



AUSTRALIAN
COUNCIL
FOR
INTERNATIONAL
DEVELOPMENT

DFAT Review of OAGDs

ACFID Contact: Mark Carpenter, Business Manager

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About ACFID

The Australian Council for International Development (ACFID) unites Australia's non-government aid and international development organisations to strengthen their collective impact against poverty. Our vision is of a world where gross inequality within societies and between nations is reversed and extreme poverty is eradicated.

Founded in 1965, ACFID currently has 135 members and 13 affiliates operating in more than 100 developing countries. The total revenue raised by ACFID's membership from all sources amounts to \$1.3 billion (2012/13), \$719 million of which is raised from over 1.9 million Australians (2012/13). ACFID's members range between large Australian multi-sectoral organisations that are linked to international federations of NGOs, to agencies with specialised thematic expertise, and smaller community based groups, with a mix of secular and faith based organisations.

Introduction

DFAT's Review of the Overseas Aid Gift Deduction Scheme (OAGDS) guidelines and processes is welcomed by ACFID, especially the effort to make them clearer, simpler and more robust, while reflecting current international development practice and standards. An area of specific interest to ACFID is how alignment between the ACFID Code of Conduct (see companion document) and the criteria assessment process for OAGDS can provide efficiencies in the process both in time and content (duplication) for ACFID members.

There is strong recognition of ACFID and the Code of Conduct within the Australian Government Agencies involved in the international aid and development and governance sector. For example:

- a) the ACFID Code of Conduct is a requirement for ANCP accreditation;
- b) the Australian Charity and Not For Profit Commission has stated that 'Charities that comply with the ACFID Code, in particular the principles and underlying obligations, **will meet the ACNC governance standards**' (http://acnc.gov.au/ACNC/FTS/Overseas_charities.aspx).
- c) Austrac has positively referenced ACFID in regards to making donations through appropriate organisations to high risk regions such as Syria in its report 'Terrorism Financing in Australia 2014 pg. 16'.

All of this reinforces the current Government recognition for the ACFID Code of Conduct, and suggests there could be mutual advantages for ACFID Code signatories being assessed to meet many of the OAGDS criteria in respect to the application process, providing DFAT with real deliverables in respect to the red tape reduction program.

Recommendation 1: That OADGS criteria continue to maintain good standards and accountability to help underpin and govern effective international aid and development

Recommendation 2: That DFAT recognises the close relationship between the OAGDS Eligibility Criteria and the ACFID Code of Conduct and provides for a greater recognition and a more efficient and fast tracked process for ACFID Code signatories.

Aligning OAGDS and the ACFID Code

The ACFID Code of Conduct is a voluntary, self-regulatory sector code of good practice that aims to improve international development outcomes and increase stakeholder trust by enhancing the transparency and accountability of signatory organisations. It was developed in 1997 and comprehensively revised in 2010. The revised Code came into effect in January 2012.

A key purpose of ACFID is to equip and encourage members to observe the highest ethical standards in all their activities, including strict observance of the ACFID Code of Conduct.

The Code sets out standards in the three areas of accountability:

1. Program Principles – including Obligations for effectiveness in aid and development activities (accountability to primary stakeholders, ensuring a quality approach, gender and environmental sustainability); Relationships with partner (roles and responsibilities, control of funds); human rights (rights of vulnerable and marginalised people, people with a disability and protection of children); and advocacy and emergency management.
2. Public engagement – including Obligations on the signatory organisation to be ethical and transparent in marketing, fundraising and reporting.
3. Organisation – including Obligations for governance, management, financial controls, treatment of staff and volunteers, complaints handling processes and compliance with legal requirements

We have included a template that shows where the ACFID Code has points of alignment with the OAGDS criteria **see Annex A**. There is potential for these cross over points to be recognised the pre-compliance for ACFID members in the OAGDS application process.

There is a strong correlation between the Code and OAGDS Criteria 1 and 2 (this is also an ACNC requirement), Criteria 6 in regards to developing strong and effective relationships with partners, Criteria 7 in that the whole Code is aimed at ensuring members and their partners are effective; and Criteria 8 as all ACFID Code signatories are required to have Child Protection policies and compliance with counter-terrorism legislation and the controlled security of funds.

We note however, that there are differences in the requirements for evidence between the OAGDS and the ACFID code, as well as different approaches to compliance between the two regimes. For example in regards to Criteria 6 in OAGDS, evidence required includes proof of partnerships such as agreements, whereas under the Code signatory organisations are required to demonstrate how they work together towards mutual respect and support (B.2.1) and provide clarity in roles and responsibilities, which includes working towards having a working agreement with each of their partners.

