



Code of Conduct

Implementation and Reference Guide

March 2014



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INTRODUCTION TO CODE & GUIDANCE

The section below provides an explanation of the elements of the CID Code of Conduct ('the Code') and the Code of Conduct Implementation Guidance ('Guidance'). A quick read of this introduction is recommended.

MAIN PARTS OF THE CODE

The Code includes three clusters of Accountabilities – Programme Principles, Public Engagement and Organisation. Each Accountability contains a number of Principles and Obligations.

PRINCIPLE

The statement of Principle aims to distil the intent of the 'clause' and how it links to the values framed in the Preamble.

The Principle may be followed by a few explanatory comments - intended to clarify, not modify - the Principle.

Some of the Principles may not apply to signatory organisations because the signatory is not involved in the activity covered.

OBLIGATION

The specific requirements of signatory organisations are set out in the numbered Obligations. They aim to be clear statements of what stakeholders can expect to see from a signatory organisation and are framed in language that provides assurance to external stakeholders.

The Obligations deliberately use the term 'will' rather than 'must' or 'shall'. This is to avoid a legalistic tone and to reflect that they are a promise to stakeholders.

Most Obligations also permit an 'if not, why not' response from signatory organisations. That is, if an organisation believes that it is compliant with a Principle but not the Obligation, then the Code allows for a signatory organisation to explain how they meet the Principle in another way.

Signatory organisations are highly diverse and the expectation is that they will generally have flexibility to interpret how the Obligations are best applied within their unique context. If in doubt about how to interpret an Obligation, a signatory organisation should look to the Principle for a sense of the intention of the Code.

There are some exceptions to this flexibility that generally applies to implementing Code Obligations and these are clearly indicated in the Guidance and the Compliance Self-Assessment (CSA).

The first exception is that in a few instances, Principles must be applicable to organisations and in others an 'if not, why not' response is not permitted.

The second exception is that in a few cases the Obligations are quite detailed and prescriptive. Due to their length, the detail may be specified in the Guidance.

Note that in these cases, the additional detail forms a part of the Code and is binding to signatory organisations.

The third exception is the '**progressive**' Obligation which leaves room for signatory organisations to achieve compliance over time. These are the Principles and Obligations that relate to most (but not all) of Section B – Programme Principles. Signatory organisations are expected to have a plan to work toward meeting these Obligations and to monitor their implementation.

THE GUIDANCE

The Guidance text is for signatory organisations themselves. The language is generally less prescriptive and aims to provide assistance with implementing the Principles and Obligations within their particular context.

The Guidance varies in style according to the subject matter and the style of Obligation. Some explanatory text may be included to give some context to the Principle and why it is included in the Code.

Some of the Guidance is framed discursively as 'how-to' and other parts are presented as an example or illustration of how a signatory organisation might implement the Principles and Obligations. As appropriate, the Guidance may also include cross reference information and references to external sources of advice or information.

A significant focus of the Guidance is to provide assistance with the minimum implementation that is expected from the smallest signatory organisations. Typically, the implementation will involve:

- i. *Awareness* - what the organisation is expected to do to understand the requirements of the Code, and making the relevant people aware of its commitment to the Principle.
- ii. *Operationalising* - what the Principle means in practice to the organisation and what the organisation is expected to do to embed the Principles and Obligations in their day-to-day operations.
- iii. *Monitoring* - what the organisation is expected to do to monitor and ensure that it is compliant with the Code.

An important distinction in the Guidance is between the 'standard' expected (the same for all signatory organisations) and the 'implementation' (which will vary according to the operations and scale of the signatory – see figure 1 below).

To illustrate, a small agency of 2-3 employed staff would only need a simple system to ensure that all staff are aware of the Code obligations. A much larger signatory organisation with dozens of affected staff in many countries would need a much more extensive system.

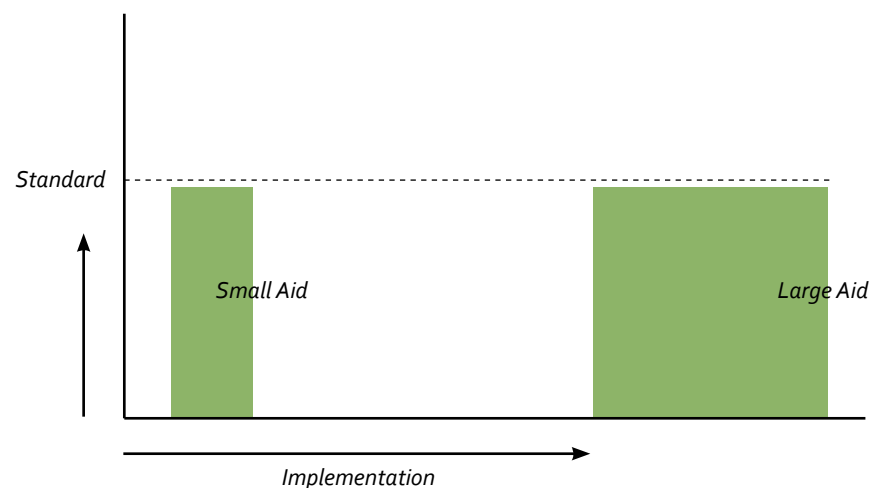


Figure 1.

