

## NON-DEVELOPMENT ACTIVITY POLICY

<b>Policy &amp; Procedure Owner</b>		Board of Directors	
<b>Approved By</b>		Board of Directors	
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### Abbreviations

ACFID	Australian Council for International Development
DFAT	Australian Department of Foreign Affairs & Trade
ERFA	Edmund Rice Foundation (Australia)
Partner	Any organisation which has an MOU/Contract with/or receives funding from ERFA

### Implementation Plan

- Included in partner compliance documentation
- Included in staff induction documentation

### Related Policies

- ERFA Development Activity & Non-Development Activity Statement
- ERFA Fundraising Policy
- ERFA Program Design, Funding & Management Policy
- ERFA Sustainable Development Policy

### Related Forms

- Program Proposal & Funding Application
- Program Budget
- Capital Funding Application
- Quarterly Monitoring Report International Programs
- Program Funding Annual Acquittal Report International Programs

### Introduction

ERFA is an international development organisation with a vision for access to quality education and lifelong learning opportunities for all. Hence, ERFA is committed to supporting empowered communities in developing countries to determine their own futures. ERFA supports programs and projects which:

- work collaboratively with local communities
- are grounded in the expressed needs of those communities
- promote continuous improvement and the wellbeing of those communities
- deliver a fair distribution of the benefits that result from the programs and projects

ERFA is a company limited by guarantee. ERFA's commitment to supporting development activities in developing countries is stipulated in the objects of the company in ERFA's Constitution.

### Definitions

## Development Activity

In broad terms, development activities are community based and involve community responses to identified needs within time bound local interventions. Development activities seek to improve the conditions of communities in sustainable ways and are based on working with communities, rather than for or on behalf of communities. A holistic, integrated approach to sustainable development will incorporate economic sustainability, social/cultural sustainability and environmental sustainability. While sustainable development activities are undertaken to reduce poverty, they also need to identify and address the injustices that are often the root causes of poverty. In summary, the following principles distinguish development activities:

- Strengths based approaches which encourage people and communities to create solutions for themselves
- Processes that seek to address the causes of poverty
- Processes that seek to empower rights holders to claim their rights and ensure that duty bearers exercise their duties
- Supporting systems and structures which enable people to move out of poverty

A critical element in sustainable development activity is capacity building. For ERFA, the building of capacity is achieved through community development, community education and education for sustainable development. Education that enables the development of the knowledge, competencies, understandings, values and actions required to create a self-generated sustainable world.

## Non-Development Activity

While ERFA does take a holistic approach to human development, ERFA does not provide support for non-development activities and defines non-development activities as including:

- the promotion of a particular religious adherence
- partisan political activities that promote a political organisation or support individuals to gain power
- all forms of terrorism and terrorist activity
- welfare (see definition of welfare below)

## Welfare

Welfare comprises care and maintenance, other than in refugee and emergency situations, which aims to maintain people in a particular condition on a longer-term basis. Substantial and broad impact on social and economic conditions in the community is not expected from welfare programs.

In summary, welfare:

- Does not usually result in sustainable community development
- Has no strategy for integration into a broader, community development program
- Is provided on an individual or family basis, rather than on a community basis
- Activities are implemented on an ongoing, long-term basis with no clear exit strategies

An exception could be where a program can demonstrate that certain welfare activities are necessary for the achievement of the program's development objectives.

## Partners

ERFA is a company limited by guarantee. The objects of the company are set out in clause 3 of ERFA's constitution. Clause 3 (f) reads as follows: *To develop partnerships with overseas aid agencies or formal arrangements with other delivery agents related to the Company but resident in Developing Countries for the implementation of the objects in paragraph (a).*

Throughout its policies and official documentation ERFA uses the term *Partners* for those organizations with which it has formed alliances in developing countries for the receipt of overseas aid funding for the in-country delivery of education programs. Whilst ERFA has an active, engaged and qualitative role with these programs, working to build capacity and maximize the impact of best practice development outcomes, these are not partnerships in the legal sense. Rather they are alliances that ERFA has formed with in-country organizations with whom ERFA has communicated its vision, mission, values, policies and expectations with respect to sustainable development and whose own vision, mission, values, policies and development goals are congruent with those of ERFA.

