

**Annual Progress Report  
1 September – 31 December 2006**

**Strengthening Institutional Good Governance within  
NGO Federation and its Members**

**To  
DanidaHUGOU  
Lazimpat, Kathmandu**

**By  
NGO Federation of Nepal (NFN)  
Buddhanagar, Kathmandu**

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## Executive Summary

The project entitled “**Strengthening Institutional Good Governance within NGO Federation and its Members**” supported by DanidaHUGOU got initiated since September 2006. This report thus covers the period from ‘September to December 2006’. The programme activities are running smoothly with an aim to meet the immediate objective of this project for enhancing institutional good governance practices within a strengthened NGO Federation and its member organisations nationwide.

NFN has realised that the project has been helpful to the staff and executive members in enhancing their understanding on institutional good governance principles, values and ethics. The project has brought the realisation on importance of value-based approach that has helped in carrying out the overall activities, and programmes within the organisational system. The board members have been actively involved in the project activities, which have increased their association and ownership towards the project. This has further helped in building solidarity among NFN staff, board members and the member organisations in achieving the project goals.

After the Institutional Good Governance Policy Workshop in the regions, NFN has found that some districts have developed the guidelines of self-regulation and revised their financial and administrative policy in the light of promoting good governance within their own organisation. With relation to the NFN and some of its member organisations have developed the policies to promote inclusion within the organisation and their work targeting minimum of 33% women’s participation in all the programs, inclusion of other excluded and marginalised people. Many of the organisations have also started appreciating the organisational Code of Conduct.

NFN has been recently registered under the **National Directive Act, 1961 (2018 BS)** and its statute is amended accordingly. There are more provisions for power decentralisation to the regional and district levels. As a result, some regional and district committee have developed some project themselves. Democratic practices have been applied in the election process of regional and district level conventions. Better working relationship with AIN is established and cooperation for common understanding on the NGO’s Code of Conduct, partnership guidelines has been increased.

The total budget for the year 2006 was estimated NPR. **5, 329,670**. NFN was able to spend NPR. **2,623,473 (49%)** The main reason for under spent of the budget is late recruitment of staff at central level.

Likewise, the major learning from the project has been with response to the importance of inclusive planning and involvement of the staff at all the levels in the activities. It is felt that the district level activities are very few in comparison to

the activities in the regions and in the centre. There is a need to coordinate more with the District Chapters through programmes and activities for district level NGOs.

The other learning is related to maintaining a gender disaggregated data for all the programmes and activities which can be useful in monitoring and evaluation of the programmes in future with respect to the inclusion of male, female Dalit and Janajati. Decentralisation of the responsibility and power to the regions for coordinating with the district chapters and NGOs in membership expansion campaign, regional and district level training has given a positive result. This helped in increasing the number of NGOs from 3400 to 3583 within a span of 4 months.

Moreover, the project has been helpful to enhance understanding on institutional good governance, inclusiveness and democratic practices while running the organisation amongst the NGO members and executives.

However, the sustainability of the project is ensured by the fact, the activities planned for next year would contribute more to strengthening Institutional Good Governance within NFN and through empowerment of local NGOs by enhancing their institutional governance and organizational management systems and skills.

## 1. Introduction

Being an umbrella organisation of about 3600 NGO in Nepal, NGO Federation of Nepal strongly felt the need of strengthening the NGO community to face the challenges by improving on its governance score of the past. NFN realized that the present time would be the right time for NGOs to be democratic in its operations and hence abide by the guiding principles of good governance in order to flourish democracy successfully throughout the country. To support this project entitled “**Strengthening Institutional Good Governance within NGO Federation and its Members**” funded by DanidaHUGUO was approved and initiated from 1 September 2006.

Right from the initiation of the project activities it has been realised that all the activities conducted are equally important and should be kept recorded. Documentation is given higher priority in this programme as it gives transparency to the overall information about the activities and helps in adding on to the ways and methods to tackle challenges.

It is believed that the project helps to establish a system of practicing and sharing institutional good governance principles on the basis of their transparency, accountability, responsiveness, inclusiveness and rule of law. This annual report consists of information about the progress and changes that the project activities have brought in the institution, attitude and mind set of staff, executive members along with the other member organisations also includes the implementation

process, problems faced during implementation, learning, failure in achieving the set targets within a time frame.

The major purpose of preparing this annual progress report is for reference in relation to the activities conducted, their effectiveness, achievements, problems etc that would further help in guiding the future programs and activities for better results. This report is believed to fill the gap among the staff, member organizations and stakeholders in relation to misunderstanding and confusion about the activities; expenses incurred participants and implementation process within the project. This report would be a tool to gauge the effectiveness of the programs as well as the performance of the staff in relation to carrying out the program activities smoothly, independently and on a timely manner. This report could be used in monitoring and evaluation of the project. It is believed that the reporting process would help in raising dialogues and clearing doubts among the staff in relation to the activities for a better understanding.