COMPLIANCE SELF-ASSESSMENT

The final element in the Code & Guidance framework is the biennial Compliance Self-Assessment (CSA). This document will be completed by all signatory organisations as part of the application to become a signatory and every two years after that.

The CSA is a true self-assessment and tracks the Code Principles and Obligations, leaving signatory organisations to assess their own compliance as Compliant, Partly Compliant, Non-Compliant or Not Applicable - and provide the relevant supporting explanation to describe the way in which the state of compliance is achieved.

As with the Guidance for different style Obligations, there will be differences in how the CSA will be completed by signatory organisations. For prescriptive Obligations such as Financial and Annual Reporting, signatory organisations will be expected to substantiate their compliance by lodging copies of the relevant documents with CID. For other Obligations, a brief description of the way in which compliance is achieved and a reference to the relevant source documents will be sufficient.

A. PREAMBLE

The Council for International Development (CID) serves as the umbrella organisation for Aotearoa New Zealand non-government organisations active in international development. Its members have the vision for Aotearoa New Zealand as a leader working towards a sustainable world free from poverty and injustice.

The CID Code of Conduct (“the Code”) 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 serves both as a guide to good practice and as a risk management document.

A Code Committee of the CID Board (“Code Committee”) monitors adherence to the Code and investigates complaints, which may be brought by any member of the public.

Development of policies and procedures to comply with the Code will be appropriate to the size and complexity of the organisation and the extent of their operations. Not all policies necessarily apply to all signatories.

VALUES

Signatory organisations while varying in size, and differing in their approach to development work, share values that underpin their work in aid and development and that inform this Code. Signatory organisations, as development actors, adhere to the following principles/values¹.

1. Agree that the Treaty of Waitangi is fundamental to development in Aotearoa New Zealand and to members’ approach to development issues internationally.
2. Respect and promote human rights, social justice and equality for all people.
3. Embody gender equality and equity while promoting women’s and girl’s rights and support women’s efforts to participate as fully empowered actors in the development process.

4. Focus on people’s empowerment, democratic ownership and participation, with an emphasis on the poor and marginalised.
5. Promote and practice environmental sustainability for present and future generations as part of all development initiatives.
6. Practice transparency and accountability to recipients and donors as well as integrity with respect to internal practices of the member’s organisation.
7. Pursue equitable partnerships and solidarity with other development actors.
8. Create and share knowledge and commit to mutual learning with other civil society organisations and development actors.
9. Commit to realising positive sustainable change, focusing on results, with special emphasis on poor and marginalised populations.
10. Promote development education in Aotearoa New Zealand as an integral part of sustaining public support for development assistance.
11. Ensure that promotional, educational and fundraising programmes are consistent with the above principles and values.

STRUCTURE

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

1. *Programme Principles* – including Obligations for effectiveness in aid and development activities, human rights and working with partner agencies.
2. *Public engagement* – including Obligations of signatory organisations 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. CID Code of Conduct Guidance

1. These are largely based on the Istanbul CSO Development Effectiveness Principles agreed at the Open Forum’s Global Assembly in Istanbul, September 28-30, 2010.

Each Principle is a statement of intent that links to the values framed in the Preamble.
The specific requirements of signatory organisations are set out in the numbered obligations.

The Guidance complements the CID Code of Conduct and provides some assistance with compliance. Unlike the Principles and Obligations set out in the Code, the Guidance is not contractually binding, unless specific reference is made to it in the Obligations.

The Code of Conduct will adapt over time to meet the changing environment, the needs of stakeholders and emerging good practice from within the sector.

ASSESSMENT OF COMPLIANCE

Assessment of signatory compliance with the Code is provided by:

1. Commitment to the Code Principles;
2. Public disclosure of relevant aspects of the Code standards;
3. Biennial self-assessment by the signatory organisation's governing body;
4. Verification of compliance with selected aspects of the Code by the Code Committee – on application and periodical checking;
5. A complaints handling and discipline process;
6. Building creative and trusting relationships with the communities in which they work.

The content on this left hand side is taken directly from the Code of Conduct (January 2014) document.

