1. Rights of the marginalized population including Chittagong Hill Tracts
2. Combating violence against women
3. Protection of working children and vulnerable workers
4. Ensuring responsiveness of public institutions

Working through partnership with local organizations is the strategy of MJF which also implies to improve the governance system of the partner organizations through capacity building and monitoring support.


## Study Purpose

Manusher Jonno Foundation (MJF), being one of the key players in helping NGO capacity building and good governance for about a decade, has strongly felt that a study of its partner organizations to understand and assess their present institutional capacity, good governance and effectiveness of MJF support will be a timely attempt and will also give directions for improvement.

## Methodology

A team comprising 11 senior level staff members from MJF with technical assistance from an external consultant conducted the study for about three months when documents and data relevant to institutional capacity and

<sup>1</sup>NGOAB website as on July 24, 2011



governance were reviewed, focus group discussion and key informant interview were conducted with the Executive Committee/Governing Body, Executive Director/Chief Executive Officer, senior staff members, mid-level staff, beneficiaries and stakeholders totalling 850 people of 40 PNGOs using some instruments developed scientifically for data intake and analysis to get optimum results of the study. Participatory approach was used that began with involvement MJF staff following which facilitation of FGD and KII were very much interactive creating an enabling environment for openness and finding facts.

As many as 40 NGOs including MJF were sampled from 113 partner organizations following a set of criteria to meet and represent size, length of partnership, implementation of projects in all thematic areas of MJF program and receipt of technical support from MJF to improve capacity and governance of the organizations.

### Major findings

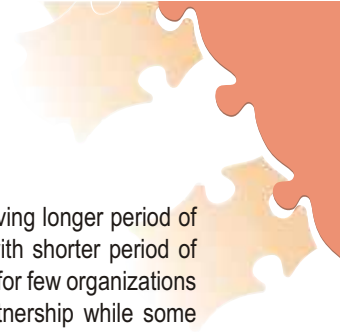
A set of determining factors relevant to key capacities, institutional governance and effectiveness of MJF support along with numbers of indicators against each determining factor were used in this study. The key feature of this study report is represented through rating of NGOs against each determining factor with a set of qualitative and quantitative indicators used to measure and assess the institutional capacity, governance and effectiveness of MJF support.

Further analysis was done based on the rating of all 40 NGOs at A, B, C and D. This analysis also reveals that none of these NGOs has been able to maintain consistent level of rating against all determining factors. To sight an example with evidence from the analysis it shows that one organization is strong in policy documents and written procedures and is rated as A against this determining factor. But at the next determining factor for using and practicing those policy and procedure in program and management where the organization is found not strong enough and, therefore, is rated as C.

However, the analysis in two dimensions was consolidated to reach the result with overall assessment on all 40 NGOs determining their ranking at A, B, C and D for organizational policies, procedures, tools, systems, uses and their practices complying with policies, role of policy-holders in monitoring and implementation, participatory and non-discriminatory performance management, financial transparency, demonstration of accountability, staff inclusiveness in program and management decision, use of RTI act, monitoring system for organizational governance, behaviour and attitude of ED and senior staff and effectiveness of MJF support to partner NGOs.

None of 40 organizations was rated as very good in institutional capacity and demonstrating good governance along with organizational growth and effectiveness vis-à-vis MJF support. Nineteen organizations representing 47.5% of 40 organizations were found “Good” in demonstrating overall capacity and good governance in program and management. Twenty-one organizations representing 52.5% of 40 organizations were found “Fair” in demonstration of governance and capacity in program and management. None of these organizations was found poor in overall capacity and governance.

The other purpose of this study was to assess effectiveness of MJF support to its partner organization for improved capacity and good governance. The findings from this study reveals that MJF has made significant technical and financial investment to improve PNGO capacity and governance. Despite this effort it has been realised that the level of support given by MJF could not transform into same level of effectiveness equally to all PNGOs because of variations in capacity of NGOs from one to another, different priorities, attitude and level of commitment of PNGOs. On the other hand, the MJF staff capacity in terms of variations from person to person, missing in right responses to the prioritized needs of partner NGOs and meeting timeliness of giving the support, is another prime factor for such differences.



The tenure of partnership between MJF and partner NGOs is another factor. The PNGOs having longer period of partnership received more support which resulted in better effectiveness and the PNGOs with shorter period of partnership received less support resulting in less effectiveness. But there has been exception for few organizations which already demonstrated rapid improvement in governance in spite of short period partnership while some organizations with longer partnership and support had slow improvement in capacity and governance. However, effectiveness of overall support for about last one decade to PNGOs has been found satisfactory, identifying further scope of improvement in institutional capacity and good governance.

The NGO governance assessment through logical analysis has revealed the core causes of weaknesses in capacity and governance of those organizations and the following specific recommendation were made:

- Support partner organizations in organizational development funnelling through project to organization.
- Strengthen MJF technical capacity in OD support and staff capacity for increased effectiveness of MJF support for good governance.
- Establish a baseline or make a benchmarking while entering into/renewal of partnership to monitor improvement in organizational capacity and governance.
- Support partner organizations in developing a comprehensive monitoring and management information system at organizational level.
- Orient partner organizations to increase knowledge and understanding on governance and how this should be ensured by building institutional capacity, using participatory approach in policy, program and management decision and at implementation level, and demonstrating transparency and accountability to all stakeholders.
- Strengthen partner monitoring not only to project but also to see how the partner organizations have been using different instruments relating to policies, procedures and system of the organization.
- NGO should have clear strategy to strengthen EC/GB to ensure increased participation and involvement in policy and management decision.
- NGO should deploy staff for gender mainstreaming and use of RTI Act.

In conclusion it can be said that MJF assumes that most governance problems in the NGO sector stem from lack of capacity and also from the absence of standardized systems and policies. There are issues of integrity but those are not more or less similar as in other sectors. However, these need to be addressed seriously as NGOs deal with public funds and have to be accountable to those in whose name this fund is availed.



## Introduction of Governance Study

Bangladesh is the land of NGOs which act as complementary institutions to state actors and have been making significant contribution towards improvement of socio-economic condition of poor people. Most of these NGOs rely on grants from foreign sources and use them for various programs on health, education, livelihood, environment, human rights, empowerment and protection. Either grants or loan funds from various sources are used for another type of program called micro-credit which has become popular because of support in people's livelihood and NGO sustainability. Therefore, NGO sector has now been recognised as an industry for social and economic change of people who are deprived of, discriminated against and excluded from public services. Along with growth of NGO sector for wellbeing of the people, question of integrity of financial management and program quality has emerged within many NGOs as governance issues, because of many reasons including institutional capacity.

Recently, TIB undertook a study called "Problems of Governance in the NGO Sector: The Way Out". TIB's rationale in undertaking this study stemmed from a realization that it was in the interest of the sector itself, its continued success, credibility and sustainability that issues related to governance and corruption, if any, should be confronted head on. Much before the study was planned, there had been reports and complaints against some NGOs moving away from the values of volunteerism and self-less service to the poor and needy. This study was undertaken to bring out an overall picture of the nature, extent and process of governance failure, irregularities and corruption in the NGO sector. It also put forward certain recommendations as a way out for promoting accountability, transparency and good governance in the sector. The main objective was to bring into focus the importance of soul searching within the sector and to sensitize all the stakeholders with particular emphasis on self-regulation of NGOs.


The World Bank also conducted another study in 2005-6 called "Economics and Governance of NGOs in Bangladesh". The report focused on the debates surrounding NGOs. The study team developed an analytical framework within which they examined issues concerning NGO governance. Subsequently, the team turned to the questions of what NGOs do, who they cater for, how their programs and expenditures differ from those of other providers, and what impact their programs had had on individuals, households, and community welfare. Although NGOs provide a diverse range of services, the WB chose to limit their analysis to three key areas, namely micro-credit, education, health including the advocacy activities undertaken by some NGOs.

The WB report states... The report takes a closer look at issues related to the financing of NGO activities through donor support, government contracts, private contributions, microfinance income, and commercial activities. The basic questions here concern the relative importance of these various sources of income, changing trends in financing, and the implications of these trends for the nature of NGO activity in the medium term. Then the team assessed the status of the legal and regulatory framework, relating it to the scope of activities and financing trends discussed earlier. As part of this, the report assessed the state of financial accountability and corporate governance in the NGO sector. The main issues include the extent to which current legislation needs updating, the need for reform of institutional structures overseeing this legislation, and the extent to which NGOs are following best-practice norms in internal governance and accountability. The final chapter is built on the analysis to focus on the questions of whether NGOs should expand or diversify their programs, whether they have the capacity to do so, and what will be required from all stakeholders to ensure that any change in direction maximizes benefits to the poor.<sup>2</sup>

Manusher Jonno Foundation (MJF) since its inception has been promoting rights and good governance programs in partnership with a number of NGOs under four broad themes:

1. Rights of the marginalized population including Chittagong Hill Tracts
2. Combating violence against women

<sup>2</sup>Extract from World Bank study "Economics and governance of NGOs in Bangladesh".

- 
3. Protection of working children and vulnerable workers
  4. Ensuring responsiveness of public institutions

Almost a decade running MJF has provided funding support to 174 organizations all over Bangladesh disbursing over GBP 6.5 million annually. Committed to addressing the most marginalized and vulnerable population of Bangladesh, MJF through its partners has brought about positive changes in the lives of millions of people across the country. Improved well-being of poor women, men and children and creating a lasting positive change in the lives of poor and marginalized populations in Bangladesh is the goal of MJF. Working through partnership with local organizations is the strategy of MJF which also implies to improve the governance system of partner organizations through capacity building and monitoring support. As MJF is closing to a decade of intervention it has realized that a study is necessary to have an assessment of PNGO governance to measure the effectiveness of support so far provided by MJF.

## Purpose of this study

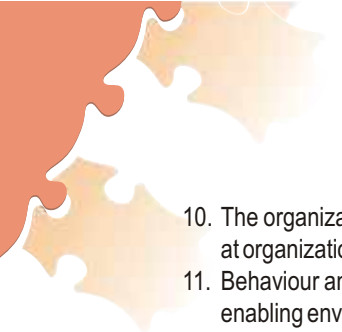
- 1) To assess MJF partner NGOs' governance system and practices on how far they have addressed ethical, legal and organizational development responsibilities.
- 2) To identify and analyze the effectiveness of MJF monitoring (finance and program) and capacity development assistance role on its partners, particularly in improving governance.

This study was designed to conduct on partner NGOs of Manusher Jonno Foundation where MJF is supporting NGOs in building their capacity and governance and measuring effectiveness in improvement of their governance, systems and practices.

## Determining factors:

The team decided to use the following determining factors for the study:

1. The organization has its necessary updated constitution, policy, procedures, tools and systems in place; and the Policy and Management leaders like EC, ED and Sr. Management have sufficient knowledge, understanding with necessary competency to use these instruments in policy and management.
2. The constitution, policies, procedures, tools and systems are in regular use in program and management of the organization by EC, ED, Sr. Management and program staff.
3. The EC, ED and other stakeholders have regular participation in policy decision and monitoring in policy implementation in program and management.
4. The organization has established participatory and non-discriminatory HR performance management system in practices.
5. The organization has been maintaining transparent financial system having financial policy and manual, computerised accounting system, check and balance internal control system by internal auditor, reporting to stakeholders, participatory budgeting and planning, openness in expenditure, access to financial data and information.
6. The organization demonstrates accountability to beneficiaries, donors, partner organizations and other stakeholders through reporting, participation in different processes, communication, and information disclosures, inclusion of beneficiaries and stakeholders during planning, implementation and evaluation.
7. The organization has gender policy, assigned person, gender friendly organizational environment with necessary facilities, gender balanced staffing and beneficiaries, use of gender policy in program and staff management.
8. The organization has established process or practices including opportunities for all level of staff to participate and/or be included in program and management decision making processes.
9. The organization has done preparedness including building staff capacity to rollout RTI within the organization and its program.

- 
10. The organization has established comprehensive/effective monitoring and management information system at organizational level to contribute to program and management decision, and improve governance.
  11. Behaviour and attitude of leader and supervisor is found positive towards staff and stakeholders to create an enabling environment of staff participation, openness and constructive feedback.
  12. The MJF support was adequate and as per needs of the organization.
  13. Effectiveness of MJF support is measured through improved organizational capacity and good governance.

## Study Methodologies:

In this study participatory approach was used for inclusiveness and developing ownership of the study team and in conducting participatory field study with NGOs which, it is assumed, has enriched and authenticated necessary data and information essential for such governance study on NGOs. The participatory approach has further enhanced study team's knowledge and capacity to make them useful in future monitoring support.

**Team composition:** A twelve member team comprising Consultant, Director, Senior and mid-level staff from Manusher Jonno Foundation (MJF) was formed.

**Sampling of PNGOs:** At present MJF has a total of 113 partner organizations to implement projects in four thematic areas. MJF should have sample size from 113 PNGOs who are implementing projects/programs relevant to capacity and governance improvement. With this principle, the study team developed selection criteria to identify and determine sample size so that selected NGOs should be able to represent on behalf of 113 partner NGOs.

The selection criteria included that:

- The NGO must have partnership with MJF for at least five years. But exception was made to select at least five NGOs who may have partnership for less than five years.
- The selected NGOs must be mixed with small, medium and large in size and from all divisions of the country where MJF supports.
- Different grant size needs to be considered to select NGOs.
- Only 5 NGOs who have less than one year partnership with MJF should be considered enabling fund to make comparison between effectiveness of long/medium term support vs. short term support by MJF.
- All sampled NGOs must have representation from one or more of four thematic areas of MJF.

With these criteria, 39 NGOs were selected who were categorized based on years of partnership – 3 years: 10 NGOs, 4 years: 10 NGOs, 5 years: 15 NGOs and less than one year: 5 NGOs. All these PNGOs were selected from Khulna, Barisal, Chittagong and Rajshahi divisions. In order to avoid any biasness and influence the MJF contact person, specific to any partner was excluded while visiting and consulting with that organization.