### **Purpose**

The purposes of this policy are:

- To enable ERFA and its in-country international development partners to make a clear separation and distinction between development and non-development objectives and activities
- To enable ERFA to fulfil its ACFID Code of Conduct compliance obligations with respect to ensuring that funds and other resources designated for the purpose of development are used only for those purposes and not for non-development purposes as defined in this policy
- To enable ERFA to fulfil its ACFID Code of Conduct compliance obligations when communicating with or soliciting donations from the Australian community, namely, that those donations are for development purposes
- To enable ERFA to ensure that in its fundraising, communications and reporting it accurately represents its activities to its donors and supporters in Australia and to the Australian community in general

### **Scope**

- This policy is applicable to ERFA Directors, all ERFA employees and key volunteers
- This policy is applicable to all ERFA in-country partners and associated implementing organisations

### **Responsibilities**

- ERFA Directors are responsible for the approval of this policy and for scheduling its regular review
- At the operational level, ERFA CEO has responsibility for overseeing the implementation of this policy
- ERFA Programs Director has responsibility for ensuring that this policy is communicated to ERFA's in-country partners and that adherence is monitored
- ERFA Donor Relations Managers have responsibility for ensuring adherence to this policy in ERFA's relationships with its donors and supporters in the Australian community

### **Compliance**

#### ACFID Compliance

With respect to development and non-development activities, ERFA's compliance obligations in regard to its overseas partners and its supporters within the Australian community are set out in the ACFID Code of Conduct, Compliance Indicator 7.3.2: *Member development initiatives consistently demonstrate the separation of development activities from non-development activities. Members are required to extend this compliance indicator ... to partners through MOUs or similar.*

These obligations require: *a policy, statement or guidance document that addresses the separation of development activities from non-development activities in:*

- *Programming*
- *Expenditure reporting*
- *Fundraising*
- *Advocacy campaigns*
- *Communications*
- *Choice for donors*
- *Partners*

*Development initiatives that consistently show evidence of the separation of development and non-development activities.*

*Materials outlining organisation vision, mission and values, are available to partners and primary stakeholders in accessible forms.*

#### Tax Deductibility Compliance

Non-Development activities are NOT considered to be Recognized Development Expenditure or acceptable for receipt of funding derived from Tax Deductible gifts.

#### **Implementation Procedures**

With respect to ERFA's ACFID Code of Conduct compliance obligations, ERFA is committed to the following procedures.

##### *Separation of Program Development and Non-Development Activities*

- All program proposals lodged for funding will be appraised to determine whether they include non-development components and if so, whether such components are essential for the achievement of a program's development objectives
- Appraisers will record any such non-development issues for clarification prior to funding approval
- Appraisers will identify and record any non-development program components for ongoing monitoring to ensure compliance with this policy
- ERFA will require in-country partners to manage, report and account separately for any non-development activities
- ERFA will utilize field monitoring visits to reinforce the definitions of development and non-development activities and to ensure compliance with the non-development Activity Policy and to monitor program separation of non-development activities from development activities

##### *Separation of Development & Non-Development Activities in Fundraising, Public Communications & Reporting*

- ERFA will ensure that guidelines are in place that address appropriate reporting of development activities in organisational promotional materials
- All articles written by in-country program partners or photos supplied by partners for reporting materials will be reviewed for differentiation between development and non-development activities
- Communications materials will be reviewed prior to publication to ensure separation of reporting and fundraising for development and non-development activities
- ERFA will adhere to the objects of its Constitution which clearly stipulates that with respect

to its partnerships in developing countries, ERFA has been incorporated specifically to support development activities

*Provision of Donor Choice with reference to Development & Non-Development Activities in Fundraising Solicitations*

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

*Communication to in-country partners of ERFA's separation of development and non-development activities in its fundraising events, public communications and reporting to the Australian community*

- Communication with new in-country partners will state ERFA's position regarding support for non-development activity
- In-country partners will receive a copy of this policy
- In-country partner agreements, Memorandums of Understanding (MoUs) or equivalent will include clear definitions of development activity and non-development activity
- In-country partner agreements (MoUs or equivalent) will require partners to agree that any funds designated for development purposes will not be used to fund any non-development activity

**Guidelines for Funding Applicants**

In the context of ERFA's strategic direction of, *Liberating Lives through Education*, ERFA's Program Design, Funding and Management Policy should be referred to for examples of the types of development (eligible) and non-development (not eligible) activities that would meet ERFA's criteria for consideration of funding. ERFA's focus is on communities rather than individuals.

**Resources**

[ACFID Code of Conduct Quality Assurance Framework](#) – effective 1 June 2017

[DFAT Recognized Development Expenditure Explanatory Notes](#) – 30 January 2017

[Edmund Rice Foundation Australia Constitution](#)

[Overseas Aid Gift Deduction Scheme Guidelines](#) (OAGDS) February 2016