The primary user of this report would be the donor, staff members in the center, regions and district chapters along with the NFN regional, district and central committee members and the concern NGO members. It is believed that the annual progress report would be a guideline to carry out other activities in future. This report could be used to compare the effectiveness and achievements of the activities of 2006 with the programs on 2007 and 2008

There has been continues effort from all staff to prepare this annual report. All the staff members from the regions and the central office have contributed in collecting, compiling and recording the information related to project activities which has made it possible to prepare the annual report on time. The central and regional committee members have also contributed in documenting the activities. A bottom-up participatory approach among the staff in the regions and centers has further created a platform for feedback, comments and critical analysis of the activities.

Beyond the organization, this report could be a reliable document for the donors to assess and mark the achievements, effectiveness, failures and progress of the activities conducted. It could be used as a reference material to develop and initiate similar activities and programs within the member organisations. This report could also be distributed on demand to non-member organisations, other boundary partners and civil society to inform them about the activities and hence establish a transparent and accountable practice.

## 2. Project Overview

### 2.1 Achievements against Objectives and Outputs during the year

The annual report covers a period of 4 months from September to December 2006. Some of the planned activities have been completed and all the uncompleted activities would be carried out for the next year. The table below reflects an overview and achievements against the objectives and outputs during the year 2006.

Immediate Objective and Outputs of the project	Annual Output Indicators	Annual Targets	Results
<b>Immediate Objective</b>			
To enhance Institutional Good Governance practices within a strengthened NGO Federation and its member organisations nationwide	<ul style="list-style-type: none"> <li>▪ Increased adherence to Good Governance values and principles within the institutional set-up and functioning of NFN and its members</li> <li>▪ Enhanced institutional capacity of NFN and its members to promote human rights protection and promotion, social justice promotion and pro-poor development work</li> </ul>		
<b>Outputs</b>			
<b>Output 1</b> NFN and its members effectively engaged in institutionalising Good Governance policies, procedures and systems within their organisational set-up and operations	<ul style="list-style-type: none"> <li>▪ Institutional Good Governance policies, procedures and systems developed and implemented within NFN and its member organisations at all levels</li> </ul>	<ul style="list-style-type: none"> <li>▪ Develop and adopt an institutional good governance policy</li> <li>▪ Develop and adopt an administrative and a financial policy framework</li> </ul>	<ul style="list-style-type: none"> <li>▪ A two days Regional Policy Workshop was conducted in all the regions, where a draft policy from each region was developed</li> <li>▪ Draft of the Administration and Financial Policy is prepared and circulated board members and staff for comments</li> </ul>

<ul style="list-style-type: none"> <li>▪ Organisational management frameworks developed and implemented within NFN and its member organisations</li> <li>▪ Reference materials promoting institutional good governance, and public transparency and accountability published and widely shared</li> </ul>	<ul style="list-style-type: none"> <li>▪ Prepare a Model NGO Statute and disseminate amongst the NFN members</li> </ul>	<ul style="list-style-type: none"> <li>▪ The constitution of NFN is revised and finalised. Some samples of NGO constitutions are collected for reference to prepare the model statute.</li> </ul>
	<ul style="list-style-type: none"> <li>▪ Develop and adopt a monitoring and evaluation framework</li> </ul>	<ul style="list-style-type: none"> <li>▪ Staff and expertise are working to develop a draft of monitoring and evaluation framework</li> </ul>
	<ul style="list-style-type: none"> <li>▪ Conduct a transformative reflection workshop for NFN Executive Committee Members</li> </ul>	<ul style="list-style-type: none"> <li>▪ Transformative Reflection for 19 EC members and 3 Regional Presidents are completed successfully.</li> </ul>
	<ul style="list-style-type: none"> <li>▪ Organise a regional level training workshop on institutional good governance and human rights based approaches for NGO members</li> </ul>	<ul style="list-style-type: none"> <li>▪ Training in Far Western Region completed successfully</li> </ul>
	<ul style="list-style-type: none"> <li>▪ Organise network and alliance building meeting one each in five development regions</li> </ul>	<ul style="list-style-type: none"> <li>▪ One networking meeting was conducted in the Western Region</li> </ul>
	<ul style="list-style-type: none"> <li>▪ Publish and disseminate amongst NGO members three different types of educational materials on institutional good governance</li> </ul>	<ul style="list-style-type: none"> <li>▪ Some samples for posters and stickers have been collected and regional, districts and central level staff are in the process of developing a content</li> </ul>
	<ul style="list-style-type: none"> <li>▪ Produce and broadcast three different jingles and two radio programmes on NGO Good Governance.</li> </ul>	<ul style="list-style-type: none"> <li>▪ A Script for radio program is prepared</li> <li>▪ Some radio jingles are collected</li> </ul>
	<ul style="list-style-type: none"> <li>▪ Produce three different types of television spots on NGO good governance</li> </ul>	<ul style="list-style-type: none"> <li>▪ Some of the television spots are collected for sample and script is developed</li> </ul>
	<ul style="list-style-type: none"> <li>▪ Conduct membership expansion campaign in 25 districts</li> </ul>	<ul style="list-style-type: none"> <li>▪ A total of 183 organisations have been added to the new membership list</li> </ul>
	<ul style="list-style-type: none"> <li>▪ Conduct NGO Bill preparation campaign in four regions</li> </ul>	<ul style="list-style-type: none"> <li>▪ Procrastinated for next year</li> </ul>