**Development of tools and materials:** Based on ToR and determining factors for conducting the study, the team developed a set of questionnaires with scoring range from 1 to 10 for quantitative analysis and a column for taking notes from interview for qualitative analysis. The set of questionnaire was designed with qualitative indicators to assess the responses from different stakeholders during Focus Group Discussion (FGD) and Key Informant Interview (KII) in particularly with Executive Director/Chief Executive Officer who should be able to provide sufficient data to help the team in capacity and governance assessment of the organization. The set of questionnaire was further customised to conduct FGD with different groups of people. Each questionnaire was supported by a number of supplementary questions to get insights of organizational capacity and governance from different groups. A template with numbers of tables was developed in order to collect data on: a) policy documents, tools and procedures of the



organization, b) information on Executive Committee/Governing Body of the organization, c) information about staff of the organization with number of male and female staff, d) list of training received from MJF, e) list of technical support received from MJF to strengthen organizational capacity and improve governance, and f) list of projects funded by other donors during 2001-2010. The selected partner NGOs filled up this template with necessary data and information prior to FGD and KII. In order to compile, consolidate and analyse collected data and information, a set of intake format was developed.

**Field study:** The team began field study from Dhaka urban where numbers of partner NGOs have been maintaining their central offices. The purpose to start at Dhaka urban was to conduct field test of the set questionnaires, opportunity of participation by all team members and gain hands-on skills under the guidance and technical assistant of the consultant and enrich the questionnaire and study methodologies with instant inputs from the team. During this field study, each subgroup facilitated Focus Group Discussion with the Executive Council/Governing Board/Council, Sr. Management staff; mid-level staff including certain selected staff members relevant to MJF supported project, beneficiaries and stakeholders including representatives from civil society organizations, local government, government field and Upazila staff and communities. In the field study, only Key Informant Interview was facilitated with Executive Director, who holds the organizational leadership for policy and management decision. During the FGD the subgroups facilitated sessions using a set of customised questionnaires as appropriate to different groups. The set of questionnaires with supplementary questions were designed in such a manner that helped in validation and authentication of responses by different groups on same issues. The FGD with different groups were interactive to make them participatory and create enabling environment for openness, responsiveness and opportunity to express views on policies, program and management of the organization. The team strived to capture various responses and observations on each organization using governance lens while conducting study.

**Desk review:** During the field study the team collected formats filled with data containing information on policy documents, EC committee, staffing, MJF support and projects funded by other donors. Some organizations provided a set of documents on policies, manuals, strategic plan, annual report, organizational profile and project documents during field visits. All those documents and materials were reviewed to assess their quality and level of capacity. These were used to assess comparison between theory and practice of the PNGOs based on desk review and notes taken and information gathered during FGDs.

**Data compilation and reporting:** Data and information collected through focus group discussion with different groups of partner organizations were clustered against each questionnaire using customised template. The document prepared by clustering field data and information was further enriched using data and information extracted by desk review of different documents collected from each organization. Thus it gave a compiled shape of information against determining factors used in governance study on each NGO. This compiled information was reviewed, analysed and transformed into reporting format corresponding to a set of questionnaires and then scored them as A, B, C and D category taking into consideration of assessor's scoring and his/her judgement as well as consultant's assessment based on compiled data and information. A matrix was developed with thirteen determining factors supported by a set of qualitative indicators against each questionnaire that was used in this governance study. This matrix was filled up using those scores on each NGO. The scoring against all forty partner NGOs were calculated to count into total number scored as A, B, C and D and in percentage. The findings and analysis section of this report represents further analysis on these scorings and thereby gives assessment of NGO governance with ranking as very good, good, fair and poor against each determining factor.

The notes taken during the visit and, later on from team perceptive comments were further analysed to determine and assess all forty organizations under different grades. Assessment of each organization comprises policy, procedures,

systems and their uses in policy, program and management; and knowledge, skill and commitment of policy and management staff in using those instruments effectively. The significant elements of governance issues that were reviewed and assessed are transparency, accountability, participation and information disclosure to different stakeholders.

## Findings and Analysis of the study:

The study creates opportunity to conduct two-dimension analysis because of the nature of collected data, information, assessment and observation by the team members. In this analysis, issues have been assessed using determining factors on the one hand and the assessment of capacity, quality and commitment of all participants in FGD and KII in consultation process on the other. The objective of two-dimension analyses is to complement and authenticate each other in magnitude and the context of identified issues and capacity of policy holders, managers, staff and stakeholders.

The magnitude of governance of each organization was measured using thirteen determining factors and analysis of identified issues on 40 organizations. Both quantitative and qualitative analyses were done in which compiled information and data collected through the questionnaires as well as observations and judgement notes with scoring on the questionnaires were used. The quantitative analysis was done using the 1 to 10 scale of scoring range against each question determined by assessor and judgement of team based on notes and observation of the assessors. The qualitative analysis was done using benchmark against each determining factor as well as comparison with qualitative standard that prevails for good governance. Effectiveness of MJF support was measured from two directions: a) MJF Investment since partnership to build institutional capacity and improve quality of services, and b) follow-up, monitoring and feedback with further technical inputs for effective use of capacity in practices for organizational development and management.

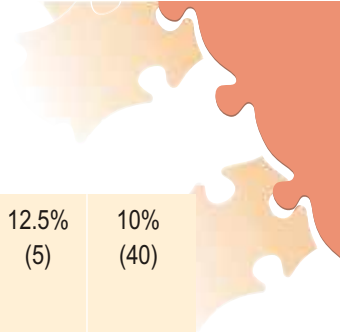
MJF project supported good practices have been replicated to other projects and in organization as a whole.

Bellow the table shows the outcomes of this quantitative analysis which has also been used as the basis of qualitative analysis of this study report:

Category	Ranking	Scoring range determined	Marking
A	Very good	10-9	4
B	Good	8-7	3
C	Fair	6-4	2
D	Poor	3-1	1

Table: 1 Interpretation of quantitative analysis

Sl.	Determining factors	A % (Qty)	B% (Qty)	C% (Qty)	D% (Qty)	Total % (Qty)
01.	Policy, procedures, tools, systems of the organization; and knowledge, understanding and competency level of EC, ED and Sr. Mgt.	32.5% (13)	47.5% (19)	17.5% (7)	2.5% (1)	100% (40)
02.	Use of policies, procedures, tools and systems in program and management of the organization.	5% (2)	30% (12)	57.5% (23)	7.5% (3)	100% (40)



03.	Participation in policy decision and monitoring in policy implementation in program and management (By policy holders: EC, ED and other stakeholders)	0% (0)	30% (12)	57.5% (23)	12.5% (5)	10% (40)
04.	Participatory and non-discriminatory HR performance management system in the organization.	2.5% (1)	30% (12)	45% (18)	22.5% (9)	100% (40)
05.	Transparency in financial management system.	2.5% (1)	62.5% (25)	35% (14)	0% (0)	100% (40)
06.	Demonstration of accountability to beneficiaries, donors, partner organizations and other stakeholders	0% (0)	32.5% (13)	65% (26)	2.5% (1)	100% (40)
07.	Gender friendly organization.	5% (2)	60% (24)	35% (14)	0% (0)	100% (40)
08.	Staff inclusiveness and participation in program and management decision.	0% (0)	30% (12)	52.5% (21)	17.5% (7)	100% (40)
09.	Organization's preparedness and implementation of RTI act:	2.5% (1)	17.5% (7)	55% (22)	25% (10)	100% (40)
10.	Comprehensive/effective monitoring system at organizational level for quality program and management decision	0% (0)	15% (6)	67.5% (27)	17.5% (7)	100% (40)
11.	Behaviour and attitude of leader and supervisor to staff and stakeholders:	0% (0)	17.5% (7)	62.5% (25)	20% (8)	100% (40)
12.	MJF Supports to improve governance of the organization.	0% (0)	76.92% (30)	23.08% (9)	0% (0)	100% (39)
13.	Effectiveness of MJF Supports to improve organizational capacity and governance.	0% (0)	38.46% (15)	48.72% (19)	12.82% (5)	100% (39)
14.	Overall rating of NGO governance is on the basis of mean of scoring on different Determining factor.	0% (0)	47.5% (19)	52.5% (21)	0% (0)	100% (40)

Table:2 quantitative assessment on numbers of NGOs ranked under different categories

## Limitation of the study:

- MJF support to partner organization was primarily on MJF funded project focused on governance issues. But the study conducted to assess governance of the organization as a whole sounds to partner NGOs as an over expectation.
- In this study the team could not use any data as a baseline inherited from the past to make a comparison with changed condition.
- Participation of staff, beneficiaries and stakeholders in focus group discussion selected by the partner NGOs limited the scope of random choice by study team. Moreover, the understanding of partner organization to bring beneficiaries and stakeholders relating to MJF project for FGD has made limited scope to learn larger picture of NGO program and performance in the field.
- MJF staff members were involved in the study.

## Qualitative and quantitative analysis using determining factors:

The following analysis with pie chart represents NGO ranking against each determining factor measured and assessed using by numbers of qualitative indicators. In this analysis determining factors was used on all 40 NGOs to assess and rank them under A, B, C and D category which stands for very good, good, fair and poor respectively. Therefore, assessment from this analysis shows on how each NGOs has been rated by different determining factors.

### 1.1. Determining factor-1: Policy, procedures, tools, systems of the organization; and knowledge, understanding and competency level of EC, ED and Sr. Management.

The governance study team used this determining factor to learn and understand whether:

- The organization has appropriate constitution, policy documents, tools and procedures to use in program and management decision;
- The policy holders and managers like EC, ED and Sr. Management staff who hold and execute policy decision for program and management have sufficient information, knowledge, understanding and experience about constitution, policy, procedures, tools and systems of the organization.

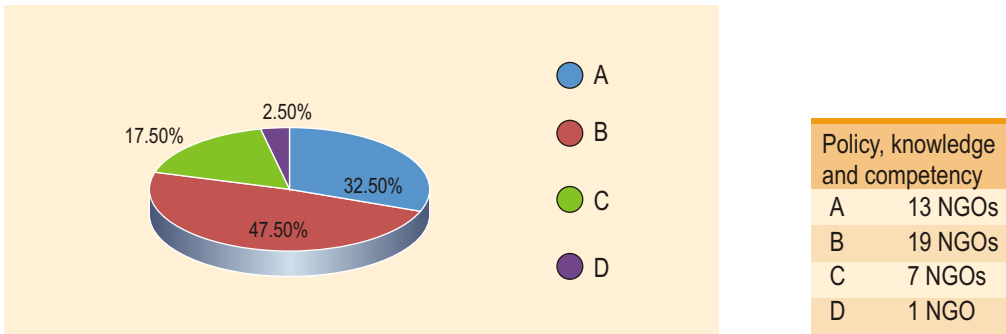


Figure 1: Ranking of NGO in existence and knowledge of policy, procedures, tools, systems of the organization

Responses and findings on each NGO based on these points have been ranked and represented through above pie chart. The pie chart shows number of NGOs ranked as very good, good, fair and poor in policies, procedures, systems and knowledge of EC, ED and senior management staff about organization management instruments.

- 13 organizations representing 32.5% of total 40 organizations have been ranked Very Good because those organizations have updated constitution, all types of policies, manuals, tools and procedures necessary for organizational management and program development. The Executive Council, Executive Director (ED)/Chief Executive Officer (CEO) and senior management staff are quite knowledgeable and have clear understanding about the purpose of those instruments and their uses in organizational management and programs.
- 19 organizations representing 47.5% of total 40 organizations have been ranked as Good because these organizations have constitution which are not updated with organizational growth but are useful for policy decision. These organizations have policies, tools and procedures those are found essential for organizational management and program. The Executive Council has knowledge and understanding in general about the constitution, policy documents, procedures and tools for organizational management and program but is not thorough

We have realized change happened within the organization due to MJF support in building capacity.

Trainings are very good and found effective for staff development but need longer duration including participation of central staff

about their use except constitution which they use as a part of their role. The Executive Director and Sr. Management staff have knowledge and understanding about all these instruments and know purposes of these instruments to use in organizational management.

- 7 organizations representing 17.5% of total 40 organizations have been ranked as fair because these organizations have old constitutions which, in fact, which were developed for the sake of organizational policy and registration for legal entity. These organizations have some basic policy documents, procedures and tools which are mandatory to use in organizational management and meet donors' requirements. The Executive Council of these organizations have limited knowledge and information about those instruments. The ED and other senior management staff have certain level of knowledge about instruments that they gained from day to day practices.
- Only one organization representing 2.5% of 40 organizations has been ranked as poor because of poor constitution, policy documents, limited tools and procedures in organizational management. Despite approval of policy documents by the Executive Council, they do not have adequate knowledge and information to use those documents for policy, program and management. The Executive Director has limited knowledge but does not have clear understanding about their use in organizational management. However, some senior staff members engaged in accounts and admin are knowledgeable about some instruments like financial policy and manual, HR policy, procurement policy, etc who help the ED in organizational management.

### 1.2. Determining factor-2: Use of policies, procedures, tools and systems in program and management of the organization:

This determining factor was used to learn and assess whether the constitution, policies, procedures, tools and systems are used:

- regularly by the program and management of the organization,
- regularly by the EC for policy decision and direction,
- regularly by the ED for program and management decision,
- regularly by the Sr. Management staff for day to day operation and management of program and organization,
- sometimes in planning and designing any program and/or development initiatives.

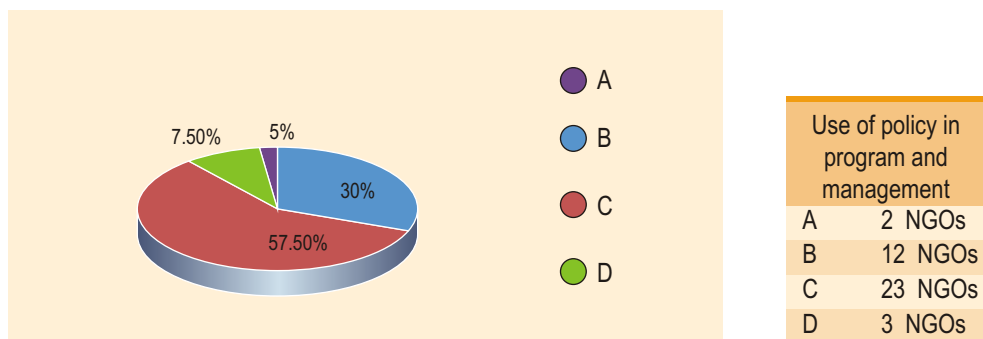


Figure: 2 Ranking of NGO in the use of Policy, procedures for policy and management decision and program designing.