Accountability

B. PROGRAMME PRINCIPLES

The content on this right hand side is taken directly from the Code of Conduct Implementation and Reference Guide (January 2014), containing additional guidance, examples and resources. It has been set out to align with the corresponding sections, principals and obligations in the Code.

B. PROGRAMME PRINCIPLES

This part of the Code covers the programme Principles which underpin the aid and development activity of signatory organisations. Aid and development refers to activities undertaken in order to reduce poverty and address global justice issues that influence sustainable development. This may be 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.

Not all of these aid and development activities are undertaken by signatory organisations, however these Principles form the basis of effective work in all of these areas. This group of Principles is perhaps the most critical to the credibility of the sector and must respond to international criticism of the effectiveness of aid and development.

The language of this section speaks to that external audience of donors, funding agencies, regulators, politicians and others - yet remains relevant to each CID signatory organisation's unique combination of purpose, values and approach to doing its work. Most of the Principles within this Accountability will apply to all signatory organisations, however because of the range of work undertaken and the diversity of approach, this Accountability allows two dimensions of flexibility:

- Signatory organisations are not required to comply with those Code Principles which do not apply to their work; and
- Where their approach legitimately differs from that envisaged by the Code Obligations, a signatory organisation may apply an 'if not, why not' approach. That is, when completing the Compliance Self-Assessment (CSA), they may explain why they do not meet the Code Obligations and indicate how they comply with the relevant Principle by some other means.

The Code also recognises that although some signatory organisations will have already incorporated the Programme Principles into their aid and development activity and are meeting the Obligations, other organisations will be working **progressively** toward achieving these.

The key compliance issue for the **progressive** Obligations in the Programme Principles Accountability is that signatory organisations prioritise working towards meeting the Code Principles and Obligation which are relevant to them, have a plan to phase in their introduction over time, and that the plan is actively monitored by the organisation.

In a few instances, this flexibility does not apply. Non-development activity (B.1.5); Control of funds and resources (B.2.3) and Child protection (B.3.4) are applicable to all signatory organisations of the Code and the Obligations of these principles are **mandatory**. This also applies to Emergency management, International standards (B.5.1), if undertaken by the signatory organisation.

For the smallest signatory organisations, formal adoption of the Code Obligations as a working guide to their aid and development work will be sufficient. For medium to large sized signatory organisations, with larger numbers of people involved, systems and processes would be expected to be sufficient to ensure consistent performance across the organisation. Organisations are expected to explain in their CSA how the Obligations are applied in day-to-day operations. For the smallest organisations, this may simply be a brief description (2-3 paragraphs) of how their development work is conceived and managed to meet these Obligations.

B.1 Effective aid and development guidance

Addressing the questions of to whom, for what, and how an organisation is accountable is key to the effectiveness and efficiency of a signatory organisation. Unless an organisation is clear about whom it seeks to serve and how, it will be difficult to realise its core mission. There has been a growing link between questions of aid and development effectiveness and accountability to those it seeks to benefit. Principles B.1.1 – 1.3 encourage signatory organisations to be accountable to their stakeholders, to use a quality approach to their aid and development activities and ensure these are linked to the identity of the organisation.

B.1.1 Accountability to primary stakeholders

Involving those directly affected by aid and development in the activities and decisions that impact them helps ensure these activities meet the needs of these primary stakeholders. The Code requires signatory organisations to work toward involving local people in all stages of the project cycle in an authentic way. This involves information sharing, listening to their views, involving them in decisions, reporting back and making changes where required to ensure that the activities match their expressed needs.

This Principle also requires organisations to consider the local people they are working with on the basis of gender, age and disability and other identified vulnerabilities to ensure that the interests and rights of the whole community are addressed.

There are other stakeholders in aid and development activity, many of whom will have competing interests and different information and participation needs. Identifying and prioritising stakeholders at project and organisational level helps identify stakeholder interests and potential conflicts, the most appropriate types of engagement, and helps create an overall picture of who is impacted by the project and how this aligns with the purpose of the signatory organisation.

Section B.1 Effective aid and development

Aid and development refers to activities undertaken in order to reduce poverty and address global justice issues that support sustainable development goals. In the non-government organisation sector this may occur through a range of engagements that includes 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.

Not all of these aid and development activities are undertaken by signatories, however, these Principles form the basis of effective work in all of these areas.

Principle B.1.1 Accountability to primary stakeholders

Signatory organisations will ensure that their purpose and processes are shaped by stakeholders and that their work is open to review and comment by partners and participants alike. In all instances those directly affected by aid and development activities are considered the primary stakeholders and their views afforded the highest priority.

