

# **Evaluation of NGO Certifications for the International Cooperation Strategy 2025-2028**

**Final Report for the Swiss Agency for Development and Cooperation**

January 13, 2023

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**List of Abbreviations**

|             |   |
|-------------|---|
| ADA         | Austrian Development Agency   |
| AFD         | French Agency for Development   |
| AFNOR       | Agence Française de Normalisation   |
| CEPS        | Centre for Philanthropy Studies   |
| CHS         | Core Humanitarian Standards   |
| CSO         | Civil Society Organisation  |
| DAC         | Development Assistance Committee  |
| DG ECHO     | Directorate-General for European Civil Protection and Humanitarian Aid Operations |
| EDUQUA      | Swiss Quality Label for Further Education Institutions                            |
| EFQM        | European Foundation for Quality Management  |
| FDFA        | Federal Department of Foreign Affairs   |
| IC Strategy | International Cooperation Strategy  |
| IDHEAP      | Institute of Public Administration  |
| NGO         | Non-Governmental Organisation   |
| OECD        | Organisation for Economic Co-operation and Development                            |
| SDC         | Swiss Agency for Development and Cooperation                                      |
| SDG         | Sustainable Development Goals   |
| SEVAL       | Swiss Evaluation Society  |
| Swiss       |   |
| GAAP FER    | Swiss Accounting and Reporting Recommendations                                    |

## Executive Summary

The Swiss Agency for Development and Cooperation (SDC) has commissioned the Institute of Public Administration (IDHEAP) of the University of Lausanne and the Department of Political Science of the University of Zurich to conduct an evaluation of NGO certification labels for the International Cooperation Strategy 2025-2028. The aim of the evaluation is to determine which certifications meet the eligibility conditions required by the SDC for programme funding. The evaluation process involved a comparative analysis of two selected certifications, Ehrenkodex and Zewo, and an evaluation of their usefulness for the SDC through a meta-evaluation process. The meta-evaluation consisted of three dimensions: the requirements for certification, the organization of the certification process, and the transparency of the certification process.

The results of the meta-evaluation indicated that Zewo is the best option due to its expertise and methodological approach in the certification of NGOs. However, Ehrenkodex also proved to be a valid contender, offering a certificate of quality that addresses many needs of the SDC. Both certifications consider similar topics in their respective criteria, but there are differences in the type of documents required for certification and the certification methodology used. Zewo is more explicit in its descriptions and verification procedures, while Ehrenkodex's definition of neutrality could be more explicitly clarified. Regarding the organization of the certification process, both labels showed similarities, with the main difference being the level of financial resources. Both foundations compensate for additional costs through additional financial sources or subsidies, but while Zewo has more resources, Ehrenkodex relies more on voluntary work. This could impact the validity and reliability of the certification process in exceptional circumstances, but it is also a strong sign of the foundation's motivation and involvement in the certification process. Overall, the results of the meta-evaluation suggest that both certifications could potentially be used for programme funding, but NGOs without a Zewo certification would need to provide further evidence to the SDC that go beyond the Ehrenkodex certification.

# 1 Introduction

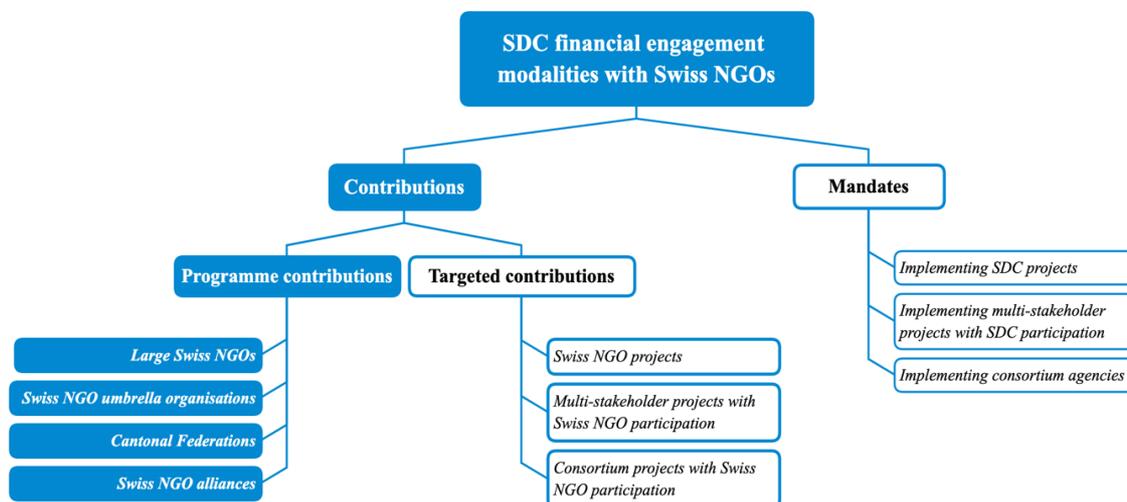
## 1.1 Starting Situation

Switzerland has implemented the International Cooperation Strategy (IC Strategy) 2021-2024, with the primary objectives of reducing global poverty, emergency relief, and the promotion of prosperity. To achieve these goals, Switzerland committed to the Sustainable Development Goal Agenda 2030 and collaborates closely with non-governmental organizations (NGOs). These organizations are characterized by their commitment and expertise, which is why they enjoy a high level of global trust. The collaboration between the Swiss Agency for Development and Cooperation (SDC) and NGOs takes the form of mandates, thematically or geographically motivated contributions, and programme contributions to Swiss NGOs (Figure 1). The present study focuses on the latter modality of engagement.

In 2021, the SDC awarded the 2021-2022 programme contributions of around CHF 270 million to 27 NGO partners (SDC 2021). Based on a previous evaluation (IOD PARC 2017), the SDC established the Guidelines for Cooperation with Swiss NGOs (SDC 2019) determining how the latter can receive funding within the programme modality. In principle, programme contributions are accessible to all Swiss NGOs working in the domain of international cooperation and they are distributed according to clearly defined criteria. For Switzerland's IC Strategy 2021-2024 period, a Zewo certification has been declared a prerequisite for NGOs to receive programme contributions by the SDC. Zewo is a Swiss quality certification that sets specific standards for Swiss NGOs, in domains such as ethics and integrity, corporate governance, efficient use of funds, results, true and fair accounting, transparency, accountability, as well as fundraising and communication (Zewo 2017). Even though the federal administration often relies on existing labels and certificates to identify the requirements and needs for project funding, the choice of Zewo as the only accepted label has led to discussions. A recent study by Ritz et al. (2021) compares the Zewo certification with another certification organisation: Ehrenkodex. The authors argue that the two certifications provide a similar service and that the quality differences – that still exist between the two certifications – do not justify the sole recognition of Zewo. Moreover, a legal opinion criticized SDC's lack of consideration of other certifications (Krauskopf 2021).

Two parliamentary requests<sup>1</sup> and, more recently, media reports (Kälin 2022) have addressed the sole use of Zewo for the SDC’s programme funding. According to the former, the Zewo certification discriminates NGOs who cannot fill in certain requirements such as being legally based in Switzerland. In addition, it has been argued that some NGOs receive contributions by SDC from other funding instruments (e.g., project contributions). In contrast, supporters of the status quo state that the Zewo certification is well fitted, as it corresponds to the SDC’s high standards, and ensures a fair attribution process for all NGOs based on transparent criteria. However, the question remains unanswered whether the SDC can also rely on other certifications to guarantee certain standards by the participating NGOs. Even though the guidelines for cooperation with NGOs are strictly and clearly defined, the SDC thus questions whether the current certification regime should be adjusted. Consequently, the SDC has decided to evaluate additional certifications for the IC Strategy 2025-2028 period and the next round of programme contributions.

Figure 1: The SDC Financial Engagement Modalities with Swiss NGOs (SDC 2019)



<sup>1</sup> 16.5303: «Ist die Zewo-Zertifizierung für den Bund nicht massgebend?»; 20.4241: «Zertifizierung von Hilfswerken als Voraussetzung für die Vergabe von Fördergeldern durch die DEZA»

## 1.2 Mission, Objectives and Questions

The SDC commissioned the Institute of Public Administration (IDHEAP) of the University of Lausanne and the Department of Political Science of the University of Zurich to conduct an evaluation of NGO certification labels regarding the International Cooperation Strategy 2025-2028 (SDC 2022a). Based on the terms of reference, the mandate sought to prepare an expert report based on a systematic evaluation of possible certifications of Swiss NGOs working in international cooperation regarding their fit to SDC's needs and expectations. In doing so, it aimed to analyse which certifications meet the eligibility conditions required by the SDC for programme contributions. According to the terms of reference, the project contributes to the achievement of this goal by conducting the following activities (SDC 2022a: 3):

- mapping existing quality certifications relevant for the evaluation of Swiss NGOs;
- analysing and evaluating the appropriateness of these certifications in a scientifically sound manner;
- analysing and evaluating the governance structure of the certification bodies;
- writing a synthetic report with evidence-based recommendations to the SDC considering the issues raised in the interpellation and the responses of the Federal Council.

This report examines the extent to which certificates other than Zewo can be used for the attribution of programme funding by SDC and under what conditions such use is possible.

## 1.3 Evaluation Concept

A modular structure was chosen for the evaluation. This procedure facilitates the processing of evaluation questions according to the purpose and tasks and is based on the guide for evaluations in the federal government (Widmer 2005). The evaluation concept is based on the terms of reference as well as on the information obtained during the kick-off meeting with the programme managers on June 2, 2022 (SDC 2022a). In addition, we followed the standards of the DAC Network on Development Evaluation (OECD 2010; 2019) describing the requirements of an evaluation and similar reports. In total, the evaluation had three different modules.

The first module focused on the SDC's needs so that we could both derive possible requirements that these certifications should meet and make a first selection of certifications that met these needs. First, we analysed the SDC's objectives and values, so that we were able to determine

criteria for possible certifications. The criteria included the SDC's standards (the so-called inner evaluation principles) and secondly, as a frame of reference, also respected overarching quality criteria. For instance, the SDC's guidelines (SDC 2019) discuss such principles, but we also conducted one interview with the programme manager of the SDC to ensure that the defined criteria met the Agency's needs. Second, we identified relevant certifications by desk research. We focused on the field of international cooperation in Switzerland while also considering other quality certifications in relevant fields.

The second module consisted in a comparative analysis of two selected certifications – Ehrenkodex and Zewo – based on the criteria discussed in the first module. To evaluate the usefulness of these certifications for the SDC, a meta-evaluation was carried out. The term meta-evaluation (Widmer 1996; Widmer 2006: 101-3) refers to the evaluation of one (or more) evaluation(s). Accordingly, this approach focuses on the question of quality of evaluations (rather than a summary of substantive findings from the evaluations). In our case, the procedures leading to a certification of an NGO can be understood as an evaluation of the quality of the organization. To validate the evaluation results of the comparative analysis, we conducted two semi-structured interviews with representatives of the certification organisations. These interviews aimed to complement the information obtained by the documents and to validate them. The final selection of the experts has been made in consultation with the SDC.

The last module synthesises the findings developed in the first two parts and formulates recommendations for the attention of SDC based on these overarching results. This module also consisted of the presentation of the preliminary results and the recommendation of the mandate as well as the finalization of the evaluation report. Table 1 summarizes the modules of the evaluation project.

Table 1: Overview of Modules

| Module                                       | Methods  | Sample                                  | Data Sources          |
|--|--|---|-----------------------|
| 1. Needs assessment of SDC                   | Document analyses; expert interview                                | Based on relevant documents (2010-2022) | SDC;<br>Desk-research |
| 2. Meta-evaluation of potential certificates | Meta-evaluation; semi-structured expert interviews                 | Case selection based on desk research   | Own collection        |
| 3. Synthesis                                 | Document analyses; synthesis of results; final presentation to SDC | Modules 1-2 and SDC                     | Own collection        |

## 2 Needs Assessment of SDC

### 2.1 SDC – Mission and Cooperation with Swiss NGOs

The SDC is a part of the Federal Department of Foreign Affairs (FDFA) and oversees the implementation of the Federal Council’s foreign policy on humanitarian aid, development cooperation and cooperation with Eastern Europe and at multilateral level (SDC 2022b). Much of this aid happens through SDC's various funding schemes for NGOs. The 2030 Agenda for Sustainable Development and the IC Strategy form the basis of this NGO partnership framework to “*rethink partnerships and strengthen networks to support the poorest and most vulnerable*” (SDC 2019). Switzerland’s IC Strategy seeks – based on the 2030 Agenda for Sustainable Development and its 169 goals (United Nations 2015: 1) – to reduce poverty and to promote sustainable development in selected developing countries by focusing on three pillars: humanitarian aid, development cooperation and promotion of peace and human security (FDFA 2020: 3).