This pie chart represents the number of NGOs ranked as Very Good, Good, Fair and Poor based on findings and assessment on NGOs on how far they use and do practices of policy documents and other instruments in policy decision, designing programs and taking management decisions.

- In spite of very good rating on 13 NGOs for their quality and adequacy in policy and other relevant instruments as well as adequate knowledge and understanding of EC, ED and senior management in using those

instruments, only 2 organizations have been ranked as “Very Good” because they effectively are using those instruments for their policy, program and management decision and at implementation level.

- 12 NGOs that represent 30% of total studied organizations have been ranked “Good” because of using those policy documents, tools and procedures for their organizational management. In policy decision and in program design those instruments are sometimes referred but in limited manner. However, the Executive Director uses those instruments for any management decision following which senior management staff execute the decision in compliance with policies and procedures that contribute to maintain good governance of the organization.
- 23 NGOs that represent 57.5% of total 40 NGOs have been ranked as “Fair” because these organizations have limited use of policies and procedure in organizational management. The EC mostly refers constitution while other policy documents are excluded in their decision making processes. The ED uses them mainly in management decision and senior management staff use them in their day-to-day operation and management mostly in financial and human resources management. Despite this limited use of policies and procedures, organizations are managed without any major setback.
- Only 3 organizations out of 40 studied organizations have been found poor in using policies and procedures. The EC never referred these policies documents for any policy and management decision. ED uses common sense rather than using of policy and procedures as tools for management. The Sr. Management staff, with their limited knowledge and understanding on policy and procedures, just comply with the ED’s decision for their day-to-day work. These organizations do not have all basic documents for policy and procedures as necessary for organizational governance.

MJF RBA programming has spillover effect on other programs of the organization.

**1.3. Determining factor-3: Participation in policy decision and monitoring in policy implementation in program and management (By policy holders: EC, ED and other stakeholders):**

With this Determining factor, the study team explored to identify whether:

- The EC members have been participating in regular meetings, different events of policy decision, participation on policy issues with different stakeholders, monitoring of policy decision in program implementation and management through field visit, meeting with Sr. Managements staff of different divisions of the organization and follow-up on decision and recommendation taken during EC meeting.
- The ED has been regularly attending and facilitating EC meetings, monitoring of implementation of policy decisions in program and management, mentoring and monitoring staff to comply with policy and procedures, contributing in program and management in compliance with policies, procedures and systems.
- The stakeholders like partners and beneficiaries have been participating in policy formulation and decision for any program and field management issues.

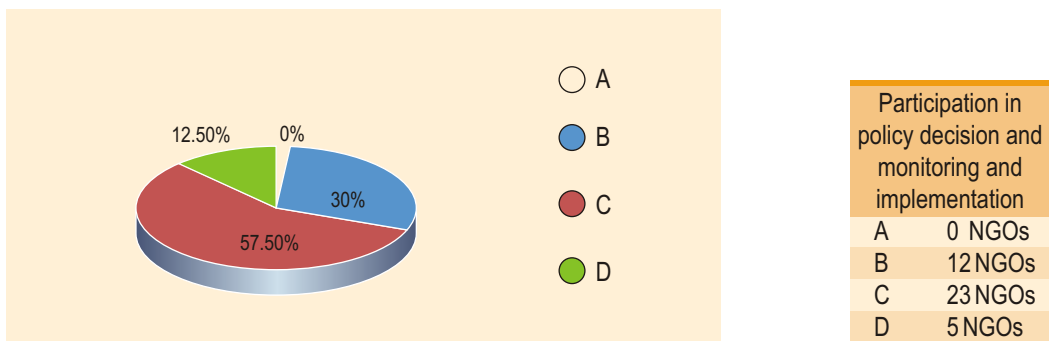


Figure: 3 Ranking of NGO regarding Participation in policy decision and monitoring and implementation

- None of 40 organizations have been found to be ranked as very good in participation in policy decision and monitoring on those decisions at implementation level by EC and ED. Despite the decision taken in the EC meeting, it has been found that hardly EC had active participation to monitor their decision at implementation level except review of those decisions in the meeting as a follow-up.
- 12 organizations that represent 30% have been ranked as “Good” in using policy and procedures in program and organizational management. Some EC members and ED have also been found participating in policy and decision and their monitoring at implementation level. The EC meetings are held but not in regular frequency, some members of EC visit field, interact with staff and sometimes discuss with stakeholders including donors on policy issues. The ED, being the member secretary of the EC, organizes and facilitates EC meeting and monitor policy and management decision at implementation level. The ED mentors staff and maintain liaison with donors, partners and other stakeholders with necessary participation in different policy discussion and implementation.
- 23 organizations that represent 57.5% have been ranked as “Fair” because the EC has limited participation in policy decision and field monitoring on policy implementation while the ED has active participation and leads the decision making process in compliance with procedures and monitor on policy implementation. Although meetings of the EC are not held on regular basis, the ED calls issue-based or emergency meetings where some of the EC members participate to take policy and management decision to execute them through ED. The EC members occasionally visit field and consult with senior management staff. The beneficiaries and stakeholders neither participate in policy formulation nor aware about organizational policies and procedures.
- 5 organizations have been ranked as poor because of absence of EC meetings and their participation in policy and management decisions. The ECs of these organizations have been playing role of rubberstamp for endorsement of ED’s decision on policy, program and management. These ECs have very limited knowledge and voice over the ED.

Partnership with MJF is recognized and rewarded by other donor

MJF field visit with spot feedback is effective for quality implementation and solving problems.

**1.4. Determining factor-4: Participatory and non-discriminatory HR performance management system:**

With this Determining factor, the study team tried to understand about Human resource management and development of the organization. The team explored whether:

- The organization has an effective HR manual and performance appraisal system with appropriate tools, forms and procedures for transparent and non-discriminatory staff appraisal.

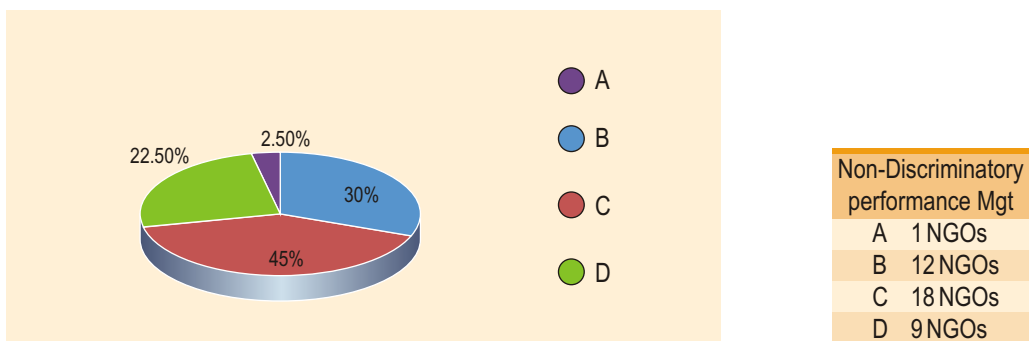


Figure 4: Ranking of NGO Non-Discriminatory performance Management

- The staff members have equal opportunity to assess their own performance, participate in dialogue with supervisor for feedback and reach an agreed consensus in assessment of performance that satisfies both supervisor and supervisee.
- The staff members get recognition/reward or punishment for good or bad performance.
- Organization has defined strategies for career growth of potential staff.
- Only one organization has been found “Very Good” in HR performance management because the organization has an established performance management system with necessary tools and procedures where each staff can participate in own performance assessment, give feedback to supervisor and become satisfied with management to ensure non-discrimination and transparent decision. This system is supported by a quality HR manual, tools, procedures and forms for participatory performance appraisal system enabling to determine non-discriminatory reward or punishment.
- 12 organizations representing 30% of total 40 organizations have been found “Good” in participatory HR performance management. These organizations have HR manual and use them as well for HR management including staff performance appraisal. They allow staff to participate in performance appraisal procedure to have dialogue with supervisor/appraiser and give inputs/feedback. The staff members are rewarded and recognised without any discrimination, although the ED holds the supreme authority and play discretionary role to approve any reward and recognition. Despite this reward and recognition, these organizations do not have any HR development plans and strategies for career growth and staff retention.
- 18 organizations representing 45% have been ranked as “Fair”, because they have HR manual but they conduct performance appraisal without any a set of tools and procedures. The appraisers dominate performance appraisal and the appraisees have limited option for appraisal and to participate in dialogue or appraisal process. The reward and recognition is subject to satisfaction of the Executive Director and direct supervisor. These organizations neither have sufficient knowledge and understanding about staff development plan nor have they developed any level of staff development. But the staff members of these organizations do not have any major concern over the performance appraisal system.
- 9 organizations representing 22.5% have been found poor in participatory and non-discriminatory HR performance management system. These organizations neither have any standard HR manual nor an established procedure to conduct staff performance appraisal. The current practice is unprofessional and the performance appraisal is not done on regular basis. The ED and supervisor decide about staff performance without any assessment process and consultation with relevant staff. The staff members of these organizations expressed their concerns on current practices of staff performance assessment and there is no recognition of work and reward for the staff.

MJF support had significant impact in project achievement than the organization.

### 1.5. Determining factor-5: Transparency in financial management system:

The study team used this determining factor to find out on how the organization ensures transparency in finance and program:

- Whether the organization has quality financial policy and management manual that is followed in financial management and control.
- Whether the staff members have equal opportunity to know any project budget and they are knowledgeable about organizational financial management and control system including understanding of value for money.
- Whether the organization has been maintaining financial system using any recognised software.
- How the organization manage bank account and who are the signatory in order for controlling bank account.
- Whether the organization has internal auditor to oversee and audit financial matter time to time and assign external auditor as per donors’ guideline and in compliance with constitution.

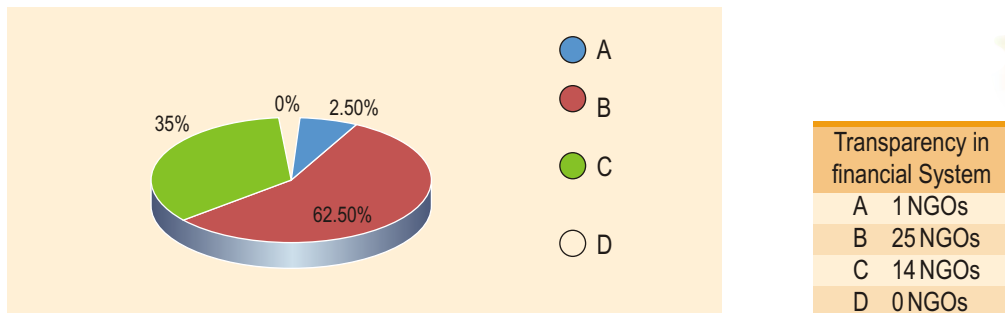


Figure 5: Ranking of NGO according to their Transparency in financial System

- Whether participation of relevant stakeholders and staff are ensured during financial planning, budgeting and expenditure as appropriate.
- How the organization reports to donors and present relevant documents of financial management.
- Whether the stakeholders can have access to documents relating to budget and expenditure.
- Only one organization has been found “Very Good” in financial transparency. The organization has been maintaining transparent financial system having finance policy and manual, computerised accounting system, check and balance with internal control and deployment of internal auditor, reporting to stakeholders, participatory budgeting and planning, openness in expenditure, access to financial data and information by stakeholders.
- 25 organizations representing 62.5% of total studied organizations have been found “Good” in demonstrating financial transparency. The organizations have financial policy and management manual with established financial system and control. The senior and financial staff members are knowledgeable with clear understanding on budget and expenditure on how this should be monitored and controlled. The EC is kept informed in the meetings on budget and expenditure. But the EC does not have regular monitoring on budget expenditure except the treasurer holds one of the bank signatories to oversee bank transaction. Staff members have access to project budget that share with stakeholders and beneficiaries. The bank account signatory of each organization has check and balance system and internal and external auditors are assigned on regular basis. These organizations have established financial reporting system with relevant documents to disclose to donors and other stakeholders. All these organizations have adopted a quality and improved financial management system with the help of MJF.
 

MJF support in financial policy, management and establishing system is very effective.
- 14 organizations representing 35% have been ranked as “Fair” since these organizations have financial system with limited demonstration in transparency to relevant stakeholders. Despite the existence of financial policy and manual with guideline on how to demonstrate transparency, the budget and expenditure is mostly controlled by the ED with the help of finance manager/head of finance. The position of internal auditor does not exist in those organizations, but external auditors are assigned as per donors’ instruction for certain projects. EC does not have knowledge and information about overall organizational budget, income source and monitoring of financial expenditure except the financial report submitted to EC meeting time to time by ED. These organizations send financial report to donors on regular basis as per terms of agreement. These organizations do not have any established mechanism or practices to demonstrate transparency to beneficiaries and stakeholders.
 

Feedback and support on finance through review and audit process – seems to be policing.
- None of the studied organizations has been found poor in financial transparency.

### 1.6. Determining factor-6: Demonstration of accountability to beneficiaries, donors, partner organizations and other stakeholders:

The partner organizations have some practices to demonstrate accountability to beneficiaries, donors, partner organization and other stakeholders through reporting, participation different processes, communication, information disclosures, inclusion of beneficiaries and stakeholder during planning, implementation and outcome assessment (Governance). This determining factor has been used to identify on what and how the organization demonstrates its accountability:

- Whether the organization has clear knowledge and understanding about accountability to different stakeholders.
- How the senior management facilitates to demonstrate accountability of program to different stakeholders.
- How the organization demonstrates accountability to donors, beneficiaries, partner organizations and other stakeholders.
- How the organization uses the opportunity of donors' visits to demonstrate accountability at organizational and field level.
- Whether the organization has any communication strategy including networking in order to demonstrate accountability to audience at primary, secondary and tertiary level.