		<ul style="list-style-type: none"> <li>▪ Develop and disseminate reference material one each on 'public hearing' and 'public audit'</li> </ul>	Some reference materials on public hearing and auditing are collected
		<ul style="list-style-type: none"> <li>▪ Publish and disseminate an issue of NGO Good Governance bulletin [Nepali]</li> </ul>	Information materials for the bulletin are collected, editor is hired and process on progress
		<ul style="list-style-type: none"> <li>▪ Update NFN website and upload information from member NGOs, success stories of the project and other NFN initiatives [two times]</li> </ul>	NFN website is updated twice

## 2.2 Major Achievements during the Year

The transformative reflection workshop has been very effective in terms of building rapport among the Executive Board members and the staff as they came to know about the members on a one to one basis. The reflection and realization at the top level, their sharing of experiences, leanings, failures and ways of working with groups and communities on diverse issues created a scope of consolidating efforts towards bringing about organisational changes.

Institutional Good Governance Policy Workshop in all the five regions provided an opportunity for all the 75 district level NGO representatives and NFN regional committee members for their participation in obtaining the basic knowledge of institutional good governance and preparing the draft policy on the same. All the participants are aware and realised the importance of Good Governance principles in enhancing the capacity of their organizations. Some member organisations have initiated the process of public hearing, amendment of their administrative policies, and have started demanding for 33 percent of inclusion of women and proportionate participation of Dalit Janajatis, differently able persons and other marginalised groups in their work places.

Decentralisation of the responsibility and power to the regions for coordinating with the district chapters and NGOs in membership expansion campaign, regional and district level training, networking and alliance building meetings has given a positive result. This helped in increasing the number of member NGOs from 3400 to 3583 within a span of 4 months.

Since the initiation of the project, NFN central office and regional resource centres are more equipped and actively functioning. The regional level staff and regional committee members were involved in all the regional level trainings and workshops, which have helped them to build their planning and resource management skills further. Moreover, it is felt that participation of all the staff in the regions, districts and in the center in terms of planning, implementation and

documentation, report preparation has made everyone aware about each activity. This has made the regions and the districts even more active. This has given a sense of ownership towards the program and has helped in enhancing the capacity and confidence level of the individuals. This has also helped in dissolving conflict and misunderstanding related to unnecessary expenses on traveling and logistic as the staff and the board member have realised the importance of preventing the misuse of resources for strengthening Good Governance within the organisation.

Furthermore, the active involvement and periodic support from the board members has given encouragement to run the programs smoothly. Better working relationship with AIN is established and cooperation for common understanding on the NGO's Code of Conduct, partnership guidelines has been increased.

### **2.3 Key Learning**

- In the 4 days regional level Institutional Good Governance and Right Based Approach training in Far Western Region, it was seen that the number of male participants was much higher than their female participants (male 21 Female 8). Though there has been a provision of equal participation of male and female from each district, it could not happen in practice. NFN learnt that proper orientation and guidelines on participants' selection process needs to be given to the district levels for inclusive participation. NFN also learnt that maintaining a gender-disaggregated data helps to assess the level of participation in all the activities and useful in monitoring and evaluation of the program.
- Due to the budgetary constraint, NFN could not include all the 9 regional committee members of each region in trainings and workshops. It is realized that the regional committee members could bring changes not only in their behavior and their mindset but could also help in internalizing good governance principles in NFN and in member organizations for sustainable development.
- While working in close coordination with the districts, member organisations and with the regions, NFN has learnt a lot about the activities, nature, and structure of its member organizations. It has helped in strengthening the professional working relation among them and in building rapport among the staff in different levels and sectors. This kind of solidarity is believed to make the NGO movement and NGO community stronger.