To achieve the ambitious Sustainable Development Goals (SDGs), NGOs and other organizations receive financial contributions for various projects. According to the SDC’s guidance for engagement with Swiss NGOs, the main goal of this cooperation is “*to create synergies and multiplier effects in order to achieve the objectives of Switzerland’s international cooperation*”. The seven principles<sup>2</sup> of the SDC’s engagement should facilitate effective, efficient, and sustainable international cooperation (SDC 2019: 6-8).

<sup>2</sup> (1) Strengthening the humanitarian nexus; (2) Applying a human rights-based approach to mainstreaming gender and good governance; (3) Integrating policy dialogue; (4) Promoting partnerships and cross-sector cooperation;

As shown in Figure 1, the SDC's financial engagement modalities with NGOs exist in the form of mandates and contributions. The former is used to implement specific projects in collaboration with the SDC or other partners. The latter is divided in two categories: programme contributions and targeted contributions (which can be thematic or geographic). Programme contributions – which are the focus here – are available to large Swiss NGOs, Swiss NGO umbrella organisations, cantonal federations, and Swiss NGO alliances. These contributions are related to international programmes and help NGOs to respond flexibly to changing situations in the developing countries and to establish adequate modes of governance to strengthen work across the humanitarian-development nexus (SDC 2019: 10). Before receiving any contribution from the SDC, local and national NGOs must currently respond to three strict eligibility criteria including (1) having their headquarters based in Switzerland; (2) having at least one third of their financial resources generated in Switzerland or Liechtenstein; (3) being the holder of a seal of quality provided by the Zewo certification body (SDC 2019). In addition, the SDC also evaluates an organisation's financial situation through a financial assessment to determine its stability.

## **2.2 SDC – Values, Expectations, and Criteria**

The SDC bases its cooperation with NGOs on several values and principles. NGOs passing the three eligibility criteria and applying for a contribution must submit their programme for assessment. During the following year, an evaluation procedure is conducted which includes an internal evaluation by the SDC staff as well as an external evaluation of the covered programme topic conducted by international experts in the area. Aspects such as the programme's coherence or the organisation's history are evaluated. The latter point serves as reference to determine the topic's relevancy, or the justification of the desired budget based on past spendings. Internal and external reports are then compared and a decision regarding the acceptance or rejection of funding for the programme is taken. Usually, over the years, the SDC cooperates with organisations already well known internally. However, in the case of the first cooperation with an organisation, a risk assessment is also conducted. If the programme fails its assessment, the SDC can, depending on the reasons, ask NGOs for modifications or exclude them from the

(5) Promoting and respecting national ownership; (6) Promoting and respecting effectiveness, transparency, and accountability; (7) Optimising cost-effectiveness and minimising transaction costs (SDC 2019).

process. Thereafter, organisations with an accepted programme must provide a financial assessment conducted at the end of each year during the contract period. Before receiving any payment, NGOs must provide SDC with reports on their activity during the past year. After examination of the documents through standardised procedures, and only once they are validated, the payment is made.

In general, the latter are embedded in three different dimensions: the requirements for the certification, the organisation of the certification process and the transparency of the certification. Usually, the certification body provides standards or criteria that must be fulfilled by the applying organisation along with prerequisites they must meet to apply in the first place. The certification organisation assures the implementation of this formal control, i.e., how the certification body controls the fulfilment of the requirements and which process is foreseen to attribute the certificate. In doing so, it involves the organisation in the procedure, i.e., details on parties involved as well as the formalisation of the procedures. Last, the transparency of the certification covers to what extent the attribution, but also the process and requirements are communicated to the public and therefore also to new applying NGOs.

For the first dimension, we investigate the *requirements for certification* and, more specifically, the criteria verified among applying NGOs. Based on the documentation of the SDC, the OECD/DAC Standards (2010), the standards of the DAC Network on Development Evaluation (2019), and an interview with a programme manager, we have identified five criteria which we deem to be fundamental for NGOs to receive funding from the SDC:

- *Effectiveness*: This criterion usually describes whether the defined goals were achieved. Effectiveness aims to determine the extent to which the expected results have been achieved within the target groups and have led to changes in their behaviour, therefore describing the outcome. Hence, effectiveness is concerned with more closely attributable results, while the impact looks at higher-order effects and broader changes to which an intervention may be contributing (DAC 2018: 9).
- *Cost Effectiveness*: This criterion indicates the extent to which the used resources are financially justified in relation to the services provided. Therefore, cost-effectiveness analysis is usually comparing the cost of two or more interventions with the same effects (Levin et al. 2018). The resources are crucial to identify this criterion since their use indicates the extent to which the interventions deliver results in an economical way.

The purpose of cost-effectiveness analysis is to determine the costs in relation to the effects, which cannot be reduced to money terms (Scriven 1991: 46).

- *Neutrality*: This criterion indicates both whether the content of an intervention and the selection of target groups are neutral and thus not privileging one view or party. On the one hand, interventions should not be based on other motivations besides development aid, i.e., activities should not be linked with any ideological position. On the other hand, no specific individual or group should be preferred as the target group of an intervention over others.
- *Disclosure*: This criterion describes whether the realized activities and results are comprehensible and verifiable for third parties. To achieve transparency, the purpose, process, and findings must be disclosed. This transparency criterion addresses the applying organisations and not the certification body (see third dimension).
- *Financial governance*: The criterion analyses whether funded organisations are financially sound. In doing so, business compliance rules should be verified as well as the processes and results should be ensured to meet the required rules.

For the second dimension, the assessment of the *organisation of the certification process* concentrates on its capacity to apply the previous dimension's criteria presented above. Its criteria are the following:

- *Competency of the certification committee*: This criterion looks at the selection criteria for the members of the certification body and their domains of expertise.
- *Financing of certification process*: This criterion looks at the sources and conditions of financing given the outcome of the certification process, i.e., if the success or the failure of a procedure has any impact on the financing. Moreover, it assesses the relation with the certification body and defines if it is sufficient to cover the costs of the procedure, if any profits are generated from it or any third parties participate financially.
- *Time resources for certification process*: This criterion evaluates the time resources available to the certification body to conduct its assessment. It defines whether their capacity is in adequacy with the resources available to conduct a serious certification procedure with enough time to assess the received documents.

- *Standardisation of documentation*: This criterion assesses the rules regarding the documents applying organisations must deliver for the certifications process. For instance, it verifies the existence of an official list of documents to include in the dossier handed in for the certification procedure as well as the format of the said documentation, i.e., recognised documents, written statements or plans.
- *Response of certification*: This criterion verifies if a substantial report exists, and under which form it is submitted to applying organisations. The details of its contents are also taken into consideration so that they would give sufficient information to the applicants on their assessment.

The third and final dimension concerns the *certification transparency*. Thus, it determines how far third parties can follow the certification process in terms of their access to the relevant documentation and through public communication by the certification body. The following criteria compose this dimension:

- *Third-party access to certification documentation*: This criterion takes the same basis as the first dimension's criterion of transparency and adds different levels of transparency. Therefore, it assesses the access to documents regarding the certification procedure and defines their formality.
- *Information disclosure about certification committee*: This criterion evaluates the communication around the certification committee in terms of its composition and rules regarding its composition as well as the conduct to be adopted by its members.
- *Communication about applying organisations*: This criterion assesses the kind of information that is published about applying organisations and the conditions of communication regarding the statuses of their certification procedure. It also covers whether the result about the final assessment report is communicated to third parties.
- *Disclosure of financing sources of certification process*: Assessment of the level of detail about the sources of financing of the certification process and definition of the amount of information that is publicly communicated.

In the next chapter, we will present the methodology of the meta-evaluation. In doing so, we will justify our case selection, i.e., present possible certification bodies that focus on the international development sector in Switzerland. Moreover, the chapter presents the operationalisation of the evaluation criteria and how it has been applied to assess the certifications.

### 3 Methodology

#### 3.1 Case Selection

Multiple certificates and standards exist for NGOs in the field of international development. They promote NGOs' interests by guaranteeing the respect of multiple values. While some are accorded through examinations conducted externally by certificate representatives, some are also self-applied by the organisations. In France, for instance, the French Agency for Development (AFD) co-finances projects from French Civil Society Organisations (CSO) – which include NGOs (AFD 2022). CSOs must comply with eligibility criteria that concern, for instance, the OSCs governance, financial situation, management capacity and project implementation (AFD 2020). In this respect, NGOs provide documents necessary for the eligibility assessment which is conducted by an internal AFD committee using a methodological guide comprising multiple criteria (AFD 2020). The possession of a quality seal is one of the requirements, but it can also be substituted by an accreditation/charter (i.e., AFNOR label, EFQM), an ethical charter or an internal code of conduct of the CSO. Similarly, the Austrian Development Agency (ADA) supports programmes in line with the SDG from development organisations officially registered in Austria who have been active for at least three years (ADA 2022). Multiple criteria regarding the content and objectives of their programme or the organisations efficiency and integrity are assessed. Quality certifications for donations are mentioned in the integrity assessment. However, they are not compulsory as “satisfactory inspection reports” are sufficient in their stead (ADA 2022). In the European Union, NGOs applying for a Humanitarian Partnership must hold a certificate delivered after assessment of the DG ECHO (Directorate-General for European Civil Protection and Humanitarian Aid Operations)<sup>3</sup>. To be awarded the certificate, NGOs must submit an audited report proving they comply with the given prerequisites and criteria defined by the DG ECHO on the basis Article 7 of the Humanitarian Aid Regulation and certain EU Financial Regulation provisions (ECHO 2021). A regular assessment of its partners is conducted by the DG ECHO itself during the period for which they had awarded their seal.

<sup>3</sup> <https://www.dgecho-partners-helpdesk.eu/ngo/humanitarian-partnership-2021-2027/how-to-become-a-partner> (consulted on the 24.10.2022)

Regarding classical certification seals, we find different standards, such as the InterAction NGO Standards, based in the United States, and the Core Humanitarian Standard (CHS). However, they act as guidelines for NGOs to follow and are not certifications awarded per se. In Switzerland, there are namely two organisations that offer certifications for NGOs in international development: *Zewo* and *Ehrenkodex*. Ehrenkodex defines itself as an independent certification for Christian non-profit work providing a certification to 54 organisations, of which around 40 are engaged in activities on the international level<sup>4</sup>. In comparison, *Zewo* addresses a broader range of organisations, as it is awarded to charitable NGOs. 495 organisations currently bear the seal of approval, of which around 140 are engaged in activities on the international level<sup>5</sup>. Table 2 provides an overview of the two certification organisations:

Table 2: Overview of Selected Cases

| Characteristic                        | Ehrenkodex   | Zewo  |
|---------------------------------------|--|---|
| Number of certified organisations     | 54 organisations (incl. ~40 operating on international level)  | 495 organisations (incl. ~140 operating on international level)                         |
| Evaluation criteria                   | Seven broader topics, 23 criteria groups, 108 assessment criteria (incl. nine mandatory prerequisite criteria) | Six broader topics, 21 standards, 101 assessment criteria                               |
| Assessment method                     | Scoring system, adaptable to the size of the organisation  | General methodology and benchmarks  |
| Proof of provided information         | Self-declarations mostly accepted  | Control through monitoring (self-declarations only accepted in few cases)               |
| Monitoring of certified organisations | No monitoring until recertification  | Yearly compliance check with criteria (incl. required improvements after certification) |
| Evaluation duration                   | Around 6 months  | 6 to 12 months  |
| Label validity period                 | 3 years  | 5 years   |

<sup>4</sup> The number of certified organisations is often updated (<https://zewo.ch/de/npo-suche/> (German) (consulted on the 28.11.2022))

<sup>5</sup> The number of certified organisations is often updated (<https://site.ehrenkodex.ch/zertifizierte-organisationen> (German)) (consulted on the 28.11.2022).