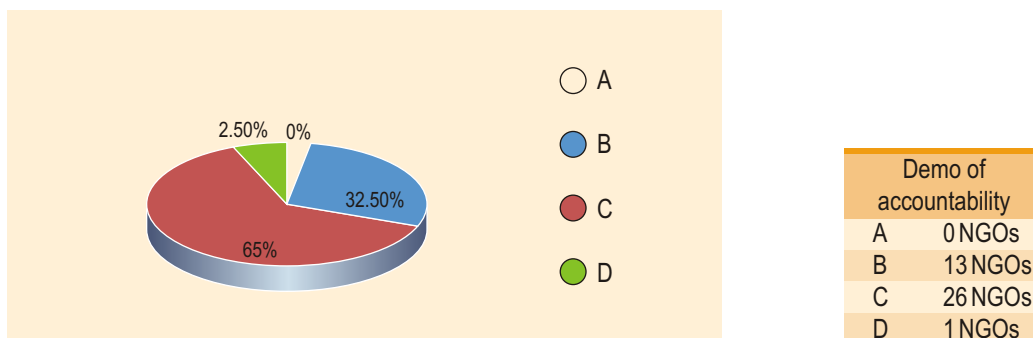


Figure 6: Ranking of NGO according to their demonstration of accountability

- None of 40 organizations has been found “Very Good” in demonstrating accountability to donors, beneficiaries, partners and other stakeholders, because no one could meet 100% of above mentioned qualitative indicators.
- 13 organizations representing 32.5% of total organizations have been ranked as “Good” in accountability demonstrated to donors, certain beneficiaries of MJF project, some stakeholders through reporting, hosting donors’ field visits, inclusion in different processes, communication, participation of beneficiaries in planning, implementation level. The ED has clear knowledge and understanding about accountability and facilitates staff to demonstrate accountability to donors, beneficiaries and stakeholders using various tools and methods.
- 26 organizations representing 65% of total 40 organizations have been found “Fair” in demonstrating accountability to different stakeholders. The ED and senior management staff have basic knowledge and understanding on how to demonstrate accountability to donors in compliance with terms of agreement and thus organizations have been reporting, hosting field visits and participating in different event organized by donors. Neither do they have clear understanding nor do they have practice to demonstrate accountability to beneficiaries and other stakeholders like civil society organizations, grassroots level implementing partners. Sometimes they share program issues with beneficiaries and implementing partners and include them in

implementation process which they understand as one kind of demonstration of accountability. The EC of these organizations do not know how to demonstrate accountability to beneficiaries and stakeholders, but sometimes they participate during donors' visits to present and explain policies, program and management.

- Only one organization out of forty has been found poor in demonstrating accountability. The organization neither has clear understanding about accountability nor has demonstrated accountability to different stakeholders except for few reports and hosting donors' visits. This organization has also poor capacity to adopt any strategy for demonstrating accountability to donors, beneficiaries and stakeholders.

PNGO learned more from MJF on how effectively right base approach could be used.

### 1.7. Determining factor-7: Gender friendly organization:

This determining factor is used to measure whether the organization maintains gender equity and friendly environment. In order to assess this, the study team looked into following issues:

- Whether the organization has gender policy and it is used in program and management.
- Whether any gender advisor/focal point is assigned for gender.
- Whether there is balance between male and female at all levels of the organization which include executive committee, senior-management staff, mid-level and field staff and at beneficiary level.
- Whether the organization considers gender issues in partnership with different organizations and CBOs.
- Whether the organization is consistent in gender policy and practices.
- Whether the staff members received training on gender.
- Whether the other policy documents, e.g. HR, finance, etc refer or link with gender policy document for any program and management decision.

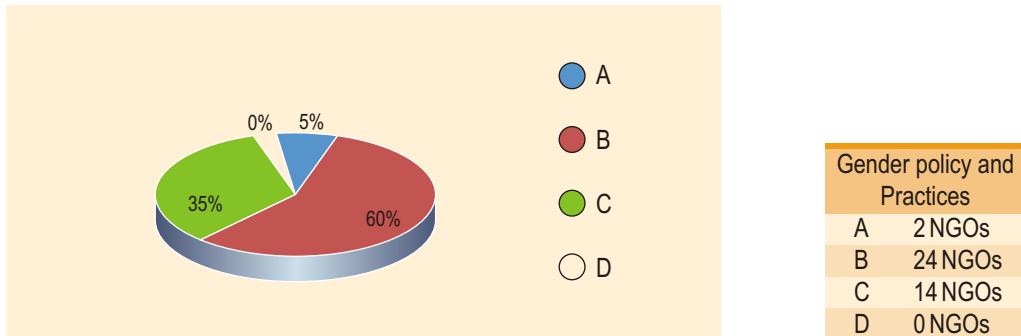


Figure 7: Ranking of NGO based on existence of Gender policy and Practices

- Two organizations that represent 5% of total studied organizations have been found “Very Good” gender friendly organizations. These organizations have gender policy, a person is either assigned as advisor or focal point, gender friendly working environment with necessary facilities available in these organizations, staffing is gender balanced and the beneficiaries are mostly women and for their empowerment gender policy is being used in program and staff management. The gender policy is consistent with HR and financial policies.
- 24 organization representing 60% of 40 organizations have been found “Good” gender friendly organizations. Each of these organizations has gender policy, a focal point assigned for gender, a set of staff trained on gender issues and policies, staffing is yet to be balanced between male and female at all level including formulation of beneficiary groups and the organization. Gender issue is taken care while designing and developing any program. The organization is maintaining gender friendly culture with facilities and managing sensitive gender issues. But the EC is not found gender balanced, although women members have strong

voice and participation. In partnership development gender issues are not a major concern but are considered as options to have a better organizational environment. HR policy includes gender issue but not is linking with gender policy.

- 14 organizations representing 35% of 40 organizations have been ranked as fair for their effort to become gender friendly organizations. These organizations either have gender policy or gender related rules and procedures built on HR, administrative and financial policy. Gender focal person is yet to be assigned. Some staff members are trained to gain basic knowledge and understanding on gender. The top management has acquired knowledge and understanding on how to facilitate the organization to be a gender friendly organization but they are not effectively facilitating. In management exercise gender issue is especially looked into following existing policies and established practices of the organization. The ECs of these organizations hardly have knowledge and understanding on gender and its implication in women empowerment.
- None of the studied organizations has been found poor in gender.

### 1.8. Determining factor-8: Staff inclusiveness and participation in program and management decision:

This determining factor has been used to find whether:

- The partner NGO staff established norms and procedures of staff consultation at different level of program and management decisions.
- The staff members can participate in program and management decision making process.
- The ED and senior management can facilitate relevant staff members to include in program and management decision making process.

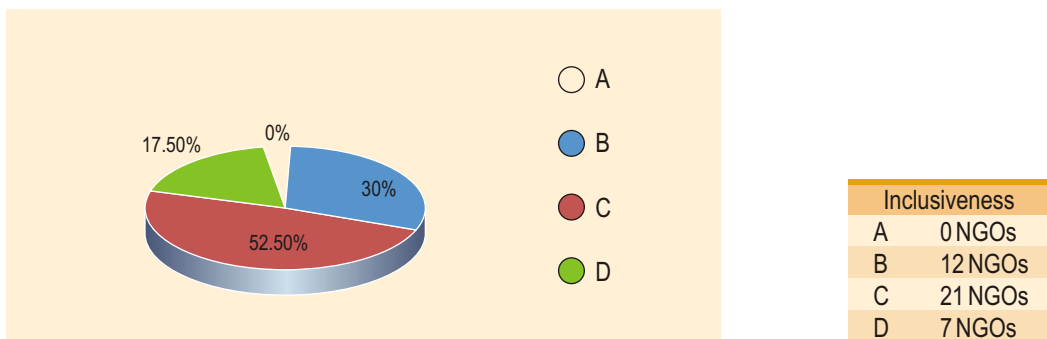


Figure 8: Ranking of NGO based on Inclusiveness of staff in decision making

- None of these 40 organizations has been found to be very good to include and facilitate staff participation in program and management decision making process.
- 12 organizations, e.g. 30% of 40 organizations have been ranked “Good” for their staff inclusiveness and participation in program and management decision making processes. The organizations have developed a culture of staff meeting to share and exchange views on management decision, their participation in program development process have become an established process of the organization. The ED and senior management encourage staff members for their participation in program discussion. However, the staff do not have voice in management decision making process but are kept informed.
- 21 organizations that represent 52.5% of 40 organizations have been found “Fair” in staff inclusion and participation in decision making process for program as and when necessary as felt by senior management.

These organizations do not have established procedure but have some practices for staff participation in program decision making process. But hardly have they opportunity to participate to give input for management decision. On the other hand, the senior management dominated by ED share information on any management decision including staff performance. But sometimes senior staff members get opportunity to participate in management decision process under the leadership of ED. The senior program staff members also facilitate field staff participation and involvement during program formulation and implementation.

- 7 organization representing 17.50% of total 40 organizations have been found “Poor” in staff inclusiveness and participation in program and management decision making process. The staff members do not have clear understanding about inclusiveness and participatory decision making process for program and management. The top management of these organizations neither practice nor facilitate staff to participate in any type of decision making processes. But sometimes the ED consults with senior staff for any program and management decision and communicates to other staff through them. The ED does not have sufficient knowledge and understanding of participatory management approach and enabling environment to apply in the organization.

### 1.9. Determining factor-9: Organization’s preparedness and implementation of RTI act:

The government has approved RTI act in July, 2009 following which MJF facilitated and supported partner NGOs to develop RTI policy and its rollout within the organization and its program. This determining factor has been used to assess whether:

- The Partner NGO has developed Information Disclosure Policy (IDP)
- Assigned focal point/information officer
- Trained staff on RTI
- Taken initiative (any activity) for implementation of RTI within the organization and in program including orientation to beneficiaries.
- Only one organization has been found “Very Good” in preparedness and implementation of RTI act. This organization has approved information disclosure policy; an information officer has been assigned who is trained along with other staff of the organization. The organization has shared RTI act with partner organizations and at beneficiary level and helped building partner’s capacity. Some program initiatives have been taken to have access to information and demand rights of information.
- 7 organizations representing 17.5% of total 40 organizations have been ranked as “Good” in organizational preparedness and use of RTI act in program and management. These organizations either approved or drafted Information Disclosure Policy (IDP) in compliance with Right to Information Act. They have assigned a

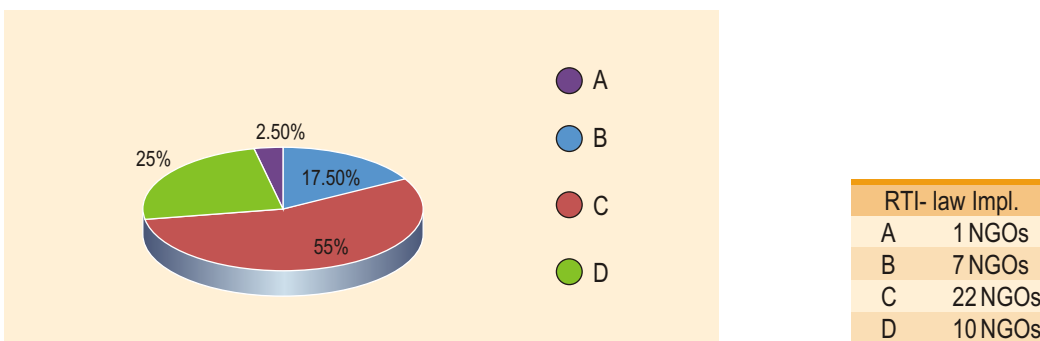


Figure 9: Ranking of NGO based on Right to Information law Implementation

focal person to deal with all RTI issue and facilitated IDP. Relevant staff members have been trained on RTI to apply it in communication program and management. But these organizations are yet to demonstrate effective roles in disclosing own information and demanding information from the government and exercising rights to have access to information.

- 22 organizations representing 55% of total 40 organizations have been found "Fair" in preparedness and implementation of RTI act. The staff members in these organizations are trained. The senior management staff have gained basic knowledge and understanding about RTI act and NGO's roles to play within the organization and establishing right to information from public institutes. Each organization has assigned a person who is still holding the position in informal manner without sufficient knowledge and capacity to act as focal person. Despite orientation received from MJF, these organizations are yet to develop IDP.
- 10 organizations representing 25% of total 40 organizations have been found "Poor" in preparedness and implementation of RTI act. Despite the training to a certain number of staff and orientation to ED, these organizations have not yet begun their preparedness to rollout RTI. The top management and the staff trained on RTI have very shallow knowledge and understanding, no staff has been assigned so far as focal person for RTI, no initiative has been taken to develop IDP, and the beneficiaries and other stakeholders at community level have not received information about RTI.

PNGOs in certain areas should have opportunity to be part of MJF initiative for their specialization like RTI.

MJF claims all credits on RTI initiative but has contribution from all PNGO.

**1.10. Determining factor-10: Comprehensive/effective monitoring system at organizational level for quality program and management decision:**

The study team during consultation with Partner NGOs tried to identify whether:

- The organization has established and comprehensive monitoring/management information system that contributes to effective program and management decision and using them in governance measure at different point of time.
- The organization has some practices and procedures of monitoring, information and documentation that contribute to management decision and actions.
- The EC, ED and senior management have been using their own monitoring tools and procedures to ensure quality of program and take management decision.
- Within 40 studied organizations, not a single organization has been found with an established comprehensive monitoring system at organizational level that has been contributing to policy and authority in program and

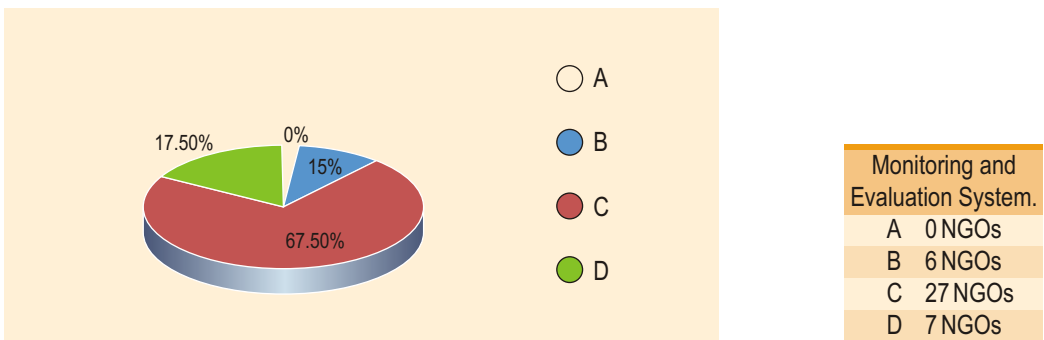


Figure 10: Ranking of NGO based on Monitoring and evaluation system

management decision. None of these organizations uses information to assess and measure governance of the organization. One organization has management information system but not sufficient to complement in policy and management decision as well as governance of the organization.