**2.4 Status of the project implementation in relation to the implementation schedule (on time/ delayed), explanations for major delays, and purpose remedial actions to be discussed by the organization and during reviews, if necessary**

<b>Output</b>	<b>Status</b>	<b>Reasons for Delays</b>	<b>Proposed Action</b>
NFN and its members effectively engaged in institutionalising Good Governance policies, procedures and systems within their organisational set-up and operations	1.1.1 Develop and adopt an institutional good governance policy <b>(Delayed)</b>	Late recruitment of the staff in the center	Compilation, consolidation and analyzing the workshop report to make a draft policy for wider circulation for comment
	1.1.2 Develop and adopt an administrative and a financial policy framework <b>(Delayed)</b>	Late recruitment of the staff in the center	Collection of comments on the policies and finalization of the policy.
	1.1.3 Prepare a Model NGO Statute and disseminate amongst the NFN members <b>(Delayed)</b>	Late recruitment of the staff in the center	To prepare and finalise the model statute and disseminate to NGOs
	1.1.4 Develop and adopt a monitoring and evaluation framework <b>(Delayed)</b>	Institutional good governance policy not finalised	To finalise the framework after finalizing the good governance policy
	1.2 Conduct a transformative reflection workshop for NFN Executive Committee Members <b>(On time)</b>		
	1.3.1 Organise a regional level training workshop on institutional good governance and human rights based approaches for NGO members <b>(On time)</b>		
	1.3.2 Organise network and alliance building meeting one each in five development regions <b>(One meeting Conducted in Western Region but Delayed for other regions)</b>	Other regions had other priorities i.e. trainings, conventions etc.	Procrastinated for the 1 <sup>st</sup> quarter of 2007
	1.3.3 Publish and disseminate amongst NGO members three different types of educational materials on institutional good governance <b>(Delayed)</b>	Institutional good governance policy not finalized.	Content of the posters and stickers and design to be finalized.

	1.6.1 Produce and broadcast three different jingles and two radio programmes on NGO Good Governance. <b>(Delayed)</b>	The script had to be discussed with board members.	The radio program is planned to aired from 2 February 2007 for 19 weeks
	1.6.2 Produce three different types of television spots on NGO good governance <b>(Delayed)</b>	A discussion is going on whether to opt for television spot or television discussion	Need more discussion to be finalised
	1.7 Conduct membership expansion campaign in 25 districts <b>(On time)</b>		
	1.2.4 1.8 Conduct NGO Bill preparation campaign in four regions <b>(Delayed)</b>	We waited for new interim government for better environment and political stability in the country	Procrastinated for next year
	1.9.1 Develop and disseminate reference material one each on 'public hearing' and 'public audit' <b>(Delayed)</b>	Time constraint as all the other activities got initiated at the same period.	Procrastinated for next year
	1.9.2 Publish and disseminate an issue of NGO Good Governance bulletin [Nepali] <b>(Delayed)</b>	Late recruitment of the staff in the center	Planned to be published in the 1 quarter of 2007
	1.9.3 Update NFN website and upload information from member NGOs, success stories of the project and other NFN initiatives [two times] <b>(On time)</b>		

#### **1.10 Describe major deviations and problems related to implementation of the project.**

No major deviation and problem have been occurred in implementing the activities during the reporting period.

#### **2.6 Status of outstanding issues/problems and follow up on decisions made by the partner organization and/ or jointly with Danida/HUGOU**

There are no outstanding issues and problems so far.

## 2.7 Describe the progress of each output since the beginning of the project and comment on achievements

Since the project started from 1 September 2006, this is the first report that is developed. Please refer 2.1

### 3. Financial Performance

Outputs	Budget for the year	Actual Expenditure during the Year	Variance (%)	Budget Utilization (%)
ACTIVITY COST				
Output 1	3,289,000	1,106,500	2,182,500	34%
TOTAL ACTIVITY COST (A)	3,289,000	1,106,500	2,182,500	34%
EQUIPMENT (B)	676,000	571,772	104,228	85%
EVALUATION ©	-	-	-	-
STAFF COST (D)	1,016,000	773,572	242,428	76%
TOTAL (A+B+C+D)	4,981,000	2,451,844	2,529,156	49%
7% OVERHEAD	348,670	171,629	177,041	49%
<b>TOTAL PROJECT BUDGET</b>	<b>5,329,670</b>	<b>2,623,473</b>	<b>2,706,197</b>	<b>49%</b>

The overall financial performance against the project achievement is satisfactory. Since the project it self of good governance all the stakeholders are aware of its cost effectiveness and every rupee spent on any activities is highly valued.