In regards to compliance, OAGDS is primarily an upfront assessment of organisations against criteria with little or no subsequent checks or review, whereas the ACFID Code requires members to submit their annual and financial report and a compliance self-assessment (CSA – see companion document) against all of the obligations in the Code every year. These documents are assessed at least every three years. Additional verification of selected areas of the Code (eg child protection) is also undertaken on application and through periodic checking.

Regular Reviews

ACFID supports the implementation of a regular review process of OAGDS criteria compliance by DFAT of OAGDS recipients. This should commence with a focus on organisations that are not accredited under ANCP and/or are not ACFID Code signatories.

Auspice Arrangements

In regards to auspice arrangements, ACFID supports applicants for OAGDS to be eligible where they have:

- a) a partnership agreement between the applicant and an existing OADGS organisation that demonstrates money raised by the applicant and remitted through the OAGDS partner, are going to partners of the applicants choice under a written agreement (between the applicant and the partners in a developing country);
- b) can demonstrate a partnership agreement between the applicant and partners in developing countries which agree to undertake specific programs and activities for periods of time and monitor and evaluate these, including reporting back to them. In these cases the organisations with auspice arrangement should be approved for OAGDS.

Conclusion

ACFID looks forward to working with DFAT on the review of the OAGDS and welcomes any further discussion on its recommendation and the other points discussed in this submission. ACFID is currently reviewing its Code compliance self-assessment regime and any potential OAGDS alignment would need to take account of future improvements and changes.

Annex B also provides a list of current ACFID members.

Annex A - Mapping of OAGDS requirements and ACFID Code Signatory Requirements

Code Compliance is monitored through a combination of self-assessment and verified compliance mechanisms. The annual compliance self-assessment (CSA) provides members' own assessment of compliance against the Code. The Code Secretariat also verifies compliance against a limited number of principles through the following means:

- assessment against selected areas of the Code on application for membership;
- assessment of annual and financial reports (minimum once every 3 years);
- periodic checking of compliance with principles selected by ACFID's Code Compliance Committee (CCC) (focus areas);
- assessment of emergency appeal websites;
- complaints handling.

Below is a gap analysis of Code signatory status requirements and OAGDS requirements.

Eligibility requirements for OAGDS	Code signatory status requirements
<p>1. Legal Status - this criterion seeks to understand the legal status of the organisation, how it is governed (e.g. constitution, rules) and whether it is registered for fundraising (as required by state or territory legislation). (Note: this is also an ACNC requirement)</p>	<p>Membership criteria - organisations must provide a copy of governing instrument and copy of business registration or certificate of Incorporation.</p> <p>Assessment for existing members is through self-assessment (CSA) against principle <i>D3 – Governance</i>.</p> <p>ACFID does not require fundraising documents for each state and territory to be provided.</p>
<p>2. Voluntary, not-for-profit and non-governmental - This criterion seeks to establish that the organisation has the necessary documentation to confirm it as a voluntary, not-for-profit and non-government organisation. (Note: Also for ACNC)</p>	<p>Membership criteria – organisations must provide a copy of governing instrument and a copy of business registration or certificate of Incorporation. Non-government is not specified in ACFID requirements, although not-for-profit is usually non-Government.</p> <p>Assessment for existing members is through self-assessment (CSA) against principle <i>D3 – Governance</i> and <i>C.3.1 – Legal obligations and ethical principles (fundraising)</i>.</p> <p>ACFID does not require organisations to demonstrate how they remain separate from any government funded institution or department.</p>
<p>3. Community-based organisation accountable to its membership - This criterion seeks to understand how the organisation</p>	<p>Membership criteria - must provide a copy of governing instrument, a diagram which demonstrates the governance structure of the organisation and a list of current Board members which includes a short biography.</p>