- 6 organizations representing 15% have been ranked as “Good”. These organizations have their own way of monitoring at organizational level without any established system. Most of their projects have monitoring system to meet with donor’s requirement. Having practices and procedures of project monitoring, these organizations have been gradually developing their capacity in management information system including documentation and communication. The ED and some senior management staff have been using their own monitoring tools and procedures for program and management.
- 27 organizations that represent 67.5% of total 40 organizations have been ranked as “Fair” in monitoring and management information system. These organizations have established project monitoring system in compliance with donors’ requirement. No monitoring and management information system is functioning at organizational level that can be useful for policy and management decision. These organizations have been using some tools and procedures for project monitoring which are helping to increase knowledge and understanding of the ED and senior management on how to assess performance and keep control over program, finance and staff performances. They have been using some conventional monitoring tools like work plan vs. actually work done, field visit, reporting, monthly review, verification with checklists, etc, but not adequate to complement to management decision for maintaining good governance.
- 7 organizations representing 17.5% have been found “Poor” in monitoring system. They have neither been doing project monitoring on regular basis nor using consistent tools and procedure. The ED and senior staff members engaged in project monitoring have poor knowledge and understanding on monitoring system. These organizations do not have any regular practices for staff, finance and program monitoring.

MJF should help us to establish monitoring and management information system at organizational level than project monitoring.

**1.11. Determining factor-11: Behaviour and attitude of leader and supervisor to staff and stakeholders:**

During NGO study, the team tried to identify from observations and different responses by EC, ED and senior management staff whether:

- The EC and ED behaved and expressed attitude to create an enabling environment for openness and participation.
- Facilitated staff to be open and bring facts on surface.
- Stakeholders made any comment on behaviour and attitude of ED that creates either positive or negative impact on program and relationship.

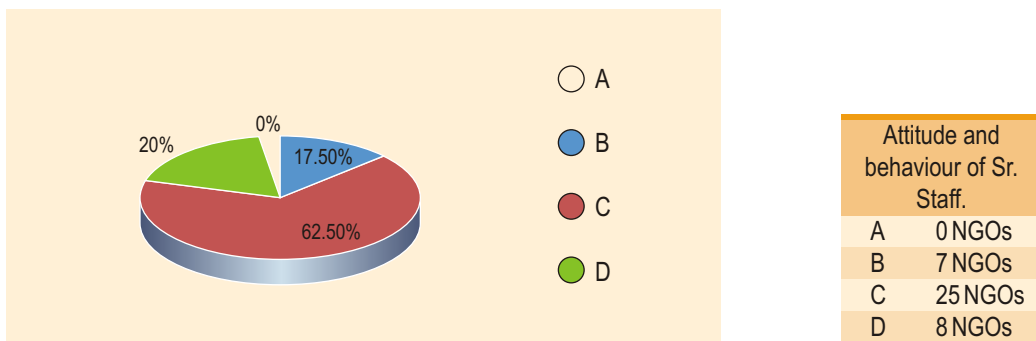


Figure 11: Ranking of NGO based on Attitude and Behaviour of Management Staff

- Staff expressed any concern about ED and senior management's control role rather than support role they expect.
- Leadership quality and professional competency of ED and other senior staff.

During NGO study and consultation with Executive Director, Sr. Management staff, mid-level staff, beneficiaries and other stakeholders, the study team tried to understand about attitude and behaviour of the ED and other senior staff who play supervisory role in the organisation and coordinate with beneficiaries and stakeholders. During discussion with the ED the team assessed the ED's role on how s/he effectively used and played control or support role to his/her team and created an enabling environment for staff participation. While discussing with senior and mid-level staff, the team also tried to notice any concern or issue on attitude and behaviour of the ED. In other determining factors like staff inclusiveness and participation, and non-discriminatory and participatory performance management have also been looked into in order to assess behaviour pattern of the ED and the senior management staff. Feedback from stakeholders and beneficiaries was also considered to determine behaviour and attitude of ED and other senior management staff. The result of such assessment shows that:

PNGO needs periodic capacity assessment for capacity building support.

- None of the EDs of 40 NGOs and other supervisors can be ranked as "Very Good" in attitude and behaviour and in creating enabling environment for raising voice and participation of staff in program and organizational management. Beneficiaries and stakeholders of any NGO did not comment anything relevant to very good professional behaviour and attitude of the ED.
- 7 NGO leaders representing 17.5% have been found "Good" in their attitude and behaviour. They have been playing significant role to create enabling environment for staff participation. The staff members expressed their satisfaction with the way the ED and other supervisors behave with them. Beneficiaries and relevant stakeholders expressed their satisfaction working with the ED and other senior staff of the organizations. The EDs of these organizations and some senior staff have strong leadership quality with professional competency in their roles and responsibilities.
- Leaders from 25 NGOs representing 62.5% have been found "Fair" in their attitude and behaviour because the staff members are satisfied with their EDs and supervisors except their facilitative role for staff participation and performance assessment. The EDs maintain their own style since foundation of their organizations without any conflict with ECs or staff. Beneficiaries and other stakeholders did not have any comment about the EDs and senior staff. The leadership quality and professional competency of the senior staff of these NGOs are limited within certain level.
- The Leaders of 8 NGOs that represent 20% of total organizations have been found "Poor" in attitude and behaviour. Their behaviour with autocratic management style, being the founders of organizations, was noticed. Neither they facilitate nor do they believe participatory management approach for improved governance of the organization. A few staff members of these organizations expressed their concern about the way the ED and senior staff sometimes deal with them.

### 1.12. Determining factor-12: MJF support to different organization:

Following signing partnership agreement with NGO, MJF began to support the organizations in the areas of financial policy development and management, gender policy development, personnel policy and management manual development, admin and procurement policy, knowledge and skills development on human rights and governance, right to information, monitoring and evaluation, advocacy and specific program related skill development through training and different technical assistance in order to build institutional capacity and improve governance of the organization.



The study team identified:

- What and how many of these supports were received by each organization.
- Whether MJF staff members have relevant knowledge and skills to improve NGO governance.
- Whether those supports were as per needs of the organization.

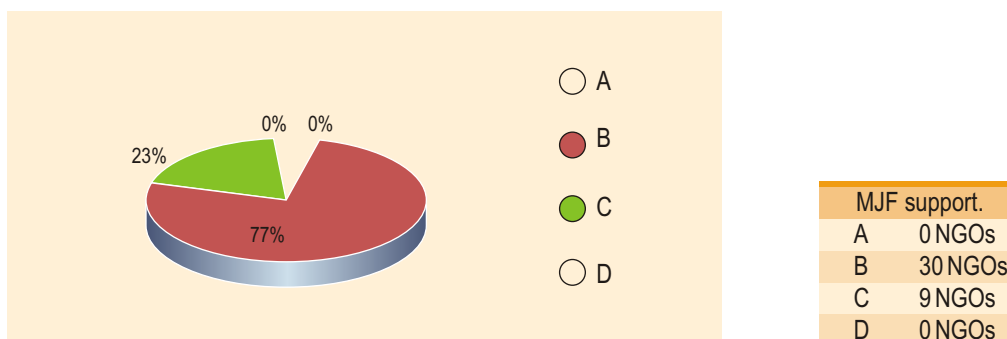


Figure 12: NGO ranked the support of MJF

- In view of this in mind the team studied and assessed the quantity and quality of support given by Manusher Jonno Foundation (MJF) since signing of partnership agreement between NGOs and MJF. However, MJF support also varied on length of partnership with different NGOs – longer partnership period received more support and shorter partnership period received less support. MJF supports to partner NGOs have been found quite reasonable to improve capacity and governance but not adequate to establish evidence with clear indicators of proving very good to any of those PNGOs meeting all the conditions and expectation from both sides.  

MJF support sometimes was not in same wave length with PNGO capacity.
- Total 39 PNGOs were assessed who received support from MJF. Of these, 30 organizations representing 77% have been ranked as “Good” in receiving support from MJF. Most of them have longer time of partnership with MJF but there are some exceptions with few smaller NGOs who have limited capacity to receive all MJF support. These organizations received training on gender, finance, right to information, human rights, governance, project monitoring, reporting and evaluation. They also received support for developing policies and manuals that include HR policy, finance policy, gender policy, procurement policy, strategic plan and information disclosure policy which contributed to organizational development. The field visit and project monitoring focused on program and finance by MJF staff have been acknowledged by NGOs as a great support for instant improvement in managing the project and delivering its outputs. These NGOs have used these tools and experiences gained from many of these project support transformed into organizational level for improved organizational policies and management.  

Program audit could be one tool to give better input by MJF for improved programming.
- 9 organizations representing 23% of total 39 organizations have been ranked as “Fair” in receiving support from MJF where smaller NGOs with long term partnership and other PNGOs with shorter period partnership are included. Certain number of staff of these organizations received training on gender, HR, finance, RTI, project monitoring and evaluation which they found standard but not unique to improve their organizations. The other supports from MJF included developing HR manual, gender policy, procurement policy, project monitoring tools and procedures and improving their existing financial policy and manual which they recognized as technical contributions from MJF. The organizations comparatively with shorter period of

partnership received less support comparing with longer period partner NGOs. Therefore, support from MJF has met partially of their expectation both in quantity and quality.

- All 39 organizations somehow received support for building staff capacity and organizational development while implementing any project funded by MJF. None of these organizations have been found excluded from MJF support, but the nature and quality of support was not consistent to all organizations, because of MJF staff quality/capacity and priority and ability of partner organizations to adopt and participate in receiving support from MJF.

### 1.13. Determining factor-13 Effectiveness of MJF support contributed to improve capacity and governance of the organization:

The support provided by MJF to PNGO has contributed to and impacted on improving organizational capacity and good governance of the organization. The study looked into the level of effectiveness following MJF support that may have varied from organization to organization because of length of partnership, ability to adopt and transforming into practices and follow-up and monitoring/mentoring support by MJF.

This determining factor to measure the effectiveness of MJF support for building institutional capacity and improving governance has been assessed by the study team on partner NGOs using certain measuring indicators which include:

- How many policy, tools and procedures developed or improved are in effectively used and in practices of organizational policy, program and management.
- How the staff skills have been contributing to efficient management and good governance of the organization.
- Whether those supports were on time and rightly done as per their needs.
- What changes the organization noticed in quality improvement of its program and governance of the organization.
- MJF follow-up support with efficient staff to monitor and mentor on effectiveness in NGO governance improvement.

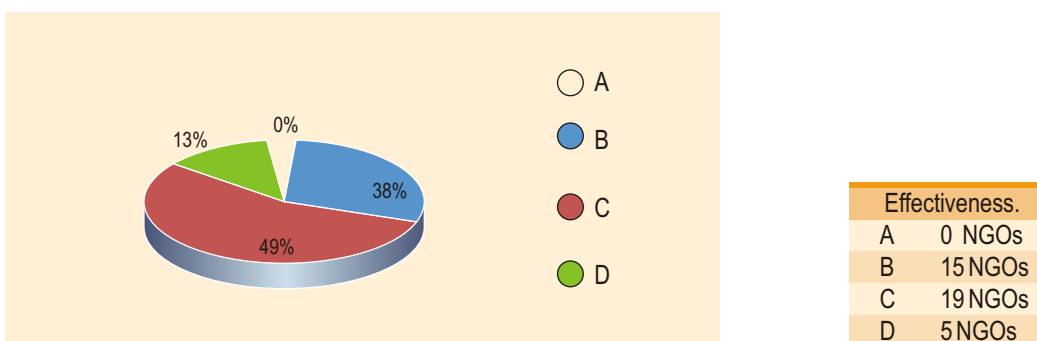


Figure 13: Ranking of NGO based on the effectiveness of MJF support

Having this determining factor to measure using numbers of indicators, the study identified and assessed the effectiveness of MJF support to each partner NGO.

- None of these 39 NGOs could demonstrate very good in effectiveness following support from MJF, nor the team found any evidence both at MJF and NGO level to justify ranking as very good of a single NGO in effectiveness of MJF support for staff capacity building, organizational development, governance and project achievement.
- 15 Partner NGOs representing 38.46% of 39 studied organizations have been found “Good” in effectiveness of MJF support to improve governance and building institutional capacity. Many policies, tools and procedures

developed or improved in these organizations are mostly in use and practices in policy, program and management decision and implementation. The senior staff and MJF project staff gained skills from MJF training support have been contributing to implementation and management efficiently. These organizations have noticed organizational change in quality improvement of program and governance. MJF monitoring and follow-up support has helped to achieve project goal and objectives. The organizational capacity is good to effectively support to partner organizations. However, the staff capacity at individual level varies in specialisation on governance, human rights and organizational management. Some other international development agencies recognised and rewarded some of these organizations in different projects.

MJF project supported good practices have been replicated to other projects and in organization as a whole

- 19 partner organizations representing 48.72% of total 39 organizations have been found “Fair” with effectiveness of support from MJF. These organizations received good MJF support in capacity building of staff through training, developing/improving organizational policies and manuals, technical supports, hands-on training and inputs from MJF staff during project monitoring in the field level. The achievement of results from these supports has been measured as “Fair” level. The reasons that hindered in achieving good level of effectiveness are level of staff capacity, staff ability with knowledge and understanding to increase skills, commitment and organizational attitude to use this MJF support for good governance. However, MJF support helped to enrich these organizations with necessary policy and manuals for efficient and effectiveness in management. The staff members have been working with knowledge and skills for good governance. MJF supported project under some organizations has demonstrated satisfactory result in project achievement because close monitoring and mentoring by MJF. These organizations also expressed that if they would have received further support as per their needs and expectation they would have achieved better results in effectiveness.
- 5 partner NGOs representing 12.82% of total 39 organizations have been found “Poor” in effectiveness despite the fact that MJF supported in building staff capacity, instant feedback input through project monitoring and technical support through developing policy, manuals and other tools for organizational development. The reason behind this status is that the organizational ability and commitment level of these organizations were poor to adopt and transformed into staff skills and organizational development. The staff members from these organizations to participate in any training were poor. Absence of need assessment and organizational priorities were not determined by MJF while supporting these organizations. The attitude and level of commitment from top management has also been a matter in effectiveness.

MJF should not impose any activity or strategy to the PNGO that is not their priority and belief.

#### 1.14. Comparative analysis between MJF support and effectiveness:

An analysis comparing between MJF support and their effectiveness has been done in order to give more clear pictures in certain areas. This comparative analysis has been done by using the analysis of numbers of determining factors where such comparison is more visible and data collected through templates from each partner NGOs. The following table presents a comparison between support and effectiveness through ranking them as A, B, C, and D which stand as very good, good, fair and poor respectively.