The planned budget could not be spent since the late recruitment of staff and late initiation of the project activities. Though most of the activities have been started but the full payment has not been made, as the activities have not been fully completed. On the equipment part, one Laptop is yet to be purchased otherwise all the planned equipments for the centre and region has been purchased. Two months salary (September and October) of Project Manager and Project Officer is saved since they were recruited from 1<sup>st</sup> of November 2006. Because of late initiation of overall project activities, there was not much staff and executive members movement so DSA and travel cost is saved.

#### 4. Development in the Assumptions and Risk Factors

List Critical Assumptions and Risks	Assessment (Very satisfactory, satisfactory, less satisfactory, quite unsatisfactory)	Briefly comment on the impact on the timely implementation of the project and proposals for remedial action
<ul style="list-style-type: none"> <li>• NFN and its chapters continue to be accepted at all levels as credible and legitimate organizations working toward human rights protection and promotion, people's empowerment, social justice promotion and pro-poor development</li> </ul>	Satisfactory	There is no doubt on the timely implementation and completion of this project.
<ul style="list-style-type: none"> <li>▪ NFN members remain receptive to NFN policies and the NGO Code of Conduct, and they encourage other aspiring members to do the same</li> </ul>	Satisfactory	The policies, code of conduct of NFN are highly appreciated by most of member organizations.
<ul style="list-style-type: none"> <li>▪ NFN retains its trained and competent human resources</li> </ul>	Satisfactory	There is zero staff turnover within NFN so far.
<ul style="list-style-type: none"> <li>▪ Risk of breaking ceasefire</li> </ul>	Satisfactory	Since the Nepal Communist Party (Maoist) has already joined with the Nepal Government, there are no suspicions in breaking the ceasefire. It is moving towards the permanent ceasefire.

#### 5. Assess developments in the National Sector Framework (policies, resources, other donor support procedures), and the continued relevance of the project)

Since NFN is an umbrella organisation of about 3600 NGOs nationwide and the largest network of NGOs in Nepal, it is taken as a role model by most of its members as it has a high potential to contribute towards national development in human rights protection and promotion, social justice promotion and pro-poor development.

NFN has been influencing the non state actors in the country, the increasing power of NGOs have prompted scholars, government, media and ordinary citizens to raise questions on about the roles and responsibilities of the NGOs. Realising its position in influencing and motivating the member and non-member organisations and the society in general, NFN took it as a challenge to strengthening the Institutional Good Governance within NFN and its members.

For sometime NGOs have come under criticism in governance, transparency, and accountability related issues. But, since the initiation of this project some of

the NFN regional offices have reported that the criticism on NGOs is decreased. However, NFN strongly feels that the NGO community should face the challenge by improving more on its governance score of the past.

NFN is already in the process of developing Institutional Good Governance policies for NGOs. This has influenced a lot of NGOs in the districts and regional level. Unless the NGO community is able to build and implement policies and systems necessary for promoting and institutionalising Good Governance within its operations, there will be little scope left for itself to be part of the broader social movement. Therefore, NFN have been working with all the enthusiasm. It is believed that the members and non-member organisations would start the same practice slowly. The primary focus of the project is to create an enabling environment in which NFN and its member NGOs are able to institutionalise Good Governance principles in their organisational structures and operations, and enhance their understanding and skills in rights based approaches to project design, implementation and evaluation. So, NFN sees more relevance of the project.

It is hoped that this project will further help the NFN members to enhance their skills in networking, lobbying and advocacy along with their organisations. They would involve themselves in post-conflict reconstruction initiatives to make sure that the initiatives are inclusive, transparent and responsive to the needs of the affected groups of people. Their skills, together with enhanced Institutional Good Governance would contribute to their 'good imaging' in the community they work, as well as amongst their donor, stakeholder and boundary partners. Good imaging commands community trust and also helps generate and sustain the financial resources both locally and nationally. Thus, the project is expected to take wider responsibilities.

As for now this project has been supported from all level and is talked about in every villages, districts, regions, organisations and even among the donors. NFN have been approached from AIN to share the experiences of the project activities and in discussing about the partnership guidelines. NFN thinks that this is a great response towards the project. Even if the activities conducted till 2006 are very few, but they have been highly successful in meeting the targets and bringing about significant changes in the organisations and mind set of people. We believe that instead of having this project for only 20 months, if the project could be extended to five more years, then there will be no doubt that the project could bring some effectiveness in the way Good Governance should be internalised in all the organisations nationwide.