<p>is governed (eg: board, management committee) and the specific functions and accountability of this governing body. The application should also demonstrate the level of community support for the organisation and how it involves and responds to its Australian constituency.</p>	<p>Aspects of this criterion are covered in:</p> <ul style="list-style-type: none"> • <i>D.3 – Governance</i> which outlines requirements. After membership only self-assessed through CSA. Over 95% of members self-assessed as fully compliant with these principles for FYE 2013. • <i>C2 – Annual reporting</i> – verified minimum every 3 years <p>Code and compliance regime does not cover a number of aspects of this OAGDS criteria including:</p> <ul style="list-style-type: none"> • describe the organisation’s community support base • describe how the organisation responds to requests from members or supporters for information regarding decisions taken by its governing body • describe how the organisation actively involves its constituency (community support base) • describe how the organisation encourages new supporters <p>(However, we are unclear how list of supporting attachments required by DFAT would demonstrate this)</p>
<p>4. Australian Identity - this criterion seeks to establish how the organisation approaches the issue of Australian identity in its activities, projects and promotions.</p>	<p>As outlined in legal status (criterion 1). No additional evidence or assessment is undertaken by ACFID regarding how organisations promote their Australian identity.</p>
<p>5. Activities are focussed on development/relief covering at least one year - this criterion seeks to confirm that the organisation’s funds are used and have been used for at least one and preferably two years, specifically for development and/or relief activities and not for evangelical, welfare or partisan political purposes.</p>	<p>Membership criteria - organisations must provide a copy of governing instrument with development goals included.</p> <p>Current membership process requires organisations to be compliant with <i>B.1.5 – Non-development activity</i> on application. Policy must be provided with membership application and ACFID works with applicants to ensure they are compliant. Ongoing compliance for existing members is self-assessed through CSA (unless becomes a focus area).</p> <p>ACFID does not currently exclude welfare from aid and development.</p> <p>A minimum of 12 month’s work is not explicitly required but is taken into account in membership risk assessment. ACFID does not require details of development projects supported by the organisation during last two years.</p>
<p>6. Overseas activities are on a partnership basis with indigenous in-country partners - this criterion seeks to establish the nature and tone of</p>	<p>Having overseas partners is not a requisite of membership to ACFID. A small number of ACFID members have models (eg: advocacy and brokering) which do not include overseas partners.</p>

<p>partnerships and relationships between the Australian organisation and its indigenous overseas in-country partners</p>	<p>A range of Code Principles do require members to develop strong and effective relationships with partners including:</p> <ul style="list-style-type: none"> • <i>B.1.2 – Quality approach</i> • <i>B.2.1 – Mutual respect and support</i> • <i>B.2.2 – Clarity in roles and responsibilities</i> • <i>B.2.3 – Control of funds and resources</i> <p>With the exception of <i>B.2.3 – Control of Funds and Resources</i> (where members must be compliant on application – see Criterion 8), all these are progressive Obligations which permit signatory organisations to prioritise working towards meeting requirements. Compliance is self-assessed through CSA (unless becomes a focus area).</p> <p>ACFID does not require evidence of partnership arrangements at application nor does it verify compliance unless a complaint is made against the organisation (or it becomes a focus area).</p>
<p>7. The organisations and its in-country partners are both effective in conducting their activities - this criterion seeks to establish that the organisation has a track record of successfully carrying out development and/or relief activities for a minimum of one and preferably two years.</p>	<p>This criterion is difficult to assess as the whole code is aimed at ensuring members and their partner are effective. The criteria outlined in OAGDS guidelines are covered by Section B – Program Principles. However, as outlined in Criterion 6, many of these principles are progressive and compliance is only self-assessed through CSA (unless becomes a focus area).</p> <p>Exceptions are for <i>B.1.5 - Non-development activity</i>, <i>B.2.3 - Control of funds and resources</i> and <i>B.3.4 - Child protection</i>, where verified compliance has been undertaken at application since 2013.</p> <p>ACFID does not require examples of ongoing communication, reporting documents, partnership agreements, etc.</p>
<p>8. Child protection and Counter terrorism – seeks to establish that the organisation’s funds do not support terrorism and that the organisation has child protection mechanisms in place</p>	<p>Current membership process requires organisations to be compliant with <i>B.2.3 – Control of Funds and Resources</i> and <i>B.3.4 – Protection of Children</i> on application.</p> <p>Policies related to both principles must be provided with membership application and ACFID staff work with the applicant to ensure they are compliant</p> <p>Ongoing compliance is self-assessed through CSA (unless</p>

	<p>becomes a focus area).</p> <p>For FYE 2013, over 95% of member self-assessed as fully compliant with <i>B.2.3 – Control of Funds and Resources</i> and <i>B.3.4.1 (Child Protection policy)</i>.</p>
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Annex B – ACFID Members

Full Members:

- 40K Foundation Australia
- ACC International Relief
- Act for Peace - NCCA
- ActionAid Australia
- ADRA Australia
- Afghan Australian Development Organisation
- Anglican Aid
- Anglican Board of Mission - Australia Limited
- Anglican Overseas Aid
- Anglican Relief and Development Fund Australia
- Asia Pacific Journalism Centre
- Asian Aid Organisation
- Assisi Aid Projects
- Australasian Society for HIV Medicine
- Australia for UNHCR
- Australia Hope International Inc.
- Australian Business Volunteers
- Australian Cranio-Maxillo Facial Foundation
- Australian Doctors for Africa
- Australian Doctors International
- Australian Federation of AIDS Organisations
- Australian Foundation for the Peoples of Asia and the Pacific
- Australian Himalayan Foundation
- Australian Injecting and Illicit Drug Users League
- Australian Lutheran World Service
- Australian Marist Solidarity Ltd
- Australian Medical Aid Foundation
- Australian Mercy
- Australian Red Cross
- Australian Respiratory Council
- Australian Volunteers International
- Beyond the Orphanage
- Birthing Kit Foundation (Australia)
- Brien Holden Vision Institute Foundation
- Bright Futures Child Aid and Development Fund (Australia)
- Burnet Institute
- Business for Millennium Development
- CARE Australia
- Caritas Australia
- CBM Australia
- ChildFund Australia
- CLAN (Caring and Living as Neighbours)
- Credit Union Foundation Australia
- Daughters of Our Lady of the Sacred Heart Overseas Aid Fund
- Diaspora Action Australia
- Diplomacy Training Program
- Door of Hope Australia Inc.
- Edmund Rice Foundation (Australia)
- EDO NSW
- Engineers without Borders
- Every Home Global Concern
- Fairtrade Australia New Zealand*
- Family Planning New South Wales
- Food Water Shelter
- Foresight (Overseas Aid and Prevention of Blindness)
- Fred Hollows Foundation, The
- Global Development Group
- Global Mission Partners
- Good Shepherd Australia New Zealand
- GraceWorks Myanmar
- Grameen Foundation Australia
- Habitat for Humanity Australia
- Hagar Australia
- HealthServe Australia
- Hope Global
- Hunger Project Australia, The
- International Children's Care (Australia)
- International Christian Aid and Relief Enterprises
- International Detention Coalition
- International Needs Australia
- International Nepal Fellowship (Aust) Ltd
- International RiverFoundation
- International Women's Development Agency
- Interplast Australia & New Zealand
- Islamic Relief Australia
- Kokoda Track Foundation
- Kyeema Foundation
- Lasallian Foundation
- Leprosy Mission Australia, The
- Live & Learn Environmental Education
- Mahboba's Promise Australia
- Marie Stopes International Australia

- Marist Mission Centre*
- Marsh Foundation
- Mary MacKillop International
- Mary Ward International Australia*
- Mercy Works Ltd.
- Mission World Aid Inc.
- Motivation Australia
- MSC Mission Office
- Nusa Tenggara Association Inc.
- Oaktree Foundation
- Openaid 1000 Villages
- Opportunity International Australia
- Oro Community Development Project Inc.
- Oxfam Australia
- Palmera Projects
- Partners in Aid
- Partners Relief and Development Australia
- People with Disability Australia
- PLAN International Australia
- Project Vietnam
- Quaker Service Australia
- RedR Australia
- Reledev Australia
- RESULTS International (Australia)
- Royal Australian and New Zealand College of Ophthalmologists
- Royal Australasian College of Surgeons
- Royal Institute for Deaf and Blind Children
- Salesian Missions
- Salvation Army (NSW Property Trust)
- Save the Children Australia
- Service Fellowship International Inc.
- Scarlet Alliance: Australian Sex Workers Association
- School for Life Foundation*
- SeeBeyondBorders
- Sight For All
- SIMaid
- So They Can
- Sport Matters
- Surf Aid International
- Tamils Rehabilitation Organisation Australia*
- TEAR Australia
- Transform Aid International
- Transparency International Australia
- UNICEF Australia

- Union Aid Abroad-APHEDA
- UnitingWorld
- University of Cape Town Australian Trust
- Volunteers in Community Engagement (VOICE)
- WaterAid Australia
- Women for Women in Africa
- World Education Australia
- World Vision Australia
- WWF-Australia

Affiliate Members:

- Australian National University – School of Archaeology and Anthropology, College of Arts and Social Sciences
- Deakin University – Alfred Deakin Research Institute
- La Trobe University – Institute of Human Security and Social Change
- Murdoch University – School of Management and Governance
- Refugee Council of Australia
- RMIT – Global Cities Research Institute
- University of Melbourne – School of Social and Political Sciences
- University of Queensland – Institute for Social Science Research
- University of Sydney – Office of Global Engagement**
- University of the Sunshine Coast – International Projects Group
- University of Technology, Sydney – Institute for Sustainable Futures**
- Vision 2020
- University of Western Australia – School of Social Sciences**

* Denotes Interim Full Member

** Denotes Interim Affiliate Member