Support	A	B	C	D	Effectiveness	A	B	C	D
Policy, procedures, systems development and improvement of competency of management and staff	13 (32.5%)	19 (47.5%)	7 (17.5%)	1 (2.5%)	Use of policy, tools and procedures	2 (5%)	12 (30%)	23 (57.5%)	3 (7.5%)
					Participation in policy decision and monitoring	01 (2.5%)	12 (30%)	23 (57.5%)	5 (12.5%)
Development of financial manual and management system with training and monitoring support	0	32 (80%)	8 (20%)	0	Transparency of financial system	1 (2.5%)	25 (62.5%)	14 (35%)	0
Support for developing gender policy, staff capacity building and gender friendly culture of the organization	5 (12.5%)	27 (67.5%)	8 (20%)	0	Gender friendly organizational culture and practices	2 (5%)	24 (60%)	14 (35%)	0
Support to build staff capacity, development of IDP and organizational preparedness to rollout RTI	1 (2.5%)	20 (50%)	19 (47.5%)	0	RTI act within PNGOs and their programs	1 (2.5%)	7 (17.5%)	22 (55%)	10 (25%)
Support in project monitoring, systems development and training	1	30 (75%)	9 (22.5%)	0	Effective monitoring system at organizational level	0	6 (15%)	27 (67.5%)	7 (17.5%)
Overall MJF support	0 (0%)	30 (76.92%)	9 (23.08%)	0 (0%)	Overall effectiveness	0 (0%)	15 (18.46%)	19 (48.72%)	5 (12.82%)

Table: 3 Comparative analyses of MJF support and its effectiveness



From this comparative analysis it has been realised that the level of support given by MJF could not transform into same level of effectiveness equally to all PNGOs because of their poor capacity, priority, attitude and commitment on the one hand and on the other hand, the MJF staff capacity which varies in terms of from person to person, missing in right responses to the needs of partner NGOs and timeliness of giving those support is the prime factor for such differences.

The tenure of partnership between MJF and partner NGOs is another factor. The PNGOs having longer period of partnership received more support which resulted in better effectiveness and the PNGOs with shorter period of partnership received less support resulting in less effectiveness. But there has been exception for few organizations who have already demonstrated rapid improvement in governance in spite of short period partnership while some organizations with longer partnership and support have slow improvement in capacity and governance.

### 1.15. Consolidation of Determining factors by ranking:

The following four graphs represent consolidation of determining factors, which were used to assess governance of NGOs for ranking in A, B, C and D. X-axis represents 13 Determining factors those were used to assess governance of each NGO and the Y-axis represents ranking of numbers of NGOs against each determining factor at A, B, C or D and are shown through four graphs as follows:

#### 1.15.1. Ranking-A: Very Good

X= Determining factors numbered as 1 to 13

Y= Numbers of NGOs ranked as very good against each determining factor

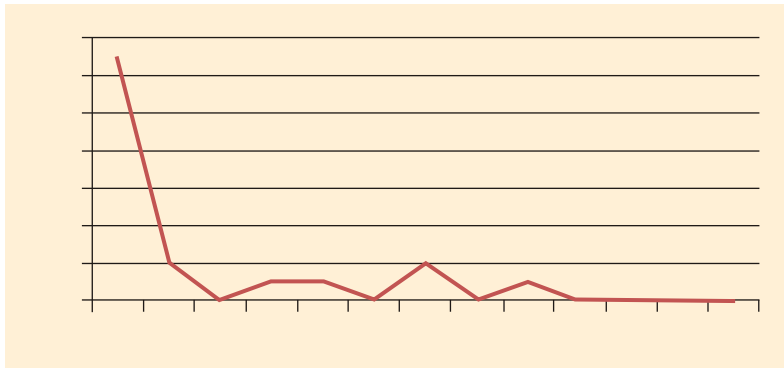


Figure: 14 Ranking of numbers of NGOs against determining factor A.

Only 13 organizations out of 40 have been ranked as very good for their organizational policies, procedures, level of knowledge and understanding of EC and Executive Director. Despite the existing policies and knowledge and understanding of policy-holders, only 2 NGOs have been ranked very good in using policies. The holders of policy and authority, the Executive Committee and Executive Director of any NGO, do not have strong participation for regular monitoring in implementation of their decision taken in different meetings and consultations. One NGO has very good participatory performance management system with utmost satisfaction and recognition of staff without any discrimination. Only one organization has been maintaining very good financial transparency meeting all the norms and conditions of transparency. None of these 40 organizations have been able to demonstrate very good accountability to their primary stakeholders which include donors, beneficiaries, government authority, field level implementing partners and other civil society organizations directly involved with NGO programs. Two organizations

have been found and rated as very good gender friendly organizations. Only one organization has very good preparedness and has good number of initiatives to rollout RTI act within the organization and its program. None of these organizations has a comprehensive monitoring and management information system as enabling to provide inputs on organizational management, programs and in policy decision making processes.

In this assessment process using different determining factors and observations, the team could not rank any one of the top managements of the studied NGOs is very good in attitude, behaviour and in leadership quality in consideration with his/her roles for support, facilitation, participation, performance management, communication, competencies and relationships within and outside organizations. In consideration with support from MJF to partner organizations as per their needs, could not be rated as very good but MJF support has been recognised by all partners in their growth with organizational capacity. Similarly in assessing results of such support could not demonstrate very good effectiveness within any organization. But many of these determining factors have already demonstrated evidences like organizations having been enriched with policies, procedures and knowledge and skills at management level but uses of those policies and procedures including participation in monitoring of policy implementation was weak and thus resulted in poor effectiveness.

### 1.15.2. Ranking-B: Good

X= Determining factors numbered as 1 to 13

Y= Numbers of NGOs ranked as good against each determining factor.

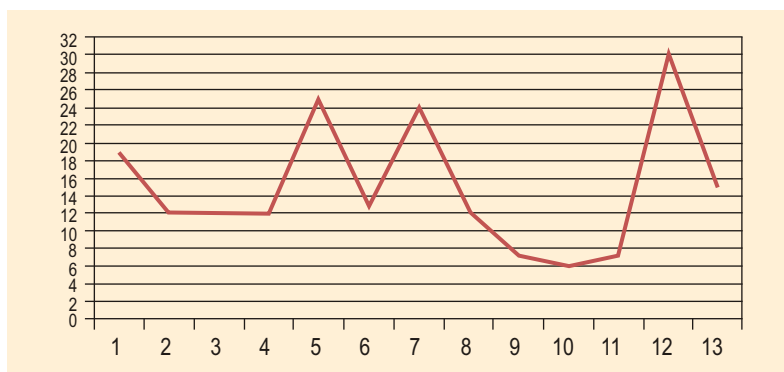


Figure: 15 Ranking of numbers of NGOs against determining factor B.

The above graph shows the numbers of NGOs which have been ranked as “Good” using different determining factors in governance assessment. In this graph the highest number, i.e. 30 NGOs received good quantity and quality of support from MJF and the second highest is 25 NGOs who obtained good ranking in financial transparency which is very important for organizational good governance. The lowest number is 6 NGOs ranked as good against organizational monitoring and information system. As many as 19 organizations have been ranked as good for their improved policy, tools, procedures and knowledge and skills of management. But 12 organizations have been found good in using policy, procedures and participation in monitoring policy decision by EC and ED. Twelve partner NGOs have good and participatory staff appraisal system in performance management which is one of the factors for organizational governance. Despite the demonstration of good financial transparency within 25 partner NGOs, only 13 organizations have demonstrated accountability to their primary stakeholders. Twenty-four organizations have been ranked as good for their gender friendly organizational environment with appropriate policy, procedures and facilities. Twelve organizations have practices of inclusiveness and participatory decision making process for program



and, to some extent, management issues. Seven organizations have been ranked as good for their preparedness and initiatives to rollout RTI. Only 6 organizations have good monitoring system to contribute to program and management decision in organizational level. At leadership level 7 organizations have been found good in their behaviour, positive attitude towards staff participation, demonstration of support role to staff and their competencies including facilitation skills. However, from this analysis and consolidation of outcomes of assessment, 19 organizations have been ranked as good NGOs with good level of organizational governance which appears to be close to 50% and considered a satisfactory numbers but not good results of partner NGOs growth with capacity and good governance.

### 1.15.3. Ranking-C: Fair

X= Determining factors numbered as 1 to 13

Y= Numbers of NGOs ranked as fair against each determining factor

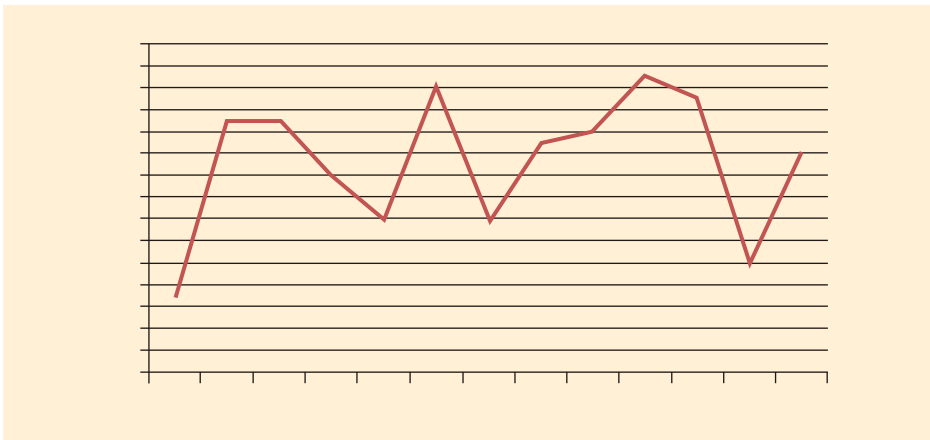


Figure: 16 Ranking of numbers of NGOs against determining factor C.

The above zigzag graph demonstrates variation in numbers of NGOs ranked as “Fair” against different determining factors used in this governance assessment process. This zigzag graph also indicates that the organizations beyond “Fair” ranking must have been either ranked good or poor against different determining factors and this gives interpretation of inconsistency in maintaining consistent governance level of each organization meeting all conditions. Seven is the least number of NGOs shown in the graph against policy and knowledge level of organization and 27 is the highest number against monitoring for management decision and governance of the organization. This chart also interprets that more in numbers of NGOs ranked as fair gives more opportunity to work for improvement of certain areas and less in numbers narrows this scope of various supports needed to improve capacity and governance. Twenty-three organizations have been ranked as fair in using policies and participation by ECs and ED, and in monitoring policy implementation. Participatory PMS system has been found fair among 18 organizations. Financial transparency level is found fair in 14 organizations. Demonstration of accountability mostly to donors by 26 organizations has been ranked as fair. Fourteen organizations have gender friendly environment at fair level. In practices for staff inclusiveness and participation 21 NGOs were ranked at fair level. Twenty-two organizations have attained their preparedness and initiative for RTI rollout at fair level. Twenty-seven organizations who have been monitoring their projects and using monitoring reports for project management have ranked as fair. Behaviour and attitude of ED and the senior staff of 25 organizations have been ranked as fair because of satisfactory performance in facilitation, inclusiveness practices, communication with staff and beneficiaries, staff performance assessment and participation in different organizational events. Ten organizations who have been receiving support from MJF are ranked as fair. Effectiveness of MJF support over 20 NGOs have been ranked as fair. From this overall assessment, it

has been evidenced that overall ranking on 21 organizations should be at fair level who need further support on different issues where these organizations have weaknesses identified through this assessment processes.

#### 1.15.4. Ranking-D: Poor

X= Determining factors numbered as 1 to 13

Y= Numbers of NGOs ranked as poor against each determining factor

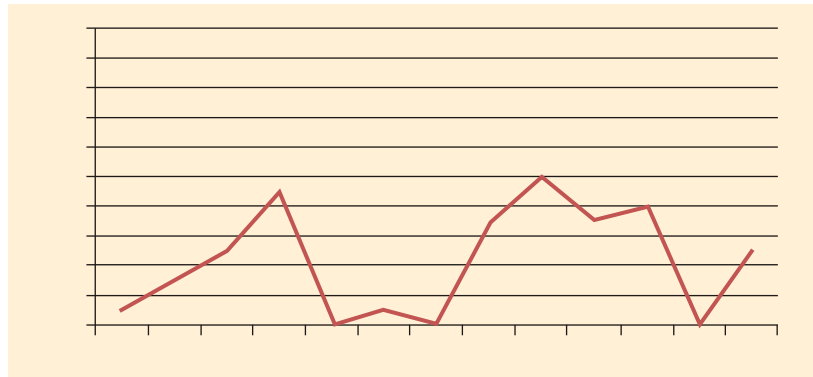


Figure: 17 Ranking of numbers of NGOs against determining factor D.

Another zigzag graph presented above is an evidence of drastic variation in numbers of NGOs against ranking as D by using different determining factors despite the fact that D stands for poor. Least in numbers ranked as D against any determining factor is a positive indication and more in numbers is negative. Zero is the least number of NGOs determined against financial transparency, gender friendliness and quality of MJF support. This means that none of 40 organizations has been found poor in financial transparency, gender friendliness and questioned on MJF support to partner NGOs. One organization has been ranked as poor in policy and knowledge and demonstrating accountability. Three organizations have been found poor/weak in applying policies in program and management. The ECs and EDs of 5 organizations did not have participation in monitoring of policy decision. Nine organizations do not have any established procedures for performance management. In 7 organizations the staff members do not have any access to participate in program and management decision making process. Ten organizations have not yet done their preparation to rollout RTI act. Seven organizations have been found weak in project and other monitoring activities. These organizations hardly understand comprehensive monitoring for policy and management decision inputs. In 8 organizations the behaviour and attitude of ED and other senior management staff including their capacity to facilitate, staff performance assessment, mobilizing staff for participation in different events, building staff capacity, practicing inclusiveness and communication with staff, beneficiaries and stakeholders are poor. Effectiveness of MJF support has been ranked as poor for 5 NGOs who have not demonstrated satisfactory improvement in their capacity and governance since their partnership with MJF.