### 3.2 Data

To conduct the meta-evaluation, an evaluation of the certifications – Ehrenkodex and Zewo – assessing whether they meet the criteria discussed in the prior section, we used two different types of data: firstly, we collected all public available information for the certification by both organizations on their respective websites. On this basis, we conducted a first document analysis, by sorting and analysing the downloaded information according to our evaluation criteria. When any of them that stayed unclear after looking through the documentation, they were flagged and integrated in a list regrouping any aspects needing further explanation. Secondly, we conducted one semi-structured expert interview each with Ehrenkodex and Zewo. The questionnaire-covered questions served to clarify aspects on the organisation and process of the certification as well as other dimensions that needed further information complementing document analysis. The questions targeted particularly the governance and the transparency of the certification process. Representatives of the concerned quality certifications were then contacted to conduct an interview. The interviews took place on the 14<sup>th</sup> of October and on the 11<sup>th</sup> of November 2022. Hence, the meta-evaluation is based on the state of affairs as of this date. The interview guide can be found in the Appendix (Table 4).

### 3.3 Operationalisation

The 14 criteria, as presented above, have been further operationalised to conduct the meta-evaluation. Table 3 presents the operationalization as well as the indicators. The meta-evaluations will indicate whether the certification considers the criterion on a four-level scale ('does not consider at all', 'does rather not consider', 'rather considers', 'fully considers' criterion).

Table 3: Operationalisation

| Dimension                             | Criterion  | Operationalization   | Indicators  |
|---------------------------------------|--|--|---|
| Requirements for Certification        | Effectiveness  | Proof of evidence of effectiveness of projects from applying NGO                                   | <ul style="list-style-type: none"> <li>• Existence of effectiveness criteria</li> <li>• Proof of evidence by certification</li> </ul>   |
|                                       | Cost Effectiveness                                       | Proof of evidence of cost effectiveness of projects from applying NGO                              | <ul style="list-style-type: none"> <li>• Existence of cost effectiveness criteria</li> <li>• Proof of evidence by certification</li> </ul>  |
|                                       | Neutrality   | Proof of evidence of neutrality in activities from applying NGO                                    | <ul style="list-style-type: none"> <li>• Proof of no specific target selection</li> <li>• Differentiation between religious and charitable activities</li> </ul>  |
| Organisation of Certification Process | Disclosure   | Disclosure of activities by applying NGO   | <ul style="list-style-type: none"> <li>• Existence of transparency criteria</li> <li>• Public access to activity reports</li> </ul>   |
|                                       | Financial Governance                                     | Proof of evidence of financial situation from applying NGO   | <ul style="list-style-type: none"> <li>• Control of financial soundness of NGO</li> </ul>   |
| Organisation of Certification Process | Competency of Certification Committee                    | Selection criteria and domain of expertise of certification body to guarantee correct assessment   | <ul style="list-style-type: none"> <li>• Representation of necessary domains of expertise</li> <li>• Impartiality and independence of certification body</li> </ul>   |
|                                       | Financing of Certification Process                       | Level of independence between financing of certification process and obtaining of certificate      | <ul style="list-style-type: none"> <li>• Certification fee is independent from certification outcome</li> <li>• Certification fee provides enough resources to guarantee the certification process</li> </ul> |
|                                       | Time Resources for Certification Process                 | Adequacy of allocated time for certification body to conduct thorough assessment                   | <ul style="list-style-type: none"> <li>• Adequate time is foreseen for certification process in relation to amount of work</li> </ul>   |
|                                       | Standardisation of Documentation                         | Existence of official document stating type and detail level of documents to submit for assessment | <ul style="list-style-type: none"> <li>• Existence of official document formalising documentation to be submitted</li> </ul>  |
|                                       | Response of Certification                                | Detail of information given to applicants to understand results of assessment                      | <ul style="list-style-type: none"> <li>• Quality of response communicated by certification body</li> </ul>  |
|                                       | Third-Party Access to Certification Documentation        | Sufficiency of information given to third parties to understand results of assessment              | <ul style="list-style-type: none"> <li>• Level of transparency of certification documentation</li> </ul>  |
|                                       | Information Disclosure about Certification Committee     | Communication of composition of certification body to third parties                                | <ul style="list-style-type: none"> <li>• Access to composition and rules of conduct of certification body</li> </ul>  |
|                                       | Communication about Applying Organisations               | Communication about status of applying organisations to third parties                              | <ul style="list-style-type: none"> <li>• Public communication about applying organisations by certification status</li> <li>• Public disclosure of final assessment report</li> </ul>                         |
|                                       | Disclosure of Financial Sources of Certification Process | Communication about financial sources of certification process to third parties                    | <ul style="list-style-type: none"> <li>• Level of detail of financial information about certification procedure</li> </ul>  |

## 4 Meta-Evaluation

### 4.1 Ehrenkodex

At its creation in the 1990s, Ehrenkodex was first attached to the Swiss Evangelical Alliance. As Christian NGOs were not eligible for the Zewo certification at the time due to their religious background, the need arose to create their own certification organisation. Thus, the creation of Ehrenkodex aimed to fill this gap by focusing on specific values close to the Christian faith. It was then transformed into an independent foundation in 2017. At the time, the number of certified organisations went significantly down from 80 to around 50 certified NGOs. Ehrenkodex' resolve to institute a high threshold meant some organisations did not reapply because they were unwilling or unable to meet the new standards due to the workload required for the (re-)certification process or simply failed the process itself. The main philosophy of the certification of Ehrenkodex is rather to provide a best practice guidance to organisations than to define strict rules and methodologies for them to follow.

NGOs applying for the certification must first completely comply with four prerequisites (comprising nine mandatory criteria) demanding to be tax-exempted, being a legal entity, being listed in the registry of commerce (only for organisations which are legally bound to register to it) and serving the Christian faith. Organisations interested in the certification contact the office of Ehrenkodex who enquires about the motives and the background of the NGO. Subsequently, the responsible person at Ehrenkodex sends information on the requirements for the certification to the applicants and, after a short time, a second conversation takes place focusing on how the organisation intends to proceed with the certification process. NGOs are then asked to submit specific documentation, which will be the basis for the assessment according to criteria covering seven broader topics (comprising a total of 23 criteria groups, which refer to 108 individual criteria) (Ehrenkodex 2022):

- Values: Integrity, transparency, responsibility
- Governance: Independence, conflict of interest, separation of powers, internal control
- Leadership: Professionalism, economic, social and ecological sustainability
- Human resources: Management, remuneration, employment conditions
- Finances: Annual financial statement, review, investments, reserves
- Communication: Data protection, fundraising, external fundraising partners

- Efficiency: Strategic process, efficiency measurement

The assessment process lasts around six months. An internal evaluation sheet displays and defines which criteria apply to the organisation depending on its size and domain of intervention. Out of the full list of criteria Ehrenkodex proposes, only those applying to the organisation's situation will be considered for the assessment. For instance, only NGOs conducting fundraising will have to meet the criteria for fundraising. During the evaluation of the NGO, Ehrenkodex awards points according to each criterion – up to a total of 418 points when fulfilling all the criteria. To be awarded the label of Ehrenkodex, the NGO must score 85% of the total sum of the applying criteria – next to the nine mandatory requirements. If an organisation has not considered a criterion, Ehrenkodex provides information to the NGO how they can improve their organisation. If the NGO has been awarded the certification, they can display the quality label for a three-year period. Those failing the certification process are allowed to re-apply directly following the decision and must go through another 6-month process before another decision is taken by Ehrenkodex.

#### **4.1.1 Requirements for Certification**

Based on the document analysis and an interview with the representatives of Ehrenkodex, we assessed the compliance of the NGO certification with the criteria we deemed important for the SDC in the international cooperation context (as presented in chapter 2.2). The following paragraphs describe the compliance of the Ehrenkodex certification with these criteria. The overview of criteria, which we have used to assess the requirements for the certification can be found in Table 5 in the appendix.

#### **Effectiveness**

The topic of effectiveness touches on multiple Ehrenkodex criteria (criteria 43, 97, 98, 99, 100, 101, 103, 104, 106, 108 and 109<sup>6</sup>). Applying NGOs must consider this aspect by documenting their goals, how they intend to achieve them and the outcome and impact of their activities. Proof of effectiveness must be presented in a report comprising what has been achieved and

<sup>6</sup> Ehrenkodex has recently dropped one criterion, but kept the numbering, which is why there is a criterion 109.

which aspects have not yet been successful along with plausible justifications. However, NGOs do not have to follow a precise methodology to demonstrate their effectiveness: each application is considered individually and the assessment by Ehrenkodex is adapted to the applying organisation's context, e.g., its size or geographical scope. The documents to be submitted will greatly depend on the size and domain of intervention of an NGO. Also, it is not required for applicants to deliver recognised documents, i.e., self-declarations by the NGOs are sufficient. The logic applied by Ehrenkodex underlines that organisations must think about what is best for their stakeholders and act in consequence, which is why the foundation leaves them more leeway in the documentation of effectiveness. In our opinion, Ehrenkodex complies with the criterion of effectiveness by integrating it into its own label criteria, but it lacks a precise methodology, which can be problematic in terms of standardisation of the documentation submitted by organisations. Moreover, much lower (but also more reasonable) requirements are imposed on smaller NGOs, which is however comparable to other certification agencies (e.g., Zewo). *Thus, the criterion of effectiveness is sufficiently considered by the Ehrenkodex certification.*

### **Cost Effectiveness**

Criteria mentioning cost effectiveness of projects are scarce (criteria 17 and 107). Taking the same logic as effectiveness, organisations are free to follow the methodology they prefer to provide information on cost-effectiveness. There are no official benchmarks, i.e., Ehrenkodex does not compare project costs of different NGOs with each other. According to Ehrenkodex, integrating the topic of cost effectiveness is interpreted more as a call for the organisation to question itself on this matter. In their view, it is the responsibility of applicants to refer to standards and benchmarks in their own sector (depending on size, domain of intervention, etc.). A reason why Ehrenkodex does not use comparative figures to assess the organisations' projects is due to the heterogeneity of the organisations it certifies. However, this approach is in our opinion problematic since the correct assessment of cost effectiveness is not easily constructible without making any reference to comparable projects or interventions. Consequently, Ehrenkodex lacks a systematic control for cost effectiveness through a precise methodology. *Hence, the criterion of cost-effectiveness of projects is rather not considered by the Ehrenkodex certification.*

## Neutrality

The criterion of neutrality clearly stipulate neutrality in terms of target selection (criteria 5, 6, 15, 16, 85 and 87), i.e., applying organisations cannot exclude certain beneficiaries based on religious or political factors. Ehrenkodex assesses whether organisations focus on values such as respect of human-rights, non-discrimination, or religious freedom. According to Ehrenkodex, these values guarantee that applying NGOs do not discriminate certain societal groups. If there are specific target groups based on certain criteria for instance, they need to be transparent as part of the project goals and need to be presented as such (e.g., community targeted because of its status as a vulnerable social or religious minority). In our view, this approach has some weaknesses since Ehrenkodex cannot exclude that specific case selections are indeed made. However, another aspect seems even more problematic from our point of view. For NGOs that are tax exempted based on mixed goals (including religious), Ehrenkodex does not ask to distinguish between religious and public activities. Many organisations certified by Ehrenkodex are committed to the Christian faith, which is why organisations can have a main focus on religious activities. In our opinion, applying organisations can have a religious orientation, but they must prove that religious activities are not financed by funds provided by SDC. Therefore, clear separation of the funds must be established (transparently communicate the proportions of the (non-) religious spending). Furthermore, it is critical for NGOs to provide proof that these two activities are managed separately through Ehrenkodex' transparency requirements (criteria 17 to 22). *Hence, the criterion of neutrality is rather not considered by the Ehrenkodex certification.*

## Disclosure

Ehrenkodex urges organisations to be as transparent as possible and to make documents such as their annual financial statements and their audits accessible for the general public. Moreover, organisations are free to make public any additional document prepared for the certification process. The decision to publish them will greatly depend on the area of activity of the NGO and how it wants to appeal to its stakeholders. Given the guidelines by Ehrenkodex, it will not judge an organisation as non-compliant if it does not publicly disclose documents that are not stated as mandatory in the criteria, which is why this criterion is optional. Organisations are encouraged to primarily develop information for its stakeholders (e.g., donators, collaborating

institutions, etc.) without having to comply with a fixed, predetermined publication regime. In our view, the documents required to be disclosed by the NGOs are sufficient. *Hence, the criterion of disclosure is fully considered by the Ehrenkodex certification.*

