



Annex 3: Engaging Not-for-Profit Organisations

Statement of International Development Practice Principles

June 2009

A Basic Standard for Engagement with Not-For-Profit Organisations

The Statement of International Development Practice Principles (Attached) has been developed in consultation with the Australian Council for International Development (ACFID). It is **founded on the good development practice and experience of accredited Australian Non-Government Organisations** (NGOs) and other international development agencies over the last three decades.

The Statement takes account of the Accra Action Agenda on Aid Effectiveness, and in particular, encourages a participatory approach to development. 'Not for profit' organisations are strongly encouraged to work in partnership with others thereby reducing the burden on communities and governments with whom they work. The Statement seeks to articulate the minimum standards and commitment that AusAID expects from all 'not-for-profit' organisations that it funds. It will form an annex to funding agreements with not-for-profit organisations that are not accredited with AusAID.

The Principles are **not aimed at accredited Australian NGOs** which have already undergone a rigorous accreditation process.

Statement of International Development Practice Principles

This Statement of International Development Practice Principles (The Principles) promotes the active commitment of **all non-accredited, not-for-profit organisations funded by AusAID** to the fundamentals of good development practice, and to conducting their activities with integrity, transparency and accountability.

The Principles are founded on a premise of '**do no harm**' and drawn from good practice principles in the international development not-for-profit sector and international development community more broadly. In line with Aid Effectiveness principles, when planning interventions, not-for-profit organisations are encouraged to consider: what other agencies are doing in the chosen area of focus; where their organisation can add value; and how they can join with others to increase the impact and sustainability of their activities.

Where relevant, AusAID encourages eligible Australian organisations to work towards becoming Australian Council for International Development (ACFID) Code of Conduct signatories.

Lessons drawn from best practice NGO and civil society programs recognise the importance of working in partnerships, building creative and trusting relationships with people of developing countries and supporting basic program standards which:

- All non-accredited, not for profit organisations receiving funding from AusAID commit to apply these principles of good development practice, and adhere to the organisational integrity and accountability standards set out on the following page.

AusAID funds and resources are designated for the purposes of **international aid and development** (including development awareness). They can not be used to promote a **particular religious adherence, missionary activity or evangelism, or to support partisan political objectives**, or an individual candidate or organisation affiliated to a particular political movement. AusAID reserves the right to undertake an independent audit of an organisation's accounts, records and assets related to a funded activity, at all reasonable times.

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Not-for-profit organisations working with AusAID should:

- a) not be a willing party to wrongdoing, corruption, bribery, or other financial impropriety in any way in any of its activities;
- b) take prompt and firm corrective action whenever and wherever wrongdoing is found among its Governing Body, paid staff, contractors, volunteers and partner organisations;
- c) have internal control procedures which minimise the risk of misuse of funds and processes and systems that ensure funds are used effectively to maximise development results;
- d) establish reporting mechanisms that facilitate accountability to members, donors and the public;
- e) have adequate procedures for the review and monitoring of income and expenditure and for assessing and reporting on the effectiveness of their aid;
- f) have a policy to enable staff confidentially to bring to the attention of the Governing Body evidence of misconduct on the part of anyone associated with the Organisation, including misconduct related to the harm and abuse of children;
- g) be aware of terrorism-related issues and use their best endeavours to ensure that funds do not provide direct or indirect support or resources to organisations and individuals associated with terrorism and/or organised crime;
- h) Ensure that individuals or organisations involved in implementing activities on behalf of the Organisation are in no way linked, directly or indirectly, to organisations and individuals associated with terrorism and/or organised crime.

AusAID Funding Agreement Requirements

Each AusAID funding agreement also comes with obligations for both AusAID and the Organisation being funded. These are spelt out in detail in the funding agreement. The Principles will not affect or diminish the obligations or liabilities of the Organisation under the funding agreement.

Broadly speaking, any Organisation funded by the Australian Government, through AusAID, is **required to comply with relevant and applicable laws, regulations and policies**, including those in Australia and in the country/ countries in which they are operating. In particular, the Organisation needs to observe the contractual requirements regarding Child Protection and Counter Terrorism.

Additional Information and Related Links

Further information AusAID's Child Protection Policy, Counter Terrorism and other applicable laws and policies can be found on AusAID's website at:

http://www.ausaid.gov.au/business/pdf/Lists_of_Laws_and_Guidelines_for_Contractors.pdf

http://www.ausaid.gov.au/publications/pdf/child_protection.pdf

Further information on terrorist organisations listed under Division 102 of the Criminal Code Act 1995 (Cth) and the DFAT Consolidated List of persons and entities subject to UN sanctions regimes maintained in accordance with the Charter of the United Nations Act 1945 (Cth) can be found at:



http://www.dfat.gov.au/icat/UNSC_financial_sanctions.html#3

<http://www.nationalsecurity.gov.au/agd/www/nationalsecurity.nsf/AllDocs/95FB057CA3DECF30CA256FAB001F7FBD?OpenDocument>

Further information on AusAID Accreditation and the ACFID Code of Conduct can also be found at:

<http://www.ausaid.gov.au/ngos/accreditation.cfm>

<http://www.acfid.asn.au/code-of-conduct>

Further information on Aid Effectiveness can be found at:

http://www.oecd.org/departement/0,3355,en_2649_3236398_1_1_1_1_1,00.html

http://www.oecd.org/document/18/0,3343,en_2649_3236398_35401554_1_1_1_1,00.htm

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