#### 1.16. Overall ranking on 40 PNGOs:

Having analysed against each determining factor using quality and quantitative indicators, all NGOs have been consolidated to determine NGO capacity and governance ranking at A, B, C and D taking into consideration of organizational policies, procedures, tools, systems, uses, their practices complying with policies, role of policy holders in monitoring and implementation, participatory and non-discriminatory performance management, financial transparency, demonstration of accountability, staff inclusiveness in program and management decision, use of RTI Act, monitoring system for organizational governance, attitude and behaviour of ED and senior staff and effectiveness of MJF support to Partner NGOs.

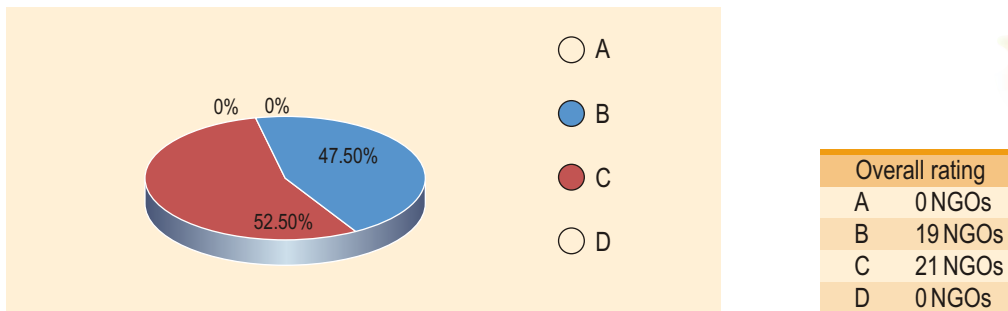


Figure: 18 Overall Ranking of NGOs.

None of 40 organizations have been found very good to demonstrate good governance with organizational growth and support from MJF. But one organization has made its utmost effort to support in building partners' capacity and improved governance duly maintaining and demonstrating its own governance within the organization.

Nineteen organizations representing 47.5% of total organizations have been found "Good" in demonstrating overall capacity and good governance in program and management as result of organizational capacity and effectiveness of MJF support received so far on policy development, building staff capacity in program and management and achievements of projects on governance and human rights.

Twenty-one organizations representing 52.5% of 40 organizations have been found "Fair" demonstration of governance in program and management. Since signing the partnership, MJF support was effective to improve organizational and staff capacity at certain level but not at optimum level because of some limitation at both end of support and recipients.

None of these 40 organizations has been noticed as "Poor" in demonstrating their capacity and governance of the organization.

### 1.17. NGO trend in ranking by determining factors:

The above analysis reveals that NGOs ranked by different determining factors to assess governance have not been able to maintain constant level of ranking throughout the all determining factors. Therefore, the following graphs are prepared by taking four NGOs from four different ranking levels, which show the different levels of ranking against 13 determining factors of the study.

The first graph shows consistent ups and downs in ranking against different determining factor and has ended up at ranking level 2. Despite this fluctuation most of these ranking remain within 3 and 4, and, therefore this organization is found close to 4 which stands for A.

The second graph has begun at level 4 but has shown a drastic declination and variation in ranking even at the extreme lowest number 1 and then has finally finished at ranking level 3. Despite grading the organization at level B, more attention is required to this type of organization to improve capacity and governance.

The third graph shows its beginning at ranking level 2 then declines at level 1 against second determining factor, thus it continues within 1 and 2 with one sharp rise at level 3 against 7 determining factor. This type of organization is graded as C but has potential to growth with capacity and improved governance if the organization will have right diagnosis to understand its existing capacity and needs and respond strategically with necessary support and nurturing.

A	B	C	D
4	3	2	1

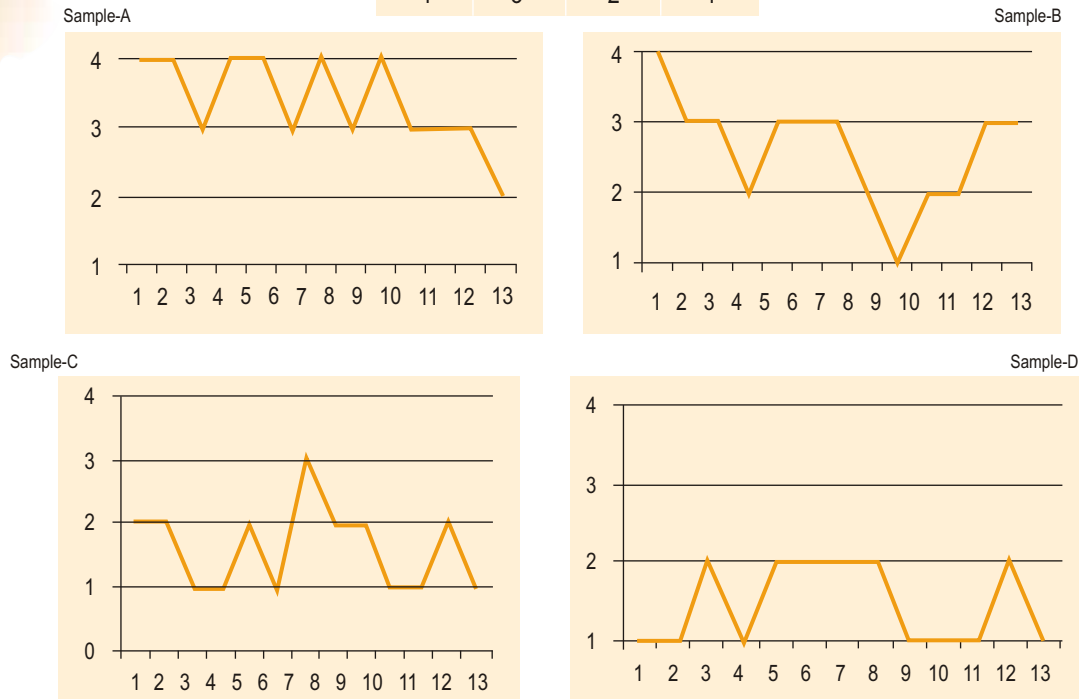


Figure 19: (Sample A,B,C,D) NGO trend in ranking by determining factors

The fourth graph has begun at 1 and passed through a zigzag path but keeping it within the ranking line 1 and 2. This type of organization is graded as D which has lot challenges in building capacity and improving governance.

In all four graphs it shows that none of these NGOs have neither straight line nor have maintained logical curve to ensure consistency within or subsequent determining factors used for governance assessment. Therefore, it reveals that an organization may have strength in certain areas and also have weaknesses in certain areas. These NGOs are operating and managing combining their strengths and weaknesses. With this fact identified from this governance study, scope of work in PNGOs capacity building has become more visible. Therefore, MJF should be able to develop a clear strategy for organizational development of partner organizations.

## Classification of organizations on their emerging nature:

During this study, some interesting observations with regard to foundation of these organizations, and their environment and culture have been noticed. As per foundation history all these forty organizations could be clustered under four categories as follows:

- Some organizations have been founded based on activism of an individual or group of people who had tremendous effort and contribution to transform into organization.
- Some of these organizations began their footsteps by an individual or group of people who believe in the ideology of Marxism/leftist to work with disadvantaged and deprived people for their rights and entitlements.
- Some projects have been transformed into organizations to continue their services against demand of target audiences with program and institutional sustainability.
- Some organizations with its own tradition began as charitable organizations to do social work with basic principles of social welfare.



Culture and working environment of these organizations have still been influenced by this historical background because founder or members of founder group have been holding leadership or working as policy makers in many of these organizations.

#### **Executive Council/Governing Body:**

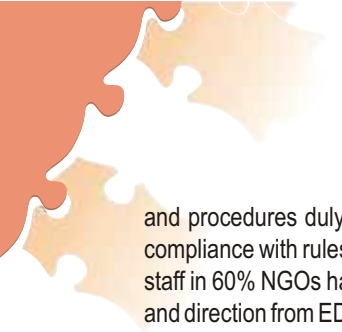
NGO Executive Council/Governing Council has significant role in governance of the organization. This committee functions at policy and strategy level to guide and support in policy decision, direction and strategic action for the interest of the organization. In this governance study the team conducted focus group discussion with all EC/GC of 40 NGOs to understand capability, role, participation and contribution in ensuring good governance of each NGO. In some NGOs EC members are professionally, intellectually and socially very strong and are recognised as elite of the society. But some of them could not spare much time to play active role as an EC member in policy direction, participation, monitoring and strategic support for good governance. In some NGOs EC members despite their weak capacity are highly committed to and have regular participation in organizational policy and management decision process. In some NGOs EC positions look like ornamental because of their passive and stamping role in policy and management decision led by ED. These EC members either have been holding positions for increasing their social image or helping ED in constitutional compliances. In some NGOs EC members have been found weak in knowledge, understanding and participation in policy and management decision process. Most of them do not have clear understanding and effective role to ensure good governance of the organization which is one of the major observations noted by this study.

#### **Executive Director/Chief Executive Officer/Secretary General:**

The position of Executive Director/Chief Executive/Secretary General of any NGO is very critical to good governance of an organization. Being the holder of member secretary position, the role of this position is to act in bridging between policy and management including ensuring quality in implementation level. Therefore, the level of governance and performance of the organization is heavily depending on capacity, commitment and integrity of ED/CEO/Secretary General who holds maximum authority of the organization at implementation level. ED/CEO/General Secretary of 85% of these organizations is founder of his/her organization and has been working with high level of commitment and ownership for their organizational growth and sustainability. About 40% ED/CEO/General Secretary of these organizations have their growth professionally with their organization, but 60% of them have natural growth with the organization. This 60% has some limitations in professional competencies with the growth of the organization, but have been striving with their fullest commitment and ownership to minimize these limitations. However, the ownership sometimes by some founders who consider their organisations as personal/family assets have been found as a potential risk to the governance and conflict of interest of their respective organizations. Fifteen percent organizations have employed EDs/CEOs who are competent and grown professionally with their organizations. Commitment level of these EDs/CEOs is good where ECs have better participation and monitoring on ED's performance.

#### **Senior staff:**

Governance of any organization depends on quality management and program implementation with transparency and accountability where senior staff members of the NGOs have significant role with required capacity, commitment and integrity to their works. Overall understanding of senior staff on organizational governance is satisfactory. In 40% organizations the senior staff are competent with knowledge, experience and necessary skills at their positions with relevant job responsibilities and are aware on how to demonstrate transparency, accountability and ensure participation of different stakeholders in program and management processes. But the senior staff in 60% NGOs have limited capacity in program and management in compliance with policies and procedures as well as demonstration of transparency and accountability. Regardless of their competency level another factor of their performance is depending on how they are empowered and have discretion to work within the organization in compliance with rules



and procedures duly supported by ED/CEO. In 40% NGOs the senior and competent staff have been working in compliance with rules, policies procedures and system with high level confidence and empowerment while the senior staff in 60% NGOs have low level of confidence because of their limited competency level, dependency on guidance and direction from ED/CEO, poor role in program and management decision making process and poor knowledge and understanding about organizational management rather than project or task management. In some organizations it has been found that the top management has been using top-down approach which has implication in performing roles and responsibilities of senior staff to comply with organizational policies, procedures and systems and that is resulting weak governance of the organization.

### **Mid-level staff:**

The mid-level staff play significant role at implementation level based on decision and direction received either from ED/CEO or from senior staff who are their supervisors. About 70% staff members are found satisfied with their respective organizations because of the working environment, enabling to perform their roles and responsibilities despite their limited participation in program and management decision. Only 30% staff members have few concerns about their performance assessment, supervision, support from senior management and participation in program and management decision. The mid-level staff members in all NGOs have been satisfactorily contributing to organizational governance at implementation level through their sincere and committed roles and responsibilities. However, their competency level varies from organization to organization due to many reasons.

### **Beneficiaries:**

The beneficiaries mostly the team met during field study were from MJF supported project. The beneficiaries are aware about project progress with objectives. Most of them have participation in project design and implementation level including some other orientation and awareness sessions like gender awareness, RTI, etc. The beneficiaries have shallow knowledge and understanding about organizational policies, procedures and management. They do not know how the organization is demonstrating transparency and accountability to them, but their participation in implementation process and sharing of project budget by some organizations have been viewed as demonstration of transparency to them.


### **Stakeholders:**

The stakeholders who participated in the focus group discussion were from the government, non-government and civil society organizations who have relations with MJF supported project. All stakeholders explained their role and project base relationship with NGOs. They also identified few strengths and weaknesses in general but not specific to governance of NGOs. The stakeholders expressed their satisfaction on how the projects are managed and relationships are maintained with them including governance of the project. The stakeholders did have some apparent guess rather than knowledge and information about the governance of NGOs.

## **Some identified key causes:**

While analysing using each determining factor supported by numbers of indicators, causes relating to NGO capacity and governance, a number of issues have been explicitly pointed out for the organizations ranked as fair and poor. More with this analysis and observations noted from the study it has further been critically reviewed and determined some core causes of weak governance and capacity even following support from MJF as follows:

- 1.18. Poor participation, commitment and weak capacity of Executive Committee/Governing Body of NGOs.
- 1.19. Competency of ED/CEO gained from natural growth is inadequate comparing with the growth and needs of governance of NGO.
- 1.20. Policies and instruments developed by donors support are felt as compliance with donors' requirements.
- 1.21. Poor knowledge and understanding about policies and tools differ in practices inherited from the past.

- 
- 1.22. MJF project-based support was inadequate to institutional capacity building and improved governance.
  - 1.23. MJF project-based monitoring support does not have significant contribution in organizational level management decision.

## Recommendations:

This governance study has helped to understand the capacity and governance of partner NGOs and identify why some of those organizations have poor capacity and weakness in organizational governance despite different supports from MJF since inception of partnership. The identified gaps and laps in organizational capacity, performance and governance should have well responded either in collective approach or to the needs of individual organization for further improvement of partners capacity and governance. With this identified various answers of questions of what and why, MJF should have advanced with knowledge and understanding in defining clear strategy on how poor capacity and governance of those PNGOs should be addressed. In this strategy MJF should include::

- Support partner organizations in organizational development funnelling through project to organization.
- Strengthen MJF technical capacity in OD support and staff capacity for increased effectiveness of MJF support for good governance and establish a system for periodic assessment of organization's capacity for program implementation and management and organization development.
- Establish a baseline or make a benchmarking while entering into/renewal of partnership to monitor improvement in organizational capacity and governance.
- Support partner organizations in developing a comprehensive monitoring and management information system at organizational level.
- Orient partner organizations to increase knowledge and understanding on governance and how this should be ensured by building institutional capacity, use of participatory approach in policy, program and management decision and at implementation level, and demonstrating transparency and accountability to all stakeholders.
- Strengthen partners monitoring not only to project but also to see on how the partner organizations have been using different instruments relating to policies, procedures and system of the organization.
- Help PNGOs on how to facilitate ECs to become proactive in active participation in policy decision, monitoring at implementation level and complement in organizational development.
- PNGOs should have clear strategy to strengthen ECs/GBs to ensure increased participation and involvement in policy and management decision.
- PNGOs must follow and use standard tools and procedures for staff performance appraisal.
- PNGOs should deploy staff for gender and RTI.

