

## Management Response to the CHS Verification Scheme Review

October 2019

### 1. Background

In March 2019, CHS Alliance commissioned KPMG to conduct a review of its CHS Verification Scheme. The scheme created four years ago, offers four options for organisations to measure their performance against the CHS. This scheme has been used by more than fifty organisations since 2016, undergoing self-assessment or third-party evaluation with our partner HQAI. Through this review, the CHS Alliance aimed to analyse the performance of the scheme and revisit the assumptions made four years ago when it was launched to ensure the scheme is still fit for purpose now and in the future and continues to gain deeper buy-in for the CHS from organisations, both international and national and the donor community.

### 2. Process

- **March – June:** KPMG Norway were contracted from March to June to conduct the review
- **July:** The final [Review report](#) was shared with all members and partners.
- **July – September:** CHS Alliance followed up on reactions to the report with further interviews with donors, partners and member
- **September:** Board approved the following Management Response
- **November:** Next steps will be debated with the members at the General Assembly.

### 3. Response

The CHS Alliance welcomes the findings in the report and believes it is an accurate assessment of where the Scheme following its early roll out. It remains committed to meeting the present and future needs of verification options (self-assessment, independent verification, certification) in the sector by developing the global capacity to improve the effectiveness of aid. The CHS Alliance will commit to improving the scheme based on the recommendations.

### 4. Next Steps

Based on the Review's findings and continued discussions with a range of stakeholders on the options for strengthening the scheme, these are three propositions the CHS Alliance is pursuing.

- I. **A stronger communication and advocacy plan to encourage organizations to undertake a verification option, as well as lobbying for greater recognition of the CHS verification process by donors linked to funding.**

This will include:

- a. Providing greater clarity on the reasons and purpose of verification,

- b. Advocating for greater recognition of verification by governments / UN assessment and how CHS verification is considered in, amongst others, their assessment and due diligence processes.
- c. Increased clarity on how the different options of verification relate to each other

**II. Adapt the scheme to improve the complementarity of the verification options (self-assessment, independent verification, certification).**

This will include

- a. Continue to improve the self-assessment process as a thorough earning approach for organizations to assess their strengths and weaknesses
- b. Encourage organizations who have undertaken Self-Assessment to move to an independent process, with the work on self assessment being recognized.
- c. Develop greater coherence of the scheme

**III. Improve the oversight and ownership of the scheme by establishing an expert Technical Advisory Group to oversee and continue to guide the Verification Scheme.**

This would have the benefit of

- d. Greater expertise to oversee the scheme and its future development (including moving to a more complementarity scheme)
- e. Advisory capacity on the scheme that cross-cuts organizational structures

## 5. Response to Specific Recommendations

Work underway
Work to be developed

Recommendation	Response & Rationale	Next steps	Timeline
1. The purpose of the Verification Scheme should be defined in concrete goals	<p><u>Agreed</u></p> <p>The aims and purpose of verification is currently described differently in different documents and communication tools and would benefit from clearer messaging on purpose.</p>	<p>There are a number of recommendations, (1,4,7 and 10) which indicate the need for a clearer communication and advocacy plan around verification.</p> <p>CHSA has contracted a consultant to develop a communication and advocacy plan to help with these recommendations. The result of this will feed into the updated Verification Scheme.</p>	<p>In process. Plans to be developed by November</p>

		Connected to this is more concerted work with governments and UN on recognition of CHS verification.- particularly focused on due diligence and partner capacity assessments	
<p>2. The CHS Verification Framework should be reviewed and updated, including defining the means for verifying the indicators and it should specify the requirement for the scale of compliance. This update should consider how further specifications can credit potential good practice found among smaller national organisations.</p>	<p><u>Partially Agreed</u></p> <p>The CHS Framework should not be reviewed until we update the CHS. However, CHSA was aware that a Verification Guide needed to be produced to help define the indicators, provide guidance and ideally link to good practice.</p>	<p>CHSA has contracted a consultant to develop the CHS Verification Guide.</p> <p>This will need to be completed in close cooperation with HQAI. HQAI is currently working on a CHS auditing tool and the two will need to mutually reinforce each other.</p>	<p>In process, to be completed by November. Will take continuous work to keep it updated.</p>
<p>3. A clear process should be planned for further development of the CHS and the CHSA verification tools, in coordination with the co-owners of the CHS.</p>	<p><u>Partially Agreed</u></p> <p>The CHS Steering Committee needs to meet to discuss and decide on the further development and the revision of the CHS. The Steering Committee will be kept informed and their input sought, into the development of the verification tools as it provides critical information to guide the future</p>	<p>CHS Steering Committee meeting to be arranged.</p>	<p>Steering Committee meeting to be organized in Qtr. 1 2020</p>

