Development & Non-Development Activity Policy

1. INTRODUCTION

Hagar Australia is committed to sound development practice, including sustainable, strengths-based approaches that address the causes of poverty, and ensuring that the organisation's development and humanitarian activities are accurately represented to Hagar Australia partners, supporters and the Australian public. This includes meeting and accurately declaring tax deductibility status and Recognised Development Expenditure (RDE).

Hagar Australia is committed to ensuring that funds and other resources designated for the purpose of aid and development will be used only for those purposes and will not be used for religious activities, political activities or welfare activities.

2. PURPOSE

The purpose of this policy is to provide guidance to Hagar Australia personnel, contractors and Hagar Australia-funded partners in distinguishing between and clearly separating development and humanitarian, and non-development objectives and activities; in all aspects of the organisation's work, including programming, financial reporting, and fundraising and communications.

3. SCOPE

This policy applies to:

- Hagar Australia personnel (as defined)
- Hagar Australia program-related contractors engaged by Hagar Australia,
- Hagar Australia-funded partners (as defined)

Hagar Australia management will ensure that all Hagar Australia personnel, Hagar Australia program-related contractors and Hagar Australia-funded partners are made aware of their obligations under this policy.

4. POLICY

It is the policy of Hagar Australia and a responsibility of its Board and management to take steps to ensure that:

- the organisation's activities are accurately represented to the people Hagar works with, including supporters and the Australian public
- Funds raised for aid and development purposes do not place any conditions or obligations on recipients in terms of non-development (religious, welfare or political) outcomes, and

Approved by: Hagar Australia Board	**Date Policy Took Effect:** 16th March, 2021
Review Date: 16th March, 2023	**Responsible Person:** HAUS Board Secretary

- Funds are only provided for activities over which Hagar Australia has a role in management and oversight, access to reporting, and the ability to withdraw funding if required (ie. not 'channelled').

Where there are components of Hagar Australia-funded programs which involve religious, political or welfare activities, these will be documented and accounted for separately.

4.1 Internal Operations

Hagar Australia commits to:

- Clearly stating Hagar Australia's commitment to sustainable development in partnership agreements.
- Providing Hagar Australia's Development and Non-Development Activity Policy to all Hagar Australia personnel and program-related contractors, and take steps to ensure they understand the Policy.
- Tracking, managing, reporting and accounting for funds raised for development and non-development activity separately.
- Ensuring that all Hagar Australia personnel and program-related contractors annually discuss the organisation's development and non-development activity obligations.
- Annually reporting to its Board on development and non-development activity in Hagar Australia's program portfolio.
- Ensuring project information is clearly separated into development and non-development activities for communications and fundraising purposes, with guidelines around the communication of this information.
- Reviewing communications materials, prior to publication, to ensure distinction between development and non-development activities.
- Encouraging supporters to contribute to its aid and development activities only.

4.2 Hagar Australia Funded Partners and Programs

All Hagar Australia-funded partners are expected to act in accordance with the principles outlined in this policy.

Hagar Australia commits to:

- Forging partnerships that promote sustainable development; supported by partnership agreements that reflect the principles and requirements in this policy, and are discussed with partners.
- Ensuring that separation of development and non-development activities occurs in project planning (particularly during the appraisal of project proposals), and that monitoring (clear documentation of any non-development activities, separate follow-up and reporting, with annual screening for non-development activities) and evaluation also occur.
- Supporting its partners in their compliance with development and non-development activity requirements, including regularly assessing capacity (whether the partner is engaged in non-development activities and, if so, how it is able to separately manage and account for its development and non-development activities), addressing training needs, explaining partnership obligations, as well as regular monitoring and review by Hagar Australia.

5. SANCTIONS

If it is suspected that a Hagar Australia-funded partner may be using development funds for religious, political or welfare activities, the nature of these activities will be clarified with the Program Office and partner. If the partner is found to be engaging in non-development activity, the project or activity will be excluded from Hagar Australia's RDE calculation and Hagar Australia will work with the Program Office and partner to ensure such activities are excluded from the Hagar Australia-funded budget. Where there are welfare activities, Hagar Australia will work with the Program Office and partner to move to a development approach. If, over time, this is not possible, funding from Hagar Australia will be withdrawn.

6. DEFINITIONS

Term	Definition
Hagar Australia personnel	Hagar Australia's Board of Directors, employees (full time, part-time and casual) and volunteers.
Hagar Australia-funded partners	This includes Hagar International, its Program Offices and other entities engaged to perform any part of a Hagar Australia-funded activity. These entities have agreed roles and responsibilities monitored by Hagar.
Development	Improving the conditions of communities in a sustainable (lasting) way. This is based on working with communities, rather than for or on behalf of communities.
Development and humanitarian activities	Activities undertaken in order to reduce poverty and address global justice issues. For Hagar Australia, this occurs through community projects, provision of technical support and resources, and the promotion and protection of human rights.
Recognised Development Expenditure (RDE)	The annual eligible expenditure of a Non-Government Organisation (NGO), using contributions from the Australian community. Eligible expenditure is for the NGO's own development and humanitarian activities overseas and development education in Australia. Eligible contributions include donations of cash, gifts-in-kind and volunteer services.
Non-development activity	Includes activity undertaken to promote a particular religious adherence, or to support political or welfare activities.
Political activities	Activities undertaken to support a political party, candidate or organisation affiliated to a political party. Examples include NGO staff being involved in party political activities, or 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; • independence or separatist movements; • a particular politician or faction to gain power within a government or within a political party structure.
Religious activities	Supporting or promoting a particular religion, including activities undertaken with the intention of converting individuals or groups from one faith and/or

	denomination to another. Activities that build up religious structures (including infrastructure, training or organisational activities) are also considered religious activities, unless those structures are specifically designed to provide non-denominational development outcomes.
Welfare activities	Activities directed towards providing care and maintenance, which aim 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 normally expected from welfare programs. Welfare may be provided on an individual or family basis including home-based and institutional care programs, such as those provided by orphanages, homes for the elderly, hospices and the provision of food for those who are destitute. Welfare activities are typically: • implemented independently of other sustainable community development activities; • include no strategy for integration into broader community development programs; • provided on an individual or family basis, rather than on a community basis, and are unconnected to emergency needs; and • implemented on a long-term basis with no clear exit strategy.
Channelled funds	Funds channelled through an NGO on behalf of other Australian individuals or entities, where the NGO does not have any role in management of the project and/ or funds do not directly contribute to the NGO's own programs. For an item to be eligible for RDE (ie. not Channelled Funds), the Australian NGO must be able to demonstrate: • knowledge of the activity or overall program and receipt of relevant information from the implementing partner which enables it to engage in a meaningful way with the activity. Examples may include financial, progress and evaluation reports; • the ability to influence the activity or program direction; and • the ability to withdraw funding or initiate action where an activity or program is not aligned with the Australian NGO's priorities or Australian Government policy requirements.

7. RELATED RESOURCES

- Development Effectiveness Framework

8. POLICY REVIEW

This policy will be reviewed at least every two years, or as required, incorporating lessons learned.

Contact:

For questions about this policy, contact Hagar Australia's Executive Director on +61 3 9416 1960.