

Non-Development Activity

Principle B.1.5 of the ACFID Code of Conduct

united against poverty



ACFID

Overview

In this webinar we will:

- Set the scene for Compliance Self Assessment requirements
- Explore Principle B.1.5 and understand its purpose
- Outline each of the four obligations and consider their implications for signatory organisations
- Look at a couple of examples and seek input and discussion
- Share questions and challenges
- Outline the immediate requirements for signatory organisations

Setting the scene

- All signatory organisations complete an annual Compliance Self Assessment (CSA) – this assists organisations to identify areas of compliance deficiency, and assists the Code Management Team to provide individualised support to applicant organisations.
- The Code Committee has set the focus for review of CSA's in 2013 and 2014 to be on D.6 (Complaints handling within signatory organisations and B.1.5 (Non-development activity). Agencies will be required to submit the policies required by the Obligations for both of these Principles.

So what is Principle B.1.5?

- Principle B.1.5 is a mandatory principle that sits within Section B.1 ‘Effective Aid and Development’. This section of the ACFID Code of Conduct sets out standards that relate to effectiveness in aid and development activities.
- *“Funds and other resources designated for the purpose of aid and development will be used only for those purposes and will not be used to promote a particular religious adherence or to support a political party, or to promote a candidate or organisation affiliated to a particular party.”* (page 10 of the ACFID Code)

Why is this principle important?

This principle seeks to ensure that:

- signatory organisations accurately represent their activities to the people they work with, their donors, and the public
- there is a common understanding among signatory organisations of the definition of aid and development activities and non-aid and development activities
- there is a common practice among signatory organisations of clearly separating aid and development activities from non-development activities

Who is this principle aimed at?

- The principle is aimed at all signatory organisations, although it tends to be most relevant to those organisations who support a mix of development and non-development activity.
- Some organisations raise funds for a range of activities that may include, but are not limited to aid and development activities. Where this is the case, the organisation must be able to show clear separation between its aid and development activities and its non-development activities.

What does the principle require?

- There are four obligations included within this principle. A signatory organisation must meet all four obligations.
- Compliance Self Assessments due in 2013 must be accompanied by a policy that demonstrates the organisation's commitment to Principle B.1.5.

Exploring the Obligations of Principle B.1.5

Obligation 1

“Signatory organisations will have a clear separation – through policy or guidelines - between aid and development and non-aid and development objectives and activities based on the definitions of aid and development and non-aid and development in section F (Definitions) of the Code.”

Why is a policy required?

Within the international development sector, there are many different understandings of what constitutes an 'aid and development' activity. These mixed understandings can occur between countries, between organisations, and even within organisations.

The development of a policy ensures that there is a common understanding within each organisation of the definition of aid and development activities and non-aid and development activities and provides a basis for communicating these definitions with others.

Definition of Aid and Development

- *“Aid and development refers to the activities undertaken in order to reduce poverty and address global justice issues via direct engagement through community projects, emergency management, community education, advocacy, volunteer sending, provision of technical and professional services and resources, environmental protection and restoration, and promotion and protection of human rights.”*
- Signatory organisations should articulate their own understanding of aid and development, but any policy needs to be consistent with the ACFID definition outlined above.

Definition of Non-Aid and Development Activity

Signatory organisations need to define what activities would be excluded from 'aid and development activities'. This will vary between organisations but must include as a minimum, activities that promote a particular religious adherence or support a political party, or promote a candidate or organisation affiliated to a particular party.

Refer to Section F (Definitions) of the Code:

- ***Promoting a particular religious adherence: activities undertaken with the intention of converting individuals or groups from one faith and/or denominational affiliation to another.***

Definition of Non-Aid and Development Activity

Refer to Section F (Definitions) of the Code:

- ***Supporting a particular party, candidate or organisation affiliated to a political party:*** Agency personnel or their representatives (when using the agency name or resources in paid time) being involved in party political activities; using funds or resources to facilitate or support a specific political party, candidate or party political organisation in a local, regional or general/national election; using funds or resources to facilitate or support a particular politician or faction to gain power within a government or within a party political structure

Developing a Policy

- A policy template has been developed by ACFID as an *example* that might assist signatory organisations to develop their own policy to meet Principle B.1.5
- Submitting a policy in this particular format is not required to meet ACFID Code of Conduct obligations. Signatory organisations may submit a policy in a format that is most appropriate to their own organisation.
- It is really important that any policy that is developed reflects each organisation's own philosophies and principles. The examples contained within the policy template provided by ACFID are only given as prompts for signatory organisations to develop a policy that best reflects their own approach and practices.

Approaches that may assist

The development of guidelines for different areas of the organisation:

- Guidelines for project appraisal that include assessment of whether projects include non-aid and development components
- Partnership development guidelines that address the issues of separation between development and non-development activity
- Communication guidelines that show how fundraising solicitations, public communications and reporting should separate development and non-development activity

Obligation 2

- *“This separation (between aid and development and non-aid and development objectives and activities) will be clear in all fundraising, programs and other activities, in public communications and in all reporting including annual reports.”*

Separation in Programs

- Some organisations take a holistic or integrated approach to their work and this may mean that they support aid and development activities alongside other non-development activities.
- The ACFID Code of Conduct requires that these organisations identify which components of their programs constitute aid and development and those which constitute non-development, and manage and account for these separately.
- If the activities cannot be separated, then these activities would be considered as non-aid and development activities.