### **Financial Governance**

Many criteria touch on the aspect of an NGO's financial governance (criteria 40, 41, 56, 57, 58, 66, 67, 68, 70, 71, 77, 78, 89, 91, 92, 93 and 94). Applicants must refer to several points in their financial governance and submit verifiable facts regarding their financial situation. The accounts need both to follow the Swiss Code of Obligations and the Swiss GAAP RPC 21 norms<sup>7</sup> as well as to be certified by external auditors. Regarding the reserves of an organisation, nothing clearly states if they need to be sufficient to cover its total expenses during a minimum period in the event of an income cut. Even though Ehrenkodex controls the financial situation of an NGO, it does not demand additional reserves. In general, it assumes that an organisation that has sufficient funds can cover specific circumstances, for instance, bringing people back from overseas or compensating donation fluctuation to ensure that salaries are paid. This might be an area of improvement that Ehrenkodex can investigate in the future in our view, but the number of criteria and work done by Ehrenkodex to cover the question of financial governance is sufficient in our view. *Hence, the criterion of financial governance is rather considered by the Ehrenkodex certification.*

#### **4.1.2 Organisation of Certification Process**

##### **Competency of Certification Committee**

The managing director of the Ehrenkodex foundation oversees the recruitment of certification specialists, but the board decides on the appointments of the committee members. Experts are appointed based on their knowledge of different topics such as the NGOs domain, finances, organisational law, or human resources. Given the pool of experts available, the members are

<sup>7</sup> "The Accounting and Reporting Recommendations (Swiss GAAP FER) are Swiss accounting standards that provide a true and fair view of financial position, cash flows and the results of operations" (Swiss GAAP FER website: <https://www.fer.ch/en/> (consulted on the 26.10.22)).

firstly recruited based on their expertise, which means that conflicts of interests are not considered for the recruitment. However, any expert's direct link to an organisation being assessed will result in her or his withdrawal from the evaluation by the foundation council of Ehrenkodex. At the level of foundation's board, the different interests and engagements are discussed internally, and it is made sure that any board member with conflicting interests abstains from the final decision to grant a certificate. In general, there is no stand-alone certification committee that interacts with the applying organisation directly, i.e., the communication with applying organisations happens mainly through the office or the board of directors. According to Ritz et al. (2021), the lack of direct communication with experts was seen as problematic for some organisations when dealing with specific issues, for instance. However, experts have since been authorised to contact the organisation directly to ask for clarifications in the certification process. Experts must then report back to the board who then discusses the outcome of the certification process, i.e., the decision on label attribution. As the people involved in the certification process have the necessary knowledge for assessing the different dimensions covered by the criteria, this criterion is sufficiently respected by Ehrenkodex in our view. There is a clear separation between certification bodies assessing the organisations and the body responsible for the final decision on awarding the certificate. However, even though potential conflicts of interest are considered and addressed when needed, Ehrenkodex could be stricter and expand the way in how and when they define a conflict of interest. *Hence, the criterion of competency of the certification committee is rather considered by the Ehrenkodex certification.*

### **Financing of Certification Process**

An NGO going through a first certification process will pay an amount varying between 1'500 and 9'000 CHF depending on its operating income (Ehrenkodex 2018). According to its annual financial report, the main financial source of Ehrenkodex comes from the contributions of applicants and seal-bearers. While the single certification process does not always cover its own cost, annual fees paid by the certified NGOs are able to finance the foundation's operations. However, a lot of voluntary work is done by the board and experts receive a financial compensation for their activities which is lower than market values.<sup>8</sup> The experts work with a given

<sup>8</sup> According to Ehrenkodex, the budget regarding the compensation (time budget and hourly rate) will be increased for 2023.

budget and timeframe; their remuneration does not depend on the outcome of the procedure. In our opinion, this criterion can be problematic as the certification process is not entirely financially guaranteed, which can have a significant impact on the work conducted by Ehrenkodex' employees. However, volunteer work might also indicate a strong intrinsic motivation, which can positively impact the performance. In some cases, financial compensations are possible for mandates that go above the usual workload. Even though volunteers are capable to do the same work, the quality of the outcome of the certification process might be negatively impacted in other cases (increase in applications, etc.). This potential problem is also discussed by Ritz et al. (2021) even though improvements have been made over the years to professionalise the process. In our opinion, the benevolent nature of the certification body shows a high degree of involvement in the certification process, but the underfunded certification process bears the risk of affecting the validity and reliability of the evaluation. *Hence, the criterion of the financing of the certification process is rather not considered by the Ehrenkodex certification.*

### **Time Resources for Certification Process**

Ehrenkodex recommends the organisations to count six months to complete their dossier for the assessment, allowing them to allocate enough resources to gather the required documents. There is no official deadline for initial certification. While experts are given a specific timeframe to complete their assessment, the latter acts more as a rough time indication and experts are free to work as necessary in a reasonable way. However, some factors can prolong the time needed for the assessment. For instance, if more time is necessary, the evaluation needs to be discussed internally, especially if additional compensation is needed. Experts have the right to refuse dossiers because of major problems. In this case, the managing director handling the contact with the organisation intervenes (in case of missing documents, for instance) after receiving the evaluation from the experts recommending addressing the issues involved. In rare cases, additional audits can take place, whose costs will be charged to the organisation and will prolong the procedure. In our view, six months are enough for organisations that are sufficiently prepared, since it leaves sufficient time for the certification body to seriously assess every criterion covered by the label. *Hence, the criterion of the time resources for certification process is fully considered by the Ehrenkodex certification.*

### **Standardisation of Documentation**

There are two levels of proof for the certification process: 1) *Evidence* requires documents in a recognised format (e.g., Swiss GAAP FER). These documents score higher points in the certification process and generally need less discussion to determine whether the proof is sufficient or not. 2) *Plausibility checks* allow applying NGOs to submit “soft facts” like self-declarations or activity plans. These score fewer points in the certification process although they help the certification body to give an opinion on the organisation’s compliance with the assessed topic depending on what has been learnt about the applicant through the certification process. Ehrenkodex uses an internal document indicating what type of proofing is requested for which criterion and clearly indicates what is requested as evidence for the evaluation process (i.e., financial statements, audits, tax exemption letter, statutes). For plausibility checks, an NGO is free to prove how it meets the requirements for the specific list of topics. However, there is no fixed list nor number of documents to deliver. Ehrenkodex requests organisations to ensure that their documentation provides sufficient information in order to identify whether they meet the different criteria. In our opinion, we deem the existence of an internal documentation as sufficient to fulfil this criterion, as it indicates clearly what is requested by applying organisations for the certification procedure. *Hence, the criterion of standardisation of documentation is fully considered by the Ehrenkodex certification.*

### **Response of Certification**

At the end of the certification process, NGOs receive a filled-out assessment sheet showing which criteria have been met and which have not, along with an explanation of the reasons for success or failure. A justification is clearly stated for criteria that have been excluded when it is the case. If some minor criteria have not been fulfilled, it is not mandatory for organisations to make changes over time, but Ehrenkodex will check for any improvement between two certification cycles. In contrast, Ehrenkodex does not provide the label to organisations with major issues. In this case, organisations receive a thorough explanation on each aspect they have been assessed for. In our view, the certification body provides enough information to justify its decision to the applicants. *Hence, the criterion of response of certification is fully considered by the Ehrenkodex certification.*

### 4.1.3 Certification Transparency

#### **Third-Party Access to Certification Documentation**

The website of Ehrenkodex does not provide technical documents. These are only handed out after being explicitly requested by third parties or by interested NGOs. In general, the website addresses donors or NGOs who want to apply. In Ehrenkodex' opinion, not everything needs to be publicised because it would distract from the most important messages. Thus, process documents are not classified and can be shared openly with third parties. In our opinion, the amount of documentation available online is relatively restricted, albeit Ehrenkodex openly communicates it upon a third-party's request. This should be improved in our point of view. *Hence, the criterion of third-party access to certification documentation is not considered by the Ehrenkodex certification.*

#### **Information Disclosure about Certification Committee**

Experts must declare potential conflicts of interest to the direction of Ehrenkodex. Thus, experts who might be biased in their judgement of an organisation will not be allowed to assess it. At the level of the board, the different interests and engagements are made available internally and it is made sure by Ehrenkodex that any board member with conflicting interests abstains from the final decision about awarding a certificate. Although the composition of the certification bodies, i.e., foundation council and experts, are freely accessible, conflicting interests are not publicly displayed, neither is the foundation's statutes. Albeit Ehrenkodex openly communicates it upon requests made by third parties, transparency for the public does not (or only upon request) exist. This is problematic in our view. *Hence, the criterion of information disclosure about certification committee is rather not considered by the Ehrenkodex certification.*

#### **Communication about Applying Organisations**

Ehrenkodex only displays information about certified NGOs, but not about applying organisations. It does not understand its role as an observer of the NGO market having the responsibility to warn about organisations that do not work according to the standards of the domain. Ehrenkodex verifies that certified organisations communicate transparently their certification on

their respective websites. According to Ehrenkodex, the visibility of the link to the NGOs' websites makes this information tangible for third parties. In contrast, it seems less transparent about unsuccessful applicants. In the event of an NGO failing the certification, Ehrenkodex does not wish to publicly expose this organisation. The representative of Ehrenkodex argues that this organisation might have been unprepared, i.e., the quality of the organisations is not always the reason for its failure. If the label has been withdrawn, Ehrenkodex will communicate this decision transparently through a public statement, even though without any reasons for this decision. Regarding the result of the certification procedure, Ehrenkodex also does not communicate any information to third parties. According to Ritz et al. (2021), the point system used by the label can sometimes lead to unclear decisions, since it is not from an external view transparent which criteria are counted or excluded from an organisation's assessment process. However, third parties can ask certified organisations for the final assessment report – which displays exactly where an organisation got points or not – or question them on the status of their application. Third parties can therefore take notice of any important aspect important for them and discuss it directly with the organisation, but they need it to do through the applying organisation. In our view, this approach is problematic and does not guarantee transparency, even though it is a strategic choice by Ehrenkodex. Since the certification body does not disclose information about applying organisations, we think Ehrenkodex does not respect this criterion. *Hence, the criterion of communication about applying organisations is rather not considered by the Ehrenkodex certification.*

### **Disclosure of Financing Sources of Certification Process**

Annual statements of the Ehrenkodex foundation exist, but they are not available on their website. They are, however, not confidential and can be requested by third parties. Moreover, Ehrenkodex acknowledges that they could put the foundation's annual statements online in the future since it is something requested from organisations bearing their seal. As the access to the annual financial statement is limited, we think this criterion is not considered and should be improved. *Hence, the criterion of disclosure of financing sources of certification process is not considered by the Ehrenkodex certification.*

## 4.2 Zewo

The origins of Zewo go back to the 1930s when it was founded as “*Zentrale Auskunftsstelle für Wohlfahrtsunternehmungen*” by the Swiss Society for the Common Good. In 2001, Zewo became an independent foundation. The organisation assesses NGOs according to twenty-one standards which underwent a major review in 2016. For the main part, the standards refer to precise methodologies and benchmarks based on various research conducted on the topic of NGOs. The Zewo standards are divided into the following six broader categories:

- Definition: Public benefit status, integrity
- Management and organisation: Governing bodies, independence, vested interests, separation of power, internal control, remuneration
- Performance: Efficiency, impact, reserves, transparency
- Finances: Annual financial statement, audit, investments
- Networks: National networks, international networks
- Fundraising and communication: Fundraising campaigns, data protection, fundraising partners, fundraising calendar

A certification process has been established and developed by Zewo over the years allowing to break these standards down into criteria that can be assessed (there are 101 of them). Zewo offers a self-screening<sup>9</sup> to applying organisations in order to identify whether they meet the requirements for an application. Applying organisations can go through two separate processes. The first one is optional and consists of a non-binding assessment<sup>10</sup> where Zewo identifies – based on the existing documents (e.g., by-laws or statutes, tax exemption, annual report, audited financial statements) and an interview with the organisations – whether it meets the most important standards of Zewo. If this is the case, Zewo starts the main process with a full assessment of the organisation. Here, applying NGOs must fill out an online questionnaire where they provide all the information requested by Zewo who then runs an internal check to verify if the information matches with what can be found online. In addition, an internal checklist is used by Zewo to display the key aspects of the applying organisation (i.e., name, key figures, reserves, revenues, administrative costs, fundraising, type of auditing used). This analysis determines the specific aspects to specifically focus on (i.e., local NGOs vs. NGOs working in

<sup>9</sup> <https://zewo.ch/de/der-weg-zum-zewo-guetesiegel/eignungstest/>

<sup>10</sup> <https://zewo.ch/de/der-weg-zum-zewo-guetesiegel/unverbindliche-einschaetzung/>

foreign countries) or the type of documentation (recognised or self-declared) requested for the certification. After verification of this information received by Zewo, the assessment follows a standardized assessment-process by the auditors of the Certification Committee. During the process, Zewo representatives visit the organization to clarify and complete aspects that are not clear enough from the documents received and to discuss potential issues. After the visit, the NGO receives a written report with the discussed items and expected conditions and recommendations, on which it can comment within a certain period. The Zewo Foundation Board then decides on the award or renewal of the seal and on any conditions associated with it. The final decision is sent to the organisation together with the assessment report. Organisations that did not comply with any standards are given the opportunity to address concerned items and fix them within a given time frame. In the event of another failure, applying NGOs are rejected or lose the seal, which means that they are only allowed to reapply after two years. In the event of a disagreement of the applicant with the final decision, the Zewo foundation's statutes (Zewo 2001) offer the possibility to refer to a court of appeal during the 30 days following the decision. The court of appeal is composed by members elected for four years by the foundation Board and has an independent status. Organisations who pass Zewo's certification are allowed to bear the seal for a five-year period. During this time-period, NGOs are regularly monitored by the foundation through yearly controls of their annual reports and financial statements, for instance, to ensure they continue meeting the Zewo's standards.