	development of the CHS.		
4. More information and transparency is needed on the purpose and requirements of the certification option for verification.	<p><u>Agreed.</u></p> <p>There needs to be clearer information provided on the certification requirements. This will link to the work needed on a clearer communication and advocacy.</p> <p>There is also a need for closer oversight on all aspects of the verification scheme and this will be addressed by introducing an independent Steering Committee to oversee and advise on the scheme</p>	<p>This will be tackled through a number of approaches:</p> <ul style="list-style-type: none"> <li>• CHSA has contracted a consultant to develop a communication and advocacy plan to help address this issue (see recomm 1)</li> <li>• This recommendation requires close cooperation with HQAI. This is taking place through regular meetings and will be formalized in a MOU</li> <li>• For the future, a TAG will be established to oversee the verification scheme</li> </ul>	<p>Communication and advocacy plan will be developed by November</p> <p>The MoU with HQAI could be completed in first qtr 2020.</p> <p>Launch of the TAG in 1<sup>st</sup> Qtr 2020.</p>
5. The roles and responsibilities between CHSA and HQAI need to be clarified and a cooperation agreement signed.	<p><u>Agreed</u></p> <p>CHSA and HQAI need to update, finalise and sign the draft MoU. This was put on hold due to this review, as the MoU refers to the Verification Scheme, which we acknowledged needed updating.</p>	<p>Once decisions are made on the way forward on the Scheme, CHSA and HQAI will update the MoU</p>	<p>By first Qtr 2020.</p>
6. CHSA needs to build up more in-house competence on verification,	<p><u>Agreed</u></p> <p>CHSA has to continue to build its competence</p>	<p>Some approaches already underway are</p> <ul style="list-style-type: none"> <li>• Learning from this Review</li> </ul>	

<p>certification and accreditation to take a stronger “owner’s role” of the Verification Scheme.</p>	<p>and oversight of the scheme</p>	<ul style="list-style-type: none"> <li>• Moving the CHSA policy offer to full time verification manager.</li> <li>• Regular meetings with HQAI</li> <li>• Contracting Phillip Tamminga to provide additional support with his knowledge from the original certification review.</li> <li>• Engaging with other standard setting mechanism in the sector</li> </ul> <p>However, more needs to be done and there are two propositions from this review</p> <ul style="list-style-type: none"> <li>• <u>CHSA establishes a TAG to oversee the CHS Verification Scheme.</u> This will need discussion with CHS Alliance and HQAI Board.</li> <li>• The verification scheme is adapted to <u>move towards a continuum between three options of Self Assessment – Ind Verification – Certification.</u></li> </ul>	
<p>7. Clarify the business case for certification, relative to the other options.</p>	<p><u>Agreed</u>  Work underway</p>	<p>See recommendation 1: CHSA has contracted a consultant, to develop a communication and advocacy plan which will address this issue.</p> <p>This needs to build on work with government and donors on tracking recognition of the CHS.</p>	<p>In process and to be completed by November</p>
<p>8. Review the subsidiary fund</p>	<p><u>Agreed / Partially Agreed</u></p>	<p>To be discussed by CHSA and HQAI.</p>	<p>Discussion required with</p>

	This currently sits with HQAI. There needs to be further discussion on the use and promotion of the fund.		CHSA and HQAI to take forward
9. CHSA and HQAI should be more systematic in collecting data to document results of the verification, and ultimately the implementation performance and impact of the CHS.	<u>Agreed</u>	CHSA is working on a joint impact study with HQAI to address the issue of how we systematically document the impact of the CHS.  The results of this will feed in the HAR 2020 – and be key for further tracking and developing of subsequent annual HARs.	HQAI and CHSA are working on a common proposal for the impact study which could start in 4th Qtr of 2019. The results of this will feed into the HAR 2020
10. Communications and advocacy plans about Verification Scheme, and the impact that verification has on CHS implementation, should be developed and coordinated between HQAI and CHSA. The CHSA should lobby key stakeholders to be more explicit in their endorsement of verification.	<u>Agreed</u>	See recommendation 1: CHSA has contracted consultant to develop a communication and advocacy plan which will address this issue.	In process, to be completed by November
11. The business model for certification should be reviewed. Its sustainability will depend on continuous donor funding and on increasing	<u>Partially agreed:</u>  The relatively slow start in the uptake was expected. CHSA and HQAI must implement the advocacy plan on verification and obtain clearer		

<p>demand for certification.</p>	<p>positioning of the donors on this. Only after this is done can the real sustainability of the model be evaluated.</p>		
<p>12. <u>The way ahead:</u> The Verification Scheme should be reassessed in relation to a clearly defined purpose and concrete goals. New or adjusted models for verifications that better address these goals, should be considered.</p> <p>KPMG recommends CHS Alliance to further explore alternative verification options</p>	<p><u>Agreed</u></p> <p>Based on this report and further consultation to see how new of adjusted models for verification could be developed</p>	<p>CHSA has held further consultations with partners, members and donors to review how new or adjusted models for verifications that better address the goals of verification, could be considered.</p> <p>The two main propositions coming out of this to adapt the current scheme is</p> <ul style="list-style-type: none"> <li>- To establish a TAG to oversee the verification scheme</li> <li>- A refinement of the scheme to a continuum approach between three processes – self assessment, independent verification, certification.</li> </ul>	<p>For Board consideration in September</p>