



Biennial Report 2014

To

INGO Accountability Charter

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ActionAid has moved to bi-annual reporting following recommendation from the Independent Review Panel in the 2013 report feedback letter.

This interim report details the structural and material changes that have occurred within the organisation during the reporting period, as well as progress updates against the areas identified by the panel in the Improvement Analysis document.

Statement from the Most Senior Decision-Maker from the Organization

ActionAid continues to be committed to being primarily accountable to people living in poverty that we work with. This, eventually, means achieving greater positive impact on people's lives in an increasingly challenging operational environment – Global political and economic dynamics affecting the World order and Global governance; economic crisis in Europe and North America resulting in loss of people's social entitlements and jobs in these countries but also slowing down economic growth in the Global South; shrinking political space for civil society organizations coupled with the opportunities and risks for the collective action opening up by the rapidly digitalizing world; climate change and its effects on Global poverty.

The nature of the challenges required a substantial change in the way the ActionAid Federation worked. For us the only way to reclaim space on the regional and global arena and to be relevant in influencing international processes that impact the lives of the poor is through increased countries' engagement in Global work and clearer focus and priorities. We believe that our rootedness in communities, combined with our linkages with supporters, campaigners and activists, gives us the competitive edge to be influential. The agreement reached at the 2013 Directors Forum of all country and international leaders, including assembly representatives, was the clear manifestation of need for change: *"Members, countries and regional clusters – with International Secretariat oversight, support and facilitation – will take greater responsibility to play an active role regionally and globally towards influencing policy change at global level."* This meant that it was time to change our ways of working together within the federation so that our commitment was enabled and incentivised.

In line with ActionAid's Accountability Charter - call for strengthening mutual accountability within the organization, overall ethos for the structural changes introduced were linked to our aspiration to achieve increased mutual accountability for ActionAid's mission. In addition, in the new International Secretariat structure the position of Transparency and Accountability Advisor was placed in the Chief Executive Directorate, thus at the very heart of ensuring strong leadership, internal accountability and external accountability. In order for AAI to be a successful, growing, learning federation, we decided that it was crucial to have a Unit that advised on, coordinated and monitored our governance and accountability standards.

We can already see some of the benefits of more collaboration and deeper country engagement in the federation as a direct result of this leadership commitment and new ways of working. However, we also recognize that it will take some time for these changes to settle and become more effective.

We are very excited and proud to be able to respond to the challenges we face and learn as we consolidate our efforts to achieve our mission.

Adriano Campolina



Chief Executive of ActionAid International

Structural and Material Changes in 2014/5

Structural changes introduced in ActionAid were realization of the long term organizational vision to be a country-centric organisation that roots its action, policies and positioning in its connectedness to poor people.

Here is a brief description of the structural changes that had been a matter of the intensive consultation in the federation in 2014¹:

-Federation decision making is now led mainly by countries through a **Federation Leadership Team (FLT)** mandated by the whole Directors Forum to take certain strategic level management decisions on their behalf. The FLT is chaired by the Chief Executive Officer (who also doubles up as the Secretary General for the Federation), and comprised of Country Directors elected from/by the Directors Forum, plus the Deputy Chief Executive Officer. In the current set up the SG/CEO will nominate up to 30% of it to ensure gender balance and representation of specific constituencies, skills and knowledge. International Directors at the Secretariat provide functional level guidance and advise to the FLT to enable decision making.

-The FLT creates and mandates **International Platforms from each strategic objective in the International Strategy** to make decisions on the direction of our work , ensure integrated planning and resource allocation and/lead international initiatives; again comprised of persons from mainly countries and IS senior programme staff that have the competencies best suited to the mandate (the country staff can be Country Directors or Senior Programme staff) . Members of national boards, strategic partners and subject matter experts (etc...) are also welcomed to the platforms depending on the platform objective)

-The senior most executive of AAI is both the **Secretary General (SG) of the Federation and the Chief Executive (CEO) of the International Secretariat**

-The **International Leadership Team (ILT)** will have a key service leadership function that enables the federation to optimise use of capacity from and between countries.