#### **4.2.1 Requirements for Certification**

Based on the document analysis and the interview, we can assess the compliance of the NGO certification with the criteria we deem important for the SDC in the international cooperation context (as presented in chapter 3). The following paragraphs describe the compliance of the Zewo certification with these criteria. The overview of criteria, which we have used to assess the requirements for the certification can be found in Table A2 in the appendix.

#### **Effectiveness**

The regular monitoring of an organisation's core activity effectiveness is listed in Zewo's 10<sup>th</sup> standard (Zewo 2017). Zewo does not measure the effectiveness of an organisation *per se* but

it controls whether its efforts to be effective are sufficient. Guidelines present advise in how organisations can measure effectiveness (Zewo 2019) under the “Outcome and Impact Assessment in International Development” which are freely accessible online on Zewo’s website<sup>11</sup>. The different terms presented in the guidelines are “based on the OECD definitions and their usage by the SDC” (Zewo 2019: 3). Thus, “the aim of outcomes and impact is to record the direct effects (outcomes) that development agencies produce for the recipients through their outputs, along with the longer-term effects (impact) on others beyond the target groups“ (Zewo 2019: 4). The guidelines can be adapted to fit each NGO’s needs and consist of different steps covering planning, implementation, and evaluation of impact assessment. Therefore, the purpose of impact assessment is explained in the manner that it provides organisations with answers to the following questions: “Are we doing the right things? Are we doing things properly? How can we do things better?” (Zewo 2019: 8). Organisations can provide concrete information about their effectiveness through various quality standards (DAC, SEVAL), guidelines (SDC) and methodologies (qualitative, quantitative) presented in Zewo’s guide. However, the guidelines do not clearly define how the report on the effectiveness must be structured, Zewo offers only a non-mandatory template<sup>12</sup>. By providing guidelines to organisations on how to measure the effects of their projects on targeted groups and delivering these results in written form, Zewo complies with the criterion of effectiveness. Even though there is a lack of a standardised report format to follow, the quality of effectiveness assessment can be expected to be high. *Hence, the criterion of effectiveness is in our opinion fully considered by the Zewo certification.*

### **Cost Effectiveness**

Cost effectiveness of projects is listed in the 9<sup>th</sup> Zewo standard (Zewo 2017). The use of an NGO’s funds is closely monitored using benchmarks developed by Zewo. They compare the use of resources of the applicant with three individual groups comprising organisations similar in size, structure and amount of donations received. A fixed percentage of expenditure is tolerated given these benchmarks and if the organisation’s expense goes above this threshold,

<sup>11</sup> [https://zewo.ch/fr/guide\\_f/](https://zewo.ch/fr/guide_f/) (French), [https://zewo.ch/de/wirkungsmessung\\_zewo/](https://zewo.ch/de/wirkungsmessung_zewo/) (German), [https://zewo.ch/en/guidelines\\_zewo/](https://zewo.ch/en/guidelines_zewo/) (English)

<sup>12</sup> <https://zewo.ch/fr/modele-de-rapport-de-performance/> (French), [https://zewo.ch/de/muster\\_bericht/](https://zewo.ch/de/muster_bericht/) (German)

they are required to reduce it. These benchmarks are regularly updated and are adapted to the context of each organisation. Applicants must submit their detailed finances according to the norms imposed by the Swiss GAAP FER in the domain of NGOs (Swiss GAAP FER 21) including their costs calculated according to Zewo's method. A guide detailing Zewo's method is available to download and, among others, presents rules for calculating costs (Zewo 2018). This allows to verify the finances of an applicant in a standardised fashion and define to which extent their cost effectiveness is in line with the aforementioned Zewo standard. Even though Zewo does not systematically conduct benchmark-studies<sup>13</sup> for project-, administration- and fundraising-costs for different groups of organisations, it compares the costs for projects, administration and fundraising with the benchmarks<sup>14</sup>. This information is provided to the applying organisation. However, in our view, the label does not assess the cost-effectiveness of NGOs systematically with benchmarks. Thus, Zewo could improve this aspect in their near future. *Hence, the criterion of cost effectiveness of projects is rather considered by the Zewo certification.*

### **Neutrality**

Zewo's first standard gives a clear definition of what is considered as a charity (Zewo 2017) and includes the concept of neutrality. As applying organisations must focus their activities on public interest, Zewo excludes all those "which restrict the groups of beneficiaries to a specific political, religious or ideological affiliation" (Zewo 2017: 5). Being of public interest is a prerequisite for an organisation to apply for the certification process and must be in the forefront of its actions. The control of this requirement goes through the analysis of tax exemptions due to public benefit or public services on capital and benefits, federal taxes, as well as the project's costs to see to what extent an organisation is engaged in public benefit activities. Zewo respects the criterion of neutrality by imposing that organisations put public interest at the centre of their actions and checks whether NGOs do not discriminate any societal group in the target group. This clear criterion ensures that organisation bearing the Zewo label rightfully respect the criteria of neutrality. *Hence, the criterion of neutrality is fully considered by the Zewo certification.*

<sup>13</sup> <https://zewo.ch/de/kennzahlen-fuer-npo/#studie-bestellen> (German)

<sup>14</sup> [https://zewo.ch/de/grenzwerte\\_tabelle\\_zewo\\_v3/](https://zewo.ch/de/grenzwerte_tabelle_zewo_v3/) (German)

## **Disclosure**

Applicants must publicly disclose the following documentation: annual report, audited financial statements and auditors' report. In turn, this information is displayed on Zewo's website for each organisation bearing their certification. Additionally, organisations must communicate their impact assessment in an appropriate way, i.e., long reports should be summarised (Zewo 2017, p.11). As mentioned above, the standards to be followed have yet to be clearly defined and are actively being worked on. It is also required for fundraising organisations to communicate in an honest and clear way any information about fundraising and advertising costs as well as administrative expenses (Zewo 2017). These points are listed in the 10<sup>th</sup>, 12<sup>th</sup> and 18<sup>th</sup> standards (Zewo 2017). Given what is required to be put online by organisations, third parties have access to a broad array of documents regarding realised activities and results. *Therefore, in our view, the criterion of disclosure is fully considered by the Zewo certification.*

## **Financial Governance**

Several standards ensure that the NGOs bearing Zewo's certification are financially sound (criteria 7, 8, 11 and 14) (Zewo 2017). Overall, annual accounts must be communicated and published in a transparent way and must be audited in accordance with the Swiss GAAP FER by an authorised independent auditor. The audit report must also be accessible. Additionally, depending on its size, organisations must not be indebted and are required to have a capital sufficient to cover three to eighteen months of their activities with a maximum set at twenty-four months. Zewo requires boards of organisations that fall outside of these ranges an establishment of appropriate reserve targets. Remuneration must also be defined in an objective and transparent manner, with fixed amounts for members of the highest governing body in accordance with the organisations' size and other influencing factors. The latter must be disclosed in the annual financial statement. Zewo's benchmark allows in turn to verify if the declared amounts are deemed acceptable. Financial standards allow for a very thorough assessment by requiring that organisations follow specific and standardised rules. In our view, the number of criteria and work done by Zewo to cover the question of financial governance is widely sufficient. *Hence, the criterion of financial governance is fully considered by the Zewo certification.*

## 4.2.2 Organisation of Certification Process

### Competency of Certification Committee

In the first phase, applying organisations are reviewed by external auditors and Zewo employees. The former come from different companies and are selected according to specific criteria (i.e., certified auditors, Swiss GAAP FER specialised, experience in auditing charities). The Zewo employees in charge of assessing the certification work exclusively for the foundation. With varying educational backgrounds in economics, public administration and NGO management, they are trained in accordance with the Zewo standards and ensure their application. In the event of disagreement on specific points in the certification process, discussions between the external auditors and the Zewo employees can take place. Once the first phase is completed, the following one consists in a quality control conducted internally by Zewo employees higher up in the hierarchy. After the quality control is passed, a recommendation on the acceptance or the rejection of the application is handed to the Board of Zewo – which is composed of representatives from NGOs, consumer organisations as well as public or political figures – who takes the final decision. In addition, Zewo employees conducting the certification process are forbidden to be in the board of an NGO which is monitored by Zewo to avoid any conflict of interest. Regarding its board, Zewo indicates its composition on their website along with any potential conflict of interest for each of its members<sup>15</sup>. In the event of a conflict of interest in a process, their withdrawal is required. The foundation's statutes<sup>16</sup> indicate that recusal conditions demand that board members must disqualify themselves if they have a personal conflict of interest. The same conditions apply to the members of Zewo's court of appeal (see further down in current chapter). In sum, people involved in the certification process present the necessary knowledge for assessing the different dimensions covered by the criteria. Additionally, any potential conflicting interest is taken into account and addressed when needed. *Hence, the criterion of the competency of the certification committee is fully considered by the Zewo certification.*

<sup>15</sup> <https://zewo.ch/fr/conseil-de-fondation/> (French), <https://zewo.ch/de/stiftungsrat/> (German)

<sup>16</sup> <https://zewo.ch/fr/statuts/> (French), <https://zewo.ch/de/statuten-stiftung-zewo/> (German)

### **Financing of Certification Process**

NGOs going through a first certification process will pay an amount approximating 5'000 CHF while a recertification will approximate 3'500 CHF (Zewo 2006). Since the work is charged hourly, the final amount will depend on the size of the NGO and the number of issues to address during the assessment of their application. While Zewo employees receive a monthly salary, the foundation pays the external auditors according to the amount of work implied. However, their auditing for Zewo is done at a lower price than for usual cases they conduct. Neither is accorded a bonus whether an organisation is accepted or not at the end of the process. The financial entries generated by the certification process mainly cover the analyses conducted. However, it does not cover the entirety of the costs necessary for the follow-up and monitoring once the certification is accorded. These last expenses are covered by the annual fees paid by organisations bearing the certification. Additional sources of capital coming from cantonal foundation capitals or other activities conducted by Zewo, such as conferences or services provided, help cover most of the remaining costs. Detailed information about the financing of Zewo is provided in its annual report which is available on their website<sup>17</sup>. In our view, nothing indicates that the outcome of the certification has an impact on its financing and the resources it provides guarantees for a rigorous certification process. *Hence, the criterion of the financing of certification process is fully considered by the Zewo certification.*

### **Time Resources for Certification Process**

On the time aspect, Zewo declares taking as much time as needed for each case and puts much effort in making sure NGOs meet their standards. If needed, Zewo will proceed with any additional discussion or verification. Additionally, with the certification being renewed every five years, the available timeframe fully allows the process to take longer if necessary. The amount of documentation available to applicants details what is required from them and facilitates the process. Additionally, an initial non-binding assessment can also be conducted to verify that NGOs are sufficiently prepared for the full assessment, thus optimising the time taken for its conduct. This context therefore allows to conduct a serious and rigorous certification process. In our view, the time at disposal appears to be sufficient for the certification body to seriously