## Conclusion:

The sample size of this study was 40 organizations, which is more than 33% of total 113 Partner Organizations that MJF supports at the moment. This sample size is logical and justifiable with scientific definition to represent all partner organizations. The customised tools and methods used to conduct this study have also been developed following recognized OAT, OCAT standard guidelines. Therefore, the outcome of governance study is authenticated to represent the overall situation on capacity and governance of all partner organizations.

In conclusion it can be said that MJF assumes that most governance problems in the NGO sector stem from lack of capacity and also from the absence of standardized systems and policies. There are issues of integrity but those are not more or less similar as in other sectors. However, these need to be addressed seriously as NGOs deal with public funds and have to be accountable to those in whose name this fund is availed.

MJF's experience is that with systematic capacity building and nurturing, the governance of NGOs can be improved to a large extent.

## Annexure-1: Questionnaire for governance study

Sl.	Determining factors	Indicators	Assessment Scale during study				Remarks/Comments/ Observations
			9-10	7-8	4-6	1-3	
			Ranking and marking				
4=A: Very good	3=B: Good	2=C: Fair	1=D: poor				
01.	The organization has its necessary updated constitution, policy, procedures, tools and systems in place; and the Policy and Management leaders like EC, ED and Sr. Management have sufficient knowledge, understanding with necessary competency to use these instruments in policy and management.	<ul style="list-style-type: none"> <li>• PNGO has appropriate constitution, policy documents, tools and procedures for policy, program and management decision.</li> <li>• EC, ED and Sr. Staff have sufficient knowledge, understanding and experience to use constitution, policy, tools and procedures.</li> </ul>					
02.	The Constitution, policies, procedures, tools and systems are in regular use in program and management of the organization by EC, ED Sr. Management and program staff.	<ul style="list-style-type: none"> <li>• EC uses and refers policy decision and direction for program and management.</li> <li>• ED gives decision in compliance with constitution, policies, tools and procedures.</li> <li>• Sr. staff for uses policy, tools and procedures on day to day operation and management.</li> <li>• Use of policy and procedure in program planning and designing.</li> </ul>					
03.	EC, ED and other stakeholders have regular participation in policy decision and monitoring in policy implementation in program and management	<ul style="list-style-type: none"> <li>• EC holds regular meeting with participation of maximum Members.</li> <li>• EC monitors policy decision and direction at implementation level.</li> <li>• ED facilitates to organize EC</li> </ul>					

Sl.	Determining factors	Indicators	Assessment Scale during study				Remarks/Comments/ Observations
			9-10	7-8	4-6	1-3	
			Ranking and marking				
			4=A: Very good	3=B: Good	2=C: Fair	1=D: poor	
04.	The organization has established participatory and non-discriminatory HR performance management system in practices.	<ul style="list-style-type: none"> <li>meeting and execution of decision.</li> <li>Consults with stakeholders in policy formulation.</li> <li>Has Quality HR manual with established staff performance appraisal system.</li> <li>Staff has equal opportunity of self assessment and participation in dialogue with supervisor.</li> <li>Rewarding of any staff is recognized by all.</li> <li>PNGO has clear strategy for staff development/ career growth.</li> </ul>					
05.	The organization has been maintaining transparent financial system having financial policy and manual, computerised accounting system check and balance internal control system by internal auditor, reporting to stakeholders, participatory budgeting and planning, openness in expenditure, access to financial data and information.	<ul style="list-style-type: none"> <li>Quality financial management manual in use.</li> <li>Access to financial information and knowledge on project budget by the staff.</li> <li>Software base financial system.</li> <li>Check and balance in bank signatory and financial transaction.</li> <li>Full time internal auditor assigned and engaged external auditor on time to time basis.</li> <li>Stakeholders, beneficiaries and staff participation in financial</li> </ul>					



Sl.	Determining factors	Indicators	Assessment Scale during study					Remarks/Comments/ Observations
			9-10	7-8	4-6	1-3		
			Ranking and marking					
			4=A: Very good	3=B: Good	2=C: Fair	1=D: poor		
		<ul style="list-style-type: none"> <li>planning, budgeting and expenditure.</li> <li>Reporting to donors and dissemination of relevant information to beneficiaries and stakeholders.</li> <li>Stakeholders have access to budget and expenditure documents.</li> </ul>						
06.	The organization demonstrates accountability to beneficiaries, donors, partner organizations and other stakeholders through reporting, participation different processes, communication, and information disclosures, inclusion of beneficiaries and stakeholders during planning, implementation and evaluation.	<ul style="list-style-type: none"> <li>Clear knowledge and understanding of Management about accountability.</li> <li>Mechanism to demonstrate accountability to donors, beneficiaries, partners and stakeholders.</li> <li>Demonstrate accountability at field level during field visit of stakeholders.</li> <li>Has communication strategy to demonstrate accountability to primary, secondary and tertiary level audience.</li> </ul>						
07.	The organization has gender policy, assigned person, gender friendly organizational environment with	<ul style="list-style-type: none"> <li>PNGO has gender policy and is using in program and management.</li> <li>PNGO has assigned gender advisor/focal point.</li> </ul>						

Sl.	Determining factors	Indicators	Assessment Scale during study				Remarks/Comments/ Observations
			9-10	7-8	4-6	1-3	
			Ranking and marking				
4=A: Very good		3=B: Good	2=C: Fair	1=D: poor			
	necessary facilities, gender balanced staffing and beneficiaries, use of gender policy in program and staff management.	<ul style="list-style-type: none"> <li>• PNGO has gender balance in staffing, governance structure and beneficiary level.</li> <li>• Staff received training on gender</li> <li>• Consistent between theory and practice on gender policy.</li> <li>• HR, Finance and other policy documents</li> <li>• refer or link with gender policy for Program and management.</li> <li>• Gender issue considers in partnership development.</li> </ul>					
08.	The organization has established process or practices including opportunities for all level of staff to participate and/or be included in program and management decision making processes.	<ul style="list-style-type: none"> <li>• PNGO has established procedures and practices of staff consultation for program and management decision making process</li> <li>• Inputs from staff considers in making and changing program and Management decision.</li> <li>• ED ensures participation of relevant Staff in management decision.</li> </ul>					
09.	The organization has done preparedness including building staff capacity to rollout RTI within the organization and its program.	<ul style="list-style-type: none"> <li>• PNGO assigned a focal person/information officer for RTI</li> <li>• Staff trained on RTI</li> <li>• Has developed Information Disclosure Policy (IDP)</li> </ul>					



Sl.	Determining factors	Indicators	Assessment Scale during study				Remarks/Comments/ Observations
			9-10	7-8	4-6	1-3	
			Ranking and marking				
		4=A: Very good	3=B: Good	2=C: Fair	1=D: poor		
10.	The organization has established comprehensive/effective monitoring and management information system at organizational level to contribute in program and management decision, and improve governance.	<ul style="list-style-type: none"> <li>Conducted orientation to beneficiaries on RTI act.</li> <li>Initiative (any activity) taken to facilitate RTI.</li> <li>PNGO has established comprehensive monitoring and management information system at organizational level</li> <li>PNGO has monitoring, information and documentation procedures and practices for good governance in Program and management.</li> <li>The EC, ED and senior management have been monitoring in their own way for quality of program and management decision.</li> </ul>					
11.	Behaviour and attitude of leader and supervisor is found positive towards staff and stakeholders to create an enabling environment of staff participation, openness and constructive feedback.	<ul style="list-style-type: none"> <li>ED facilitates to create an enabling environment for participation and openness.</li> <li>Positive/negative comments from staff, beneficiaries and stakeholders on ED and Sr. staff.</li> <li>ED plays control/support role.</li> <li>Leadership quality with required competency of ED</li> </ul>					

Sl.	Determining factors	Indicators	Assessment Scale during study				Remarks/Comments/ Observations
			9-10	7-8	4-6	1-3	
			Ranking and marking				
4=A: Very good	3=B: Good	2=C: Fair	1=D: poor				
12.	The MJF support was adequate and as per needs of the organization.	<ul style="list-style-type: none"> <li>Demonstration of role model by ED.</li> <li>Type and quantity of support provided by MJF to PNGO.</li> <li>MJF support met prioritized needs of PNGO.</li> <li>Competency level of MJF staff provided support to PNGO.</li> </ul>					
13.	Effectiveness of MJF support is measured through improved organizational capacity and good governance.	<ul style="list-style-type: none"> <li>PNGO has been using policy, tools and procedures developed with the help of MJF.</li> <li>PNGO staff with increased skills is effectively contributing in good governance. MJF support was on time to the needs of PNGO.</li> <li>Organizational change clearly noticed in program and management.</li> <li>Monitoring and Follow-up support by MJF staff added value to program quality and achievement.</li> <li>Based on observation and measuring of indicators</li> </ul>					
14.	Overall assessment of PNGO on institutional capacity, governance and effectiveness of MJF support						

## Annex 2: Team for the study

Name	Designation	Division/Organization
Kazi Nabiul Haque	Independent consultant	Chairman and CEO, Resource Foundation
Dr. Shamim Imam	Director	Capacity Development and Chittagong Hill Tracts
Wasiur Rahman Tonmoy	Program Manager	Capacity Development and Chittagong Hill Tracts
Md. Salim Ahmed Purvez	Program Manager	Monitoring & Evaluation
Shoeib Shazzad Khan	Coordinator	Rights
Md. Moinul Haque	Manager - Grants Control	Finance division
Md. Faruk Miah	Manager –Grants Control	Finance division
Md. Ziaul Karim	Program Manager	Governance division
Rafeza Shaheen	Program Manager	Capacity Development and Chittagong Hill Tracts
Tandra Chakma	Program Manager	Capacity Development and Chittagong Hill Tracts
Mohammad Zahed Hasan	Deputy Program Manager	Capacity Development and Chittagong Hill Tracts
Abu Noman Md. Arshadul Murtaza	Manager	MIS division

In this team, the consultant, Kazi Nabiul Haque, acted as a technical advisor and key facilitator of the entire process while Dr. Shamim Imam of Manusher Jonno Foundation led the team in staff mobilization, collection of data and documents from Partner NGOs, coordination with the consultant and organize field study. The team was trained on study tools and methods and divided into three sub-groups in order to conduct field study in different geographic area

### simultaneously:

Sub-Group-A: Kazi Nabiul Haque, Ms. Rafeza Shaheen , Mohammad Zahed Hasan, Ziaul Karim.

Sub-Group-B: Dr. Shamim Imam, Salim Ahmed Parvez, Md. Faruk Miah, Tandra Chakma.

Sub-Group-C: Shazzad Khan, Md. Moinul Haque, WR Tonmoy, M. A. Mortuza.

Prior to this field visit the team had series of consultation to plan, organize, and design different tools and materials to collect data and information through Focus Group Discussion (FGD) and Key Informant Interview (KII) in order to conduct study with NGOs.

### Annex-3 Partner Assessment Format Assessment/Study Tool:

- Learn from each NGO what are the practices in compliances with policy and procedures to address ethical, legal and organizational development responsibilities.

#### Standard policy and procedures whether they are in practices to address ethical and legal issues within the organization.

Name of the policy	Exists from (year)	Developed/updated with the support of MJF	Approved by GB/EC	Policy are used from(year)	Comment
Financial Policy					
Personnel/HRM/					
Operation policy					
Gender Policy					
Strategic plan					
Procurement policy					
Information Discloser Policy					
Others(if any)					

- What are the role of the GB/ EC and their decision making process in policy and program and how those decisions are applied and monitored during implementation?

#### Current procedure and role of GB/EC in policy decision and its monitoring while it is implemented

#### Composition of GB/EC:

No of member		Relationship among the board members	Profession (list of EC member)	Member from beneficiary		Members from other stakeholder (member of other NGO)
Men	Women			Men	Women	

**Number of staff of the organization:**

Total Number of Staff	Sr. Level	Mid level	Front level	Duration of service in this organization		
				>1 yr	>3yr	<3yrs
Men						
Women						

- How the HRM process works on conflict resolution, reward & punishment, staff performance assessment using performance measuring indicators

**Existing policy, guideline and procedures to resolve conflict and performance assessment of staff**

**Existing standard policy and procedures to determine reward or punishment to the staff**

- How the organization comply with policies in particular to emphasis on transparency in financial system and how it is demonstrated.

**Existing compliances and policies of the organization to demonstrate transparency particularly in financial system**

- How accountability to the stakeholders is demonstrated (beneficiary, donor, and other service providers).

**Existing mechanism and procedures to demonstrate accountability to beneficiaries, donors and other stakeholders**

- How the Gender sensitiveness are interpreted and practiced in the organization:

**Present organizational gender policy, principle, guideline and other standards**

- What scope and how the staffs are facilitated for participation and inclusiveness at different level in particular to decision making and contributing in organizational development.

**Existing policies and procedures for staff participation and inclusiveness in decision making process and org. development.**

- Right to Information (RTI) what mechanism established within the organization for Information sharing mechanism and transparency ( including Disclosure policy)

**Existing policies and system for sharing and transparency on right to information**

- Understand their supervision and monitoring system (attitude, frequency and quality) identifying organizational challenges.

**Existing policies, procedures, tools and methods for monitoring and supervision**

- Overall impact of MJF monitoring and capacity development support.

**List of MJF contribution and support in capacity building and through monitoring and reporting.**

**Training received from MJF:**

Training received from MJF	No of staff received training	Level of staff		Effectiveness of the training	Suggestion and comments
		Senior	Mid/front		
Financial Management				Good/Fair/Poor	
Human Rights & Governance					
Monitoring & Evaluation					
Advocacy capacity building					
Right to Information					
Other program Specific training					





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