-Countries that will not develop into affiliates in the foreseeable future will remain under management of the International Secretariat. Regional initiatives remain under secretariat coordination remit but with the leadership of the Country Directors in terms of thought leadership, planning and execution of agreed activity plans.

- The IS will retain its key function, focussing and prioritising among its roles as per AAI constitution.

During 2014, the main change was in relation to the reduction of staff through merging of units and creation of new units in the International Secretariat and the related restructuring, which followed (implemented in 2015). Considering the need to increase our external impact, the organizational imperative to ensure sustained and diversified strategic investment on fundraising and influence, and the financial imperatives that require the International Secretariat to reduce its budget from £14.5 million in 2013 to £ 11.5 million in 2017, the leadership of the federation proposed a number

¹ Detailed description could be found in the paper "Building the Networked Federation" available upon request.

of changes to be able to respond to all these imperatives at the same time. The unrestricted IS actual expenditure in 2014 was £13.7m.

As for federation's total income, for 2014 it was **£183.3m** as compared to **2013 income of £192m**, which represented a year on year **decrease of 4%**.

Complaints Handling Process (NGO2)

We are in the process of combining complaints response and whistleblowing policies into one framework that will serve as a guidance for each ActionAid member to develop their own context specific national policy. This will simplify processing and response to all types of external grievances and facilitate registering them into the central database. This process will be coordinated and owned by the internal audit function in ActionAid. As for internal staff grievances, the process will be regulated by grievance policy and procedure and owned by the ActionAid International Human Resources unit.

As for high number of complaints registered by ActionAid Italy: we explained in the previous report that some countries, specifically, European funding affiliates, consider slightest dissatisfaction expressed by a supporter as a complaint, including when they have not received communication at the specified time.. This does not imply that all those complaints are severe and have a major effect on the overall effectiveness of the organization. It is worth noting that AA Italy has the second biggest portfolio of child sponsorship supporters in the federation.

Contextual differences in understanding complaints, their severity and effect on the organization, result in production of the non-comparable data across the federation. This is one of the reasons why we would like to centralize registration of severe or endemic complaints that might have an effect on the entire federation and encourage ActionAid members to respond to the rest of them locally.

Diversity within Governance, Staff and Programme Cycle (NGO4 and LA13)

We are aware of some weaknesses in this area, especially regarding lack of data on practicing diversity at different levels. This topic was discussed on the International Board HROD and Governance & Board Development committees recently. As a first step we are planning to start collecting our staff diversity data from 2017 at the international secretariat level. As soon as we reach agreement with ActionAid members, we will collect the diversity data across the federation as well.

As for the diversity in ActionAid programming, we believe that we have some great examples of working with poor people and their organisations, and partners from diverse backgrounds (both in Asia, Americas and Africa) and supporting their championing for attainment of their fundamental human rights. We are conscious that we will need to become better in recording the data about diversity practices in a more systematic manner.

Organizational Wide Quality Control of Advocacy Standards (NGO5)

This issue was addressed in interaction between the Panel Members and the AAI Deputy Chief Executive in a meeting last October followed by various communications. We are streamlining the process of reaching agreement with members and country programmes on policy positions and addressing the gaps that we have noted on the dissemination of the policy positions and related advocacy activities to ensure coherence across the various locations where we work, but recognising the contextual diversities that we operate in.

Anti-Corruption Incidents and Actions Taken in Response (SO4)

In 2014 there were no bribery and corruption cases reported. However, below are some of the cases which border on bribery & corruption:

1. In Guatemala, the list of participants of programme work shop was altered by partner's staff to derive personal gains worth GBP 1,148. The amount was recovered and the staff members were dismissed. The AA Guatemala Board was also informed of the incident.
2. In Tanzania, the Communications Officer colluded with a fake supplier to conduct forgery worth GBP 1,133. Upon complaint from the genuine supplier, the fake supplier was traced and refund was demanded. The controls around procurement were also strengthened. The communications officer was dismissed.
3. In Myanmar, the admin & logistics associate misappropriated cash worth GBP 10,688 through falsification of documentation and fake signatures. Upon identification by the field staff and office building owner, a case was registered against the staff. The staff was terminated and efforts carried out to recover the lost amount. An Internal Audit Manager was also appointed.