<sup>17</sup> <https://zewo.ch/fr/zewo/> (French), <https://zewo.ch/de/ueber-die-zewo/> (German)

conduct an assessment of every criterion covered by the label. *Hence, the criterion of the time resources for the certification process is fully considered by the Zewo certification.*

### **Standardisation of Documentation**

Zewo's online questionnaire for applying organisations provides an overview of the organisation. As mentioned earlier, required documents will differ according to the type of organisation and its size. However, some documents, in particular regarding finances, must follow standards defined in the criteria: Zewo will verify if the mandated auditors are qualified and if their work confirms or contests what was required from them. In case of doubt, Zewo can ask for external documents (audits, evaluations) if there are any. For smaller organisations, Zewo demands documents that are realistic given these organisations' size. Thus, in case of doubt, explanations or planning of their activities can be required. Subsequently, Zewo will verify in the submitted protocols whether what has been declared is indeed carried out. In the event it concerns a critical point, a follow-up is done the next year by looking at the audited financials to verify how much they differ from what has been previously announced. In our view, Zewo's methodology is sufficiently documented on its website. Additionally, its internal documentation indicates clearly what is requested from applying organisations to conduct the certification of their dossier. *Hence, the criterion of the documentation standardisation is fully considered by the Zewo certification.*

### **Response of Certification**

The final answer of the certification process is submitted directly to the applicant in the form of a detailed report. Its contents indicate the proportion of elements that are in accordance or not with the Zewo standards. The evaluated criteria can have three statuses: modification required, improvement recommended and passed. Detailed information for each standard is provided; with a special emphasis on those with need for action. For points requiring modifications, written explanations indicate which aspects must be changed with a given deadline. Zewo then checks if the changes have been made and declares if the observed changes are satisfactory or if more are needed along with a second and final deadline. Regarding recommended changes, they concern elements that are not against Zewo's standards, but might be important in the future and might become compulsory. Thus, a few recommendations are

given, and NGOs are free to decide whether to apply them or not. The existence of a court of appeal results in Zewo's desire to guarantee their transparency and ensure their utmost credibility: the Zewo quality seal aims at a broad acceptance and as much objectivity as possible. In our view, organisations receive a thorough explanation on each aspect they have been assessed for. The certification body provides enough information to justify its decision to the applicants. *Hence, the criterion of the response of certification is fully considered by the Zewo certification.*

### **4.2.3 Certification Transparency**

#### **Third-Party Access to Certification Documentation**

Most documents used by Zewo relating to its certification process are available online. The internal checklist is, however, not available to third parties for the reason it is considerably different for each NGO and is often updated. However, it is described in the information about the standards which are linked to the online questionnaire applicants must fill in. Any additional information can be asked directly with the Zewo foundation. Third-party access is thus largely encouraged and mostly accessible online. In our view, Zewo provides more than sufficient access to its documentation. *Hence, the criterion of the third-party access to certification documentation is fully considered by the Zewo certification.*

#### **Information Disclosure about Certification Committee**

As mentioned earlier, the foundation's website contains a list of external auditors and Zewo employees as well as members of the Board along with any potential conflict of interest concerning the latter. The foundation's statutes describe the composition rules for the different organs and establishes recusal conditions. Finally, Zewo provide any additional information about people involved with the foundation upon request from third parties. In our view, sufficient information is disclosed regarding the certification committee and is easily accessible by any third party. *Hence, the criterion of the information disclosure is fully considered by the Zewo certification.*

### **Communication about Applying Organisations**

All certified organisations are displayed on Zewo's website once the certification process is finished. Alongside can be found additional information about the NGOs such as their annual report, juridic form, creation year, first and last certification year or contact. Zewo indicates the organisations who did previously bear the quality seal and the reason why they do not anymore (i.e., no renewal request, fusion with other organisations, failure of recertification process, etc.). In the case of a failure of the first certification process, Zewo does not publicly display the names of the concerned organisations. Information is, however, relayed in an aggregated form in the annual report of the foundation where the number of applying organisations and the status and results of requests – along with the reasons of rejection – are presented. On request, Zewo will provide additional information to third parties about specific NGOs not bearing their seal of quality: they indicate whether they have applied and, if they are in the middle of the certification process, what part of it they currently are at. If they have been rejected, the reason(s) behind the decision will also be explained. In the case of NGOs who have never applied, Zewo can give their opinion after verification of all the information that can be found about a specific organisation. Zewo does not publish the final reports of certification. However, organisations are free to entirely publish them on their respective websites. Zewo explains that not publishing the final report allows them to go into more detail about the different points assessed and be clearer about what they ask organisations to do. They argue that going directly public would require being more careful about what is written to not harm the organisations. The goal is for organisations to change and improve their ways of doing things. Third-party requests for the report of a specific organisation can only receive the essential parts of the reports (i.e., result of the certification process, conditions and points to address if any). Zewo's certification rules explicitly indicate that the foundation has the right to inform the public on the results of the assessment, the conditions attached to the obtention or the renewal of the seal and the reason for losing it (Zewo 2016). The entire report can only be handed out by the concerned organisation itself. In our view, there is no public disclosure of content of the assessment by Zewo, even though the information is available on demand and organisations have the right to publish their entire assessment report if they want. *Hence, the criterion of the communication about applying organisations is rather not considered by the Zewo certification.*

### **Disclosure of Financing Sources of Certification Process**

The audited annual accounts of the Zewo foundation are available online alongside the auditors' report and displayed in the annual report. For instance, they display the employee costs, fees received for non-binding assessments, full assessments and recertifications as well as annual licence fees. The sources of any capital variation are explained in detail. *Hence, the criterion of the disclosure of financing sources of certification process is fully considered by the Zewo certification.*

### **4.3 Conclusion**

This section compares both certification processes presented above. For each of the three main analytical dimensions, we compare similarities and differences between the quality certifications.

In the first dimension, covering requirements for certification, we note that both certifications address very similar topics in their respective criteria. Ehrenkodex and Zewo cover aspects that are very relevant for the SDC on international cooperation. Whereas Zewo mainly asks applying organisation for proof of their compliance with its criteria through recognised documents or by following its own methodology, Ehrenkodex tends to require less proof of information and treats applications case by case. The type of documents submitted, and the methodology used thus varies between organisations. This observation has also been made in the evaluation conducted by Ritz et al. (2021) explaining that Zewo's standards describe more explicitly the required documentation and their verification procedure. For instance, the assessment of efficiency by Ehrenkodex does not rely on clear benchmarks making it difficult to define comparison points, while Zewo provide some information regarding costs and effects. However, the aspect of neutrality is where we observe the biggest point of divergence between both labels. Ehrenkodex does not apply a clear distinction on the aspect of neutrality in the way that it does not differ between religious and charitable activities. However, this criterion is very important for the SDC, which supports development cooperation with neutral commitment. In their view, the promotion of particular interests of certain religious or political groups through their funds is undesirable. At the moment, only the Zewo certificate guarantees this neutrality.

The second dimension, which covers the organisation of the certification process, shows that both labels share a similar organisational level. The main difference resides on the level of financial resources. Since the label-related fees partly cover the costs of the certification process of Ehrenkodex, the certification body relies strongly on voluntary work to achieve this. Zewo employees exclusively working for the foundation and covers all its costs through the certification process and annual label fees. Both foundations compensate additional costs through additional financial sources or subsidies, but Zewo possesses more resources. As a consequence, Ehrenkodex relies more on voluntary work, which does not necessarily lead to worse certification process, but it can have an impact on the validity and reliability of the certification process.

The third and final dimension covers the certification transparency. Our main observation is that Ehrenkodex provides less transparency than Zewo. While the latter gives access to most of the certification's central documents, methodology explanation and information about the foundation itself, the former does only give access to a few documents online. Most of the rest of the documents are however available on demand to third parties. The analysis suggests that this aspect is mainly the result of a lack of resources of Ehrenkodex and is not a will to keep documents hidden. Indeed, we put forward the fact that Ehrenkodex has improved its transparency by making some documents already available on its website during this evaluation process and considers making additional ones available soon.

## **5 Synthesis**

The current report maps existing seals of quality for Swiss NGOs engaged in the field of international cooperation and evaluates their appropriateness regarding the International Cooperation Strategy 2025-2028. While one of these certifications, Zewo, is currently used as a mandatory requirement for Swiss NGOs to apply for programme funding by the SDC, the question arises whether there are other certifications that could offer a comparable service. Our report has shown that another certification organisation like Zewo offers a quality seal that could potentially be used by the SDC's programme scheme: Ehrenkodex. The meta-evaluation shows that both certifications are quite comparable and cover important needs of the SDC. While Zewo's standards are more demanding and fulfil the requirements of the Confederation better,

Ehrenkodex offers a quality seal that particularly meets the needs of smaller NGOs. This finding is notably also confirmed by a recent study that shows that both certification organisations are similar, even if Ehrenkodex has still room to improve (see Ritz et al. 2021).

However, in our view, Ehrenkodex does not offer the same quality control as Zewo. Amongst other things, Ehrenkodex does not require NGOs to distinguish between religious and charitable activities which is contradictory to the SDC's mission. Therefore, we cannot recommend accepting Ehrenkodex in its current form as an equivalent to Zewo's certification as a mandatory requirement for the programme funding. Yet the monopoly of Zewo is objectionable for the SDC, which must frequently justify this approach in the political arena. At this stage, SDC's decision-makers have two possibilities to deal with this situation. Either keeping the status quo with Zewo as the only certification that needs to be presented to receive funding from the programme scheme or to accept Ehrenkodex with additional requirements as another quality seal for Swiss NGOs. In the following, we will present the two scenarios before we explain why we think that using the Ehrenkodex+ as a second certification will benefit the SDC on the short and long term.

#### *Status Quo: Zewo as the only Certification*

The SDC has a long story in relying on the Zewo certificate and it does rightfully so. There is a substantial overlap between what Zewo offers and the SDC's needs. Accordingly, the SDC decided in 2019 that only NGOs presenting the Zewo certification could apply for SDC's programme funding. This has been a convenient decision, as Zewo has shown to be a reliable organisation. Choosing the Zewo certificate is a pragmatic and efficient choice for the SDC, since it reduces the uncertainty regarding applying organisations. NGOs with a Zewo certificate must fulfil certain criteria and they are probably able to use the SDC's funding appropriately. It does not generate additional work for the SDC, since the Zewo certification guarantees a certain quality in applying NGOs. Zewo is also reliable and well accepted in the field of international cooperation, certifying over 140 NGOs in this very domain. In short, there is nothing wrong in sticking with the current regime.

However, the status quo also leads to a monopoly of this organisation, even though the Confederation also relies on monopolies in other domains (e.g., EDUQUA for adult learning or technical norms in air pollution control). This is problematic for the SDC for mainly three

reasons. First, it creates a dependency on Zewo that might be worrisome for the SDC. Albeit the process of programme funding is evaluated every four years and the certification can potentially be replaced or excluded as a requirement, the SDC is dependent on the existence and reliability of this organisation for their evaluation. It must be highlighted that Zewo receives public funding, which is why it is very unlikely that they become inoperative, but the likelihood is also not zero. Second, the monopoly creates an unpleasant situation that the SDC provides a substantial advantage to one specific foundation in the certification market. Since Zewo is the only certificate recognised in the application process to receive programme funding, many NGOs might get a certification with Zewo for this very reason. It is well known that competition amongst different organisations fosters quality and the SDC will be well advised to trust this market-compliant principle. Last, and not to be underestimated, the SDC already funds NGOs without the Zewo certificate in the project funding. This funding scheme is different, since the SDC evaluates individual projects, but it creates a situation in which the agency must justify a different utilisation of certifications for the two funding schemes. This is not only laborious for the SDC, since it is difficult to explain to the public and the political actors, but also not always fully comprehensible for external actors.

#### *Ehrenkodex+: Expand the Current Regime to Two Certifications*

There are good reasons for changing the current regime, and an additional certification organisation could be included. The SDC would be able to address the problem mentioned in the previous section by allowing organisations to get access to the programme funding, which are already reliable partners receiving project funding. Albeit it would make the SDC less vulnerable to critique and acknowledge NGOs in the field, this would also create additional involvement by the SDC. As we have mentioned above, we do not recommend to just accept the Ehrenkodex certificate. However, in our opinion, this does not mean that NGOs with this certificate should fully be excluded from the programme funding. This scheme provides funding for clearly defined activities for a predefined amount of time. In principle, the SDC can check in its evaluation system whether an organisation's activities are coherent with the Agency's values and mission. Yet this does not come without additional labour for the SDC.