Approaches that may assist

- Appraisal processes that identify any issues relating to the separation of activities, which must then be followed up to ensure that the policy requirements are satisfied before the project is approved.
- Appraisal processes that record any aspects of the project that should be closely monitored over the life of the project to ensure compliance with this policy.
- Project and financial management that accommodates the management, reporting and accounting of non development activities separately to aid and development components.
- In-country project monitoring that includes, where relevant, monitoring of the separation of non-development activities from aid and development activities.

Separation in Public Communication

- Some organisations have donors or constituencies that expect them to take an integrated approach to their work, which may include both development and non-development activities.
- The ACFID Code of Conduct does not limit organisations from taking this approach, but requires that organisations clearly separate any development activities from non-development activities when reporting on these activities.
- In other words, if a signatory organisation has used donations intended for aid and development activity, those donations must provide support to aid and development activities that are separate to any non-development activity and public communications must reflect this separation.

An example for discussion...

“Following massive flooding in their local community, the local CSO, **Birds of Paradise**, implemented a long term support plan for their community including help to recuperate local livelihoods, housing relocation and construction of a new multipurpose chapel. **Birds of Paradise** also shared the grace of a loving God with this community in a time of desperation and despair, helping them remember that God is always with them.”

- Which of these activities would meet the definition of aid and development activity?
- Which of these activities would meet the definition of non-aid and development activities?
- Can the activities be separated at a program level?
- Can the activities be separated in communications materials?
- What would the signatory organisation need to do in this example?

Approaches that may assist

- Guidelines in place that address appropriate reporting in organisational promotional materials.
- All articles written by overseas project partners or photos supplied by partners for reporting materials are reviewed for differentiation between development and non-development activities.
- Communications materials are reviewed prior to publication to ensure separation of reporting and fundraising for aid and development and non-development activities.

Obligation 3

- *“Any fundraising solicitations that include references to both aid and development and non-development activities will provide donors with the choice of contributing to aid and development activity only.”*

An example:

Mission Alive is a Christian organisation demonstrating God's love through outreach to the poorest of the poor. There are two main ways that our donors can help:

- **Vulnerable Communities Programs**

Please support *Mission Alive* to provide aid, health care, housing for orphans, and livelihoods training to the most disadvantaged communities. All donations over \$2 to this program are tax deductible

- **Journey of Faith**

Please support *Mission Alive* to help children around the world learn about God, faith and what it means to be a follower of Jesus Christ. Donations to this program are not tax deductible.

Another example:

Speak Out is a rights based public advocacy organisation that seeks to empower the most marginalised communities to claim their rights. Donations over \$2 towards our rights based education programs are all tax deductible.

Speak Out also provides financial support to three female candidates every year to stand for election in their local elections. Through our support, we hope to give these women a greater opportunity of representing their local communities and issues in their local political processes. If you would like to show these women that you want to hear their voice, please donate now.

Please note that donations to this program are not tax deductible.

Approaches that may assist

- Fundraising materials could be reviewed prior to publication to ensure that solicitations make a clear distinction between aid and development and non-development activities.
- Where fundraising solicitations include references to both aid and development and non-development activities, they could be reviewed to ensure that donors are provided with the choice of contributing to aid and development activity only.

Obligation 4

- *“Signatory organisations will ensure that any such separation in fundraising, programs and other activities, in public communications and in reporting, extends to partner and implementing organisations and is documented.”*

Working with Partners

- Signatory organisations are expected to communicate the requirement for separation between development and non-development activities to partners - this can be difficult where partners may not appreciate the need for separation or the basis on which activities are separated.
- We know that there is mixed understanding of definitions *within* Australia but there are often even greater variances in understanding between cultures and contexts – communication of definitions is important.
- Most signatory organisations will need to use formal and informal communications with partners to communicate the definitions and the way that these can be applied in particular contexts.

Approaches that may assist

- Partner capacity assessment processes might require the signatory to identify whether the partner is engaged in non-development activities, and if so, how it is able to manage and account for them separately to aid and development activity.
- Communication with new partners might state the signatory's position on support for non-development activity.
- Partners of signatory organisations may receive a copy of this policy.

Other approaches that may assist

- The partner agreement Memorandum of Understanding (MoU) or equivalent would include clear definitions of aid and development activity and non-development activity.
- The partner agreement (MoU or equivalent) would require the partner to agree that the signatory organisation's funds designated for aid and development purposes will not be used to fund any non-development activity.
- Ongoing dialogue between the signatory organisation and its partners would reinforce the definitions of development and non-development activity and the need for a separation between development and non-development activity.

What next?

- The submission of a policy to ACFID in respect of Principle B.1.5 is a new requirement for 2013.
- The policy is required to be submitted when the signatory organisation's Compliance Self Assessment for 2013 is due.
- If organisations need any clarity, they can contact the Code Effectiveness Advisor, Leanne Newick
 - Phone: (02) 6281 9222
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Any final questions