Allowing an additional certification means that the programme managers of the SDC would need to run additional checks for the programme applications of NGOs that only possess the

Ehrenkodex certification (potentially up to 40 organisations) to receive additional information. This would mean, that the SDC would need to adjust the evaluation system of this funding scheme in order to make it more flexible and open to organisations with solely an Ehrenkodex certification. Such NGOs would have to provide additional proof that they follow a clear demarcation between neutral activities serving the public good and other activities such as religious or ideological ones. In general, Ehrenkodex has already started to improve their communication during this evaluation process (i.e., annual report and audited accounts), but the foundation still needs to provide documents to the public directly on their website and not only on request by third parties. In doing so, they would make an important effort to be more transparent. In addition, the funding of the Ehrenkodex certification process has to be improved in order to establish reliable and professional procedures. Only if these two conditions are met, we are able to recommend the model Ehrenkodex+. However, these changes require additional efforts by both the SDC and Ehrenkodex, which should not be underestimated. Furthermore, it cannot be excluded that a similar political and media critique arrives, putting the SDC under pressure by claiming that public resources are allegedly used for organisations not in accordance with the Agency's values and mission. This would put the SDC back in the same place as now, simply that it would be attacked from other parties.

### *Conclusion*

Based on our analysis, we suggest that the SDC keeps the ZEWO obligation in force, but that the programme managers of the SDC accept application with an Ehrenkodex certification. It goes beyond this evaluation report how and to what extent the organisation will demand additional information from exclusively certified Ehrenkodex NGOs. Yet the SDC would need to adjust their evaluation process to respect this change of regime. This solution would keep the final decision at the SDC and it would also decrease the necessity to defend the Zewo monopoly. Adding an additional certification will probably not increase the quality of applications for the SDC, but it makes the overall funding scheme more coherent and consistent since NGOs can apply for both the programme and project funding. Ehrenkodex has proven itself to be a serious and substantial seal of quality, but the evaluation shows clearly that they do not possess the same resources as Zewo. The decision by the SDC could therefore create incentives for some organisations to invest more resources in Ehrenkodex. With Ehrenkodex+, the SDC would still give a strong signal to NGOs in the field that Zewo is the safest way to be accepted

to the SDC's programme funding, while it would also not excluding established organisations from the programme funding scheme.

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## 7 Appendix

Table 4: Questionnaire of Semi-Structured Interviews

| ID  | Question content  | EK | Z |
|---|---|----|---|
| <b>Overall question about the certification process</b>   |   |    |   |
| 1.  | Can you briefly describe the evolution of the certification in the context of international cooperation from your perspective? What are the most recent developments and are there plans for revision?  |    |   |
| <b>Specific questions about criteria of certification</b> |   |    |   |
| 2.  | What is the main reasoning behind the prerequisites for the certification? Are there any other important points that could be added?  |    |   |
| 3.  | What is the evaluation process to determine if an organisation meets the prerequisites?   |    |   |
| 4.  | Why are the reasons for tax exemption (i.e., public benefit) non-determining?   |    |   |
| 5.  | Is the activity period of the organisation determinant?   |    |   |
| 6.  | What norms the measurements/evaluation need to follow?  |    |   |
| 7.  | Does an organisation have to make the results of effectiveness public? (Criteria 108 + 109)   |    |   |
| 8.  | How is the cost effectiveness defined and assessed? What is the reference point for costs?  |    |   |
| 9.  | Does neutrality regarding the content of interventions and the selection of target groups qualify as a criterion in the certification process? If yes, how is it assessed? If no, why not?  |    |   |
| 10.   | Is the number of documents accessible to the public/third parties taken into consideration when assessing the transparency of an organisation? Which documents are required to be public and why? (i.e., assessments of effectiveness, cost effectiveness, annual financial report) |    |   |
| 11.   | Does the certification process consider the reserves of an organisation in the way that they have to be sufficient to cover a certain time-period of expenses? If yes, what is that time-period given which capital?  |    |   |

|     |   |  |  |
|-----|---|--|--|
| 12. | Once an organisation is awarded the quality seal, what are the monitoring procedures done by yourself?  |  |  |
| 13. | What is the procedure in the event of an organisation failing the certification?<br>Are they given an opportunity to address the failed points?<br>Are they allowed to apply again for the quality seal? If yes, how long after the previous attempt? |  |  |
| 14. | Once the seal of quality's validity period is passed, what is the recertification process? Under which conditions? What are its duration and cost?  |  |  |
| 15. | How are an organisation's eventual improvements assessed during the recertification?  |  |  |
| 16. | What are the contents of the CEPS model used for the certification?   |  |  |
| 17. | Which instruments are used to assess if these documents match with the required criteria/standards?   |  |  |
| 18. | Regarding the overall score of 85%, does it mean that not all criteria must be fulfilled? For which criteria/standards can the assessment be more "permissive"? Which criteria are the most important?  |  |  |
| 19. | What is the main reasoning behind the prerequisites for the certification? Are there any other important points that could be added?  |  |  |
| 20. | What is the evaluation process to determine if an organisation meets the prerequisites?   |  |  |
| 21. | In the case of a single step certification process (full assessment), how are the prerequisites evaluated? Do the applicants to a full assessment have to submit the same documents as applicants to a non-binding initial assessment?                |  |  |
| 22. | Does the evaluation of effectiveness follow specific norms?   |  |  |
| 23. | How is the cost effectiveness defined and assessed? What is the reference point for costs?  |  |  |
| 24. | Does neutrality regarding the content of interventions and the selection of target groups qualify as a criterion in the certification process? If yes, how is it assessed? If no, why not?  |  |  |

|  |   |  |  |
|--|---|--|--|
| 25.  | Is the number of documents accessible to the public/third parties taken into consideration when assessing the transparency of an organisation? Which documents are required to be public and why? (i.e., assessments of effectiveness, cost effectiveness, annual financial report)           |  |  |
| 26.  | What is the duration of the recertification process? What are the main differences with the first certification process if any?   |  |  |
| 27.  | For organisations applying for a new certification process after having failed the previous one: does the assessment procedure differ from the initial one?   |  |  |
| <b>Governance of the certification process</b> |   |  |  |
| 28.  | Who oversees the attribution process? What are the selection criteria for the members of the certification committee? What are their domains of expertise?  |  |  |
| 29.  | What is the source of financing of the certification procedure? Is the committee paid independently from the outcome (passed/failed)?   |  |  |
| 30.  | Does the payment by the applying organisation cover the cost of the certification? Are there additional sources of financing?   |  |  |
| 31.  | What is the duration of the certification procedure and what is the time accorded to each of its steps? Is the minimal time frame available sufficient for a sufficient/serious assessment?   |  |  |
| 32.  | What are the documents that the organisations must deliver to the committee? Is there a document formally listing all the required documents? Must all the documents be official reports or does a self-declaration from the organization suffice in some cases? Are some documents optional? |  |  |
| 33.  | Under which form is the final answer of the certification process delivered?  |  |  |
| <b>Transparency of the process</b>             |   |  |  |
| 34.  | What documents regarding the certification process are available on your own website or other publicly available sources? If not all of them: why are the reasons for making some public and some not?  |  |  |
| 35.  | Does the certification follow a systematic method? For instance, how are the received documents assessed in terms of compliance with the label's standards?   |  |  |
| 36.  | What is the procedure to request access to documents that are not public? Who can make the request (i.e., third parties, quality seal applicants)?  |  |  |

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| 37. | What is communicated about the certification committee? Which information is available on the website? Which information can be requested by third parties?  |  |
| 38. | What kind of information is published about applying organisations? Is there anything published about those who failed their application?  |  |
| 39. | Once the certification process is over, what level of information about their application is communicated to the applying organisations? How much of this information can they publicly communicate? Are the reports available to third parties? |  |
| 40. | What information about the financing of the certification procedure is communicated regarding its source(s) and its amount? Is it available to the public or to third parties?   |  |

EK= Ehrenkodex; Z=Zewo

Table 5: Overview of Criteria

| Requirements for Certification | <b>Ehrenkodex (reference to its 109 criteria)</b>   | <b>Zewo (reference to its 21 standards)</b>   |
|--------------------------------|---|---|
| Effectiveness                  | <p>Action plans are oriented to the organisation's purpose and available resources. [18]</p> <p>The organisation constantly aims to achieve a high level of quality, regardless of whether this results in a direct benefit or not. [43]</p> <p>The organisation must follow concrete objectives defining how it intends to implement its goals. [97]</p> <p>The organisation's goals are set in a medium-term perspective and for the current year, and are formally and firmly adopted by the highest governing body. [98+99]</p> <p>The organisation's performance is regularly documented. [100]</p> <p>The rows of data are clearly structured and thus make them comparable over time. [101]</p> <p>Efficiency of provided services is assessed by the organisation itself. [103]</p> <p>Deviation from objectives and eventual modifications are justified in a plausible way. [104]</p> <p>The usefulness for benefit recipients is described quantitatively and qualitatively. [105]</p> <p>Unfavourable effects are also considered by the organisation in its self-assessment. [106]</p> | <p>Charitable organisations act efficiently, effectively and sustainably. They use the funds donated to them for the designated purpose and ensure that honorary boards, volunteers and employees work together effectively. [2.2.f]</p> <p>The board of directors takes care of appropriate internal controls and a suitable risk management system as regards achieving the strategic goals of the organisation, effective and efficient performance [7.2.a+b]</p> <p>The organisation is designed to be as effective as possible. [10.1]</p> <p>The organisation continually monitors the effectiveness of its core activity. It defines goals accordingly. These goals are regularly audited. The associated responsibilities are clear. [10.2].</p> <p>The following questions are used to check the effectiveness of the organisation's actions:</p> <ul style="list-style-type: none"> <li>• What do we as an organisation want to achieve?</li> <li>• What strategies should we use to achieve these goals?</li> <li>• What resources and skills do we have to implement these strategies?</li> <li>• How do we know whether we are making progress?</li> </ul> |

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|                    | <p>The results of the effectiveness measurement are presented in a report. [108]</p> <p>As fair as possible, the organisation assesses the long-term impact of its activities on the surrounding society. [109]</p>   | <ul style="list-style-type: none"> <li>• What have we achieved so far and what have we still not achieved? [10.3]</li> </ul>  |
| Cost Effectiveness | <p>The resources entrusted are used wisely, in accordance with the organisation's purpose. [17]</p> <p>Assessment of cost effectiveness in terms of effect achieved is conducted. [107]</p>   | <p>The organisation uses its funds efficiently for its purpose and for the administration and procurement of related funding [9.1]</p> <p>The organisation's total expenses spent of advertising and fundraising is within the range for comparable organisations and is at most 25%* [9.3]</p> <p>* These limits are based on the Zewo Study 2015: "Key figures and benchmarks for aid organisations". This data is regularly checked by Zewo through follow-up studies, and updated as necessary.</p>   |
| Neutrality         | <p>The purpose of the organisation provides information on how it seeks to serve the public interest. [5]</p> <p>The public perception of the organisation and its activities do not contradict this stated aim. [6]</p> <p>The liberty of religion and the liberty of expression of each individual are respected. [15]</p> <p>Activities are adapted to the cultural realities in which the organisation operates. [16]</p> <p>The dignity of the human person is respected. [84]</p> | <p>The NGO carries out an activity in the public interest [1.1]</p> <p>Organisations whose beneficiaries are based on political, religious or ideological affiliation are not considered to be of public benefit [1.3.b]</p> <p>If the organisation has a political, religious or other ideological orientation, the charitable activity must nevertheless be its main focus. [1.4]</p> <p>Charitable organisations act respectfully and are mindful of human dignity. Their actions are consistent with the prevailing social and cultural conditions. [2.2.d]</p> |

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|            | <p>Sponsorship of individuals must not lead to favouritism for the beneficiary in question. [87]</p>   | <p>Fundraising organisations shall respect the rights of the individuals supported, in particular children, and preserve their dignity. In fundraising, they do not use materials or methods that are detrimental to this dignity. In order to protect children, they refrain from sponsorship advertising where an individual child is selected [18.4]</p> <p>Organisations collecting donations maintain their independence. They do not accept funds that interfere with their freedom to make decisions or express opinions [18.7]</p>   |
| Disclosure | <p>Identity and goals of organisation are clearly exposed. [21]</p> <p>The different parties involved are informed in an adequate, active and timely manner. [22]</p> <p>The organisation should make the information requested available to the certification body at all times in an open manner and/or ensure access to accounting records. [23]</p> <p>The majority of the supreme governing body is composed of persons who are independent of each other and of the management. [30]</p> <p>The members of the supreme governing body and of the management shall draw up a list of their interests each year. [31]</p> <p>The tasks, competences and responsibilities of the various bodies are laid down in writing. [34]</p> <p>Main work procedures are within the organisation are written down. [39]</p> | <p>Charitable organisations provide transparent information. They make it clear to the general public what type of organisation they are and what their background and ideological orientation is. They file fair and timely accounts which provide a comprehensive and truthful view of their structure, activity and use of funds. [2.2.b]</p> <p>The composition, assignment, competence, duration and responsibility of the committees must be defined and in the case of standing committees, recorded in a directive. [3.6]</p> <p>Members possess the skills required for meeting their responsibilities. Efforts must be made to ensure that the members of the board of directors are suitably diverse. [4.6]</p> <p>Vested interests are transparent and conflicts of interest are avoided. [5.1]</p> <p>Members of the board of directors disclose vested interests which are</p> |

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|  | <p>The conditions of employment are defined in writing in an employment contract. [59]</p> <p>The organisation's own working and employment conditions are transparently communicated and respectfully applied. [65]</p> <p>Relationship with sponsors is restricted by transparent rules (preventing conflicts of loyalty and abuse). [88]</p> <p>The organisation's performance is regularly documented. [100]</p> <p>The results of the effectiveness measurement are presented in a report. [108]</p> | <p>relevant to the activity of the organisation in the annual report or on the organisation's website. [5.2]</p> <p>Important transactions with associates of the organisation are disclosed in the notes to the annual financial statement. [5.6]</p> <p>The segregation of duties between the board of directors as a strategic governing and supervisory body and executive management must be stipulated in writing with a clear definition of tasks, competences and responsibilities. [6.6]</p> <p>The board of directors takes care of appropriate internal controls and a suitable risk management system as regards transparent and honest reporting, accounting and communication. [7.2.c]</p> <p>The organisation incorporates the topic of effectiveness in an appropriate form in its public reports. [10.4]</p> <p>The organisation is transparent. [12.1]</p> <p>The organisation provides information on all its whole activity in its annual report. This includes an annual report with a section on services provided as well as an audited annual financial statement in accordance with Swiss GAAP FER 21. [12.2]</p> <p>The organisation publishes its annual report (annual report and auditor's report with audited annual financial statement in accordance with Swiss GAAP FER 21). This is freely accessible on its website. [12.3]</p> |
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|  |  | <p>In the context of annual reporting, additional information on performance may also be provided in a further report. In this case, the annual report must include the following: purpose and objective of the organisation, summary of services provided as regards activity as a whole, members of the board of directors and members of the executive management. [12.4.b]</p> <p>The auditor produces a written report on the results of the audit. Depending on the type of audit, the report contains:</p> <ul style="list-style-type: none"> <li>• the auditor's opinion on whether the annual financial statement provides a true and fair view of the financial situation, results of operations and cash flows in accordance with Swiss GAAP FER or</li> <li>• at the minimum, a statement on whether the auditor has discovered facts indicating that the annual financial statement does not provide a true and fair view of the financial situation, results of operations and cash flows in accordance with Swiss GAAP FER. [14.3.a+b]</li> </ul> <p>Fundraising organisations respect the wishes of the donors. They clearly explain the purpose of their collections. Donations made for a designated purpose are recorded and shown separately. If an organisation wishes to use the collected donations freely in the context of the organisation's purpose, this</p> |
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|                      |   | <p>must be made clear in the fundraising appeal. [18.3]</p> <p>Fundraising organisations communicate honestly and clearly. Their fundraising campaigns use verifiable facts and provide correct and detailed information on the costs of fundraising and advertising, as well as administrative expenses. [18.5]</p>   |
| Financial governance | <p>Competence in financial matters is defined internally. [40]</p> <p>Effective control measures are implemented to verify the important points of the procedures followed. [41]</p> <p>If remuneration is paid to members of the highest governing body, it should be defined by internal guidelines with explicit criteria and reasons. [56]</p> <p>All remunerations are defined according to the level of employment, the responsibilities of the tasks and the size and complexity of the organisation. [57]</p> <p>The non-profit nature of the organisation is taken into account in the calculation of remuneration. [58]</p> <p>Presentation of accounts according to Swiss Code of Obligations (CO) (art. 958 and art. 958c). [66]</p> <p>The structure and valuation principles of the annual accounts are in accordance with Swiss GAAP FER 21. [67]</p> <p>The auditors certify that the financial statements are in accordance with Swiss GAAP FER 21. [70]</p> | <p>The organisation applies the following controls in particular collective signatory powers generally apply for legally binding transactions and for payment transactions. [7.3.a+b]</p> <p>Single signature exceptions must be set down in writing and suitably restricted. [7.3.c]</p> <p>The members of the board of directors provide their services on a honorary basis. Appropriate remuneration is paid to employees. [8.1]</p> <p>The amount of any remuneration must take into account the size and charitable nature of the organisation. Any remuneration must be clearly, transparently and objectively defined by decision of the board of directors. [8.2.d+f]</p> <p>Remuneration must not be higher than the normal rate in the mandated sector. [8.3.d]</p> <p>The following applies to employees and the executive management: Remuneration must be consistent with requirements, qualifications, responsibility and work performance. Salaries for the members of the executive management must also be in line with the levels in effect in other similar charitable organisations. [8.5]</p> |

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|  | <p>Consolidated annual accounts if parent organisation. [71]</p> <p>Capital of organisation must be positive. [77]</p> <p>The difference between the organisation's capital and its operational costs must correspond to the organisation's characteristic. [78]</p> <p>Fundraising with specific goals is conducted within the framework of the organisation's purpose. [89]</p> <p>For any donor's expression of intent not corresponding to any official fundraising goals of the organisation, intention must be clarified through contact and results documented. [91]</p> <p>Money from illicit sources is not accepted. If any doubt, clarification steps are taken and documented. [92]</p> <p>The organisation is responsible for verifying if external fundraising partners comply to the imposed criteria regarding funds. In case of non-respect, the organisation takes responsibility for any shortcomings. [93+94]</p> | <p>The total of the remuneration paid to members of the board of directors and the total of the remuneration paid to members of the executive management must be disclosed in the notes to the annual financial statement in accordance with Swiss GAAP FER 21. [8.6]</p> <p>Mandates to members of the board of directors must be reported in the notes to the annual financial statement as transactions with associates, in accordance with Swiss GAAP FER 21. [8.8]</p> <p>Individual payments to members of the board of directors and payments to the executive director must be disclosed separately to Zewo. [8.9]</p> <p>The organisation has appropriate reserves; it is not overindebted, its capital (unrestricted net assets) is positive. [11.1+2]</p> <p>The organisation capital (unrestricted net assets) covers the total expenses of the organisation for at least three and at most 18 months. If the organisation capital (unrestricted net assets) falls outside this range, the organisation defines reserve targets which it considers to be appropriate to the situation. [11.3]</p> <p>The organisation capital (unrestricted net assets) plus fund capital (restricted funds) covers the organisation's total expenses for at least three and at most 24 months. If the organisation capital (unrestricted net assets) plus fund capital (restricted funds) falls outside this range, the organisation defines reserve targets which it considers</p> |
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|  |  | <p>to be appropriate to the situation. [11.4]</p> <p>The organisation prepares its annual financial statement in accordance with Swiss GAAP FER accounting standards and applies Swiss GAAP FER 21 – Accounting for charitable non-profit organisations. [13.2]</p> <p>The organisation has its annual financial statement audited in accordance with Swiss GAAP FER by independent, professionally qualified auditors [14.2]</p> <p>If the organisation is part of an international network, it remains responsible for the use of the funds donated to it. Responsibility may not be transferred to head office or to another member of the international network. In particular:</p> <ul style="list-style-type: none"> <li>• It uses the project funds primarily for projects and programmes which it carries out itself or which are carried out, controlled and assessed with partner organisations, under its joint responsibility.</li> <li>• It ensures that other funds transferred to the international network are also used for their designated purpose. [17.1 + 17.2.b]</li> </ul> |
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## Review of Certificates for Swiss NPOs

We would like to thank the authors, Professor Pirmin Bundi and Research Officer Stéphane Bonny, for this opportunity to react to their review of Certificates for Swiss NPOs active in international development, and which includes an evaluation of the Code of Conduct (Stiftung Ehrenkodex (hereafter: EX)). We welcome the extract version of the study that was shared with us on 19th December. The review provides a very useful external assessment of our label. At a factual level, we confirm that the information contained about EX in the review are correct and that our views have been adequately represented. We have recognized that some of the issues raised during the evaluation, in particular with regard to the value added of making public certain documents and information, were legitimate remarks. Our webpage has been updated accordingly with our annual report 2021, annual accounts 2021, annual audit 2021, and the list of interests of the members of the board of the foundation. Also, the evaluation process is now presented in more details in the following technical documents: "So läuft der Zertifizierungsprozess ab" and "Einblick in den Beurteilungsbogen".

We would like to further comment the following two points of the review:

- Regarding the criteria of *Cost Effectiveness*, we note that the study is solely focusing on cost effectiveness at project level. We would like to highlight that the Code of Conduct also evaluates the cost effectiveness at organisational level (EX criteria 45-46). Thus, for EX criteria 45 to be fulfilled, administrative costs, communication and fundraising must represent less than 25% of the total expenses, while according to EX criteria 46, the costs for fundraising and communication should not exceed 20% of the donations. If the organisation is cost effective, that will also reflect on its projects. If the study would have evaluated cost effectiveness not only of projects, but also of the organisation at large, we consider that the criteria of *Cost Effectiveness* would be "sufficiently considered" by the Code of Conduct.

- With regard to *Neutrality*: The study states that applying organisations should prove that religious activities are not financed by funds provided by SDC. We agree. This is exactly the type of transparency that we require and expect from certified organisations (EX criteria 17 to 27; 67 to 70; 72; 89 to 91, etc.).

Geneva / Basel, 24 December 2022.

Michael Mutzner  
Chairman

Dr. Sophie Hersberger-Langloh  
Vice-Chairman



# ZEWO

IDHEAP | Institut de hautes études en administration publique  
Swiss Graduate School of Public Administration  
University of Lausanne

Prof. Pirmin Bundi

Datum 12. Dezember 2022

Thema **Stellungnahme zum Evaluationsbericht**

Sehr geehrter Herr Professor Bundi

Wir bedanken uns, dass wir die Gelegenheit erhalten, zum Evaluationsbericht, den Sie für die Direktion für Entwicklung und Zusammenarbeit (Deza) verfasst haben, Stellung zu nehmen.

Die uns zugestellten Passagen zur Zewo fassen die wesentlichen Elemente des Zertifizierungsprozesses gut zusammen. Wir erhielten die Möglichkeit, auf einzelne ergänzende Aspekte hinzuweisen, und teilen Ihre Einschätzungen weitestgehend.

Die Zewo wird sich weiterhin dafür einsetzen, Schweizer NGOs nach breit abgestützten einheitlichen Kriterien zu beurteilen und dabei die international [verankerten ICFO-Prinzipes for Charity Assessment](#) zu respektieren. Unser Zertifizierungsprozess ist spezifisch auf Schweizer NGO ausgerichtet. Er deckt die relevanten Aspekte hinsichtlich Corporate Governance, Transparenz, Rechnungslegung, Effizienz, Effektivität und Ethik in der Kommunikation und bei der Mittelbeschaffung ab. Da unsere Zertifizierung sowohl seitens der operativen NGO als auch seitens der privaten und institutionellen Geldgeber anerkannt ist, sind wir auch mit Blick in die Zukunft zuversichtlich. Der breite Rückhalt ermöglicht es uns, neue Herausforderungen rechtzeitig und mit dem nötigen Augenmass anzugehen und künftige Entwicklungen zum Wohl aller zu gestalten.

Für die umsichtige und sorgfältige Arbeit danken wir Ihnen herzlich.

Freundliche Grüsse  
Stiftung Zewo

Kurt Grüter  
Präsident

Martina Ziegerer  
Geschäftsleiterin