- Obligation* 1. Signatory organisations will prioritise accountability to local people and those directly affected by aid and development activities, prioritising their needs and rights with specific reference to gender, age, disability and other identified vulnerabilities.
- Obligation* 2. Signatory organisations will seek the genuine, informed, consensual participation of local people and their representatives in aid and development activities, ensuring that they have the opportunity to authentically contribute to the design, implementation, monitoring and evaluation of these activities.
- Obligation* 3. Signatory organisations will analyse the needs and expectations of key stakeholders in all aid and development activities, pursuing informed and balanced accountability to each.

Participation is one of the key dimensions of accountability detailed in the Global Accountability Project framework developed by the One World Trust (2005) - the others being evaluation, complaints and transparency. Responsiveness to primary stakeholders is woven across these dimensions and is incorporated throughout the Code.

These are **progressive** Obligations which permit signatories to prioritise working towards meeting requirements by developing and monitoring the implementation of a plan to achieve compliance over a defined period of time.

Signatory compliance may be substantiated in the Compliance Self-Assessment (CSA) through any of the following: project design documents or checklists; needs analysis; monitoring visits and evaluations; staff training; policies and procedures; statements in constitution; use of the 'Listen First Framework' (see below) and estimation of percentage of projects that meet the varying levels of accountability; broad organisational and/or country/project based stakeholder analyses.

Examples of the most basic to the most advanced level of participation and control to primary stakeholders are summarised below (Adapted from 'Listen First Framework' developed by Concern and Mango Trust 2008)

EXAMPLE ***Basic accountability to Primary Stakeholders:** Organisation X informs local people and partners about the NGO's plans throughout the project cycle and provides basic information to them about the NGO. Plans are discussed with key informants in the community. NGO staff assumes that these informants represent poor and marginalised people. Staff take time to speak to local people but their views are not formally included in review processes. There is limited analysis of who holds authority in the local community and how.*

EXAMPLE ***Advanced accountability:** Organisation Y provides full information about the programme to local people in ways that have been discussed with them. Local people take a lead in making decisions with the NGO playing a supporting role. Conflicts between different interest groups in the local community are recognised using mechanisms that local people respect. Staff invest time in building up equal relationships of mutual respect and actively promote dialogue and encourage reflection on each other's experience.*

RESOURCES:

"Tiny Tools" - Measuring change in communities and groups

Principle B.1.2 Quality approach

Signatory organisations will apply a quality approach to the design, implementation, monitoring and evaluation of aid and development activity that emphasises relationships, learning, adaptation and impact.

- Obligation* 1. Signatory organisations will focus on building and maintaining strong, honest and robust relationships with their partners in development, the local people and organisations with which they work.
- Obligation* 2. Signatory organisations will focus on the impact of their activity and will use the information gained in monitoring and evaluation to improve aid and development processes and outcomes over time.
- Obligation* 3. Signatory organisations will ensure that they have analysed and understood the context in which planned activities will occur and will continue to review their understanding as the context changes.
- Obligation* 4. Signatory organisations will set out a clear purpose and objectives for all aid and development activity including consideration of the timeframe, sustainability of the activity and its impacts beyond their involvement.

B.1.2 Quality approach

A quality approach is generally one which is appropriate to a given context, builds effective relationships and makes a positive difference to people's lives. This requires ongoing adaptation and learning.

The Code requires signatory organisations to focus on building and maintaining relationships during the project cycle, with partners, local people and other organisations as a crucial element of achieving effectiveness in their aid and development activities. Focussing on the impact or long term outcome of their activity will require signatory organisations to monitor and evaluate their activities using a range of data and tools that assist them to focus on the purpose of the aid and development activity. Understanding the context can involve consideration of the impact of political, social, economic and environmental factors on both the local and country level.

Signatory organisations need to have an idea of what success looks like, reached in agreement with primary stakeholders, and which is modified in the light of changing circumstances and learning. Consideration should be given to the sustainability of the activity beyond the involvement of the signatory.

These are **progressive** Obligations which permit signatory organisations to prioritise working towards meeting requirements by developing and monitoring the implementation of a plan to achieve compliance over a defined period of time. **Implementation of this Principle and Obligations must be appropriate to the nature of the organisation's aid and development activity and its scale and sophistication.**

Signatory compliance with these Obligations may be substantiated in the CSA through reference to any of the following: partner documentation which details opportunities provided for regular feedback; capacity building activities; project design documents including identification of the difference that the project has made; 'lessons learnt' mechanisms; monitoring and evaluation reports and visits; needs assessments for countries and communities.

EXAMPLE *Good practice:* Organisation X focuses on working with local people and their partner to identify changes that they seek and how they can be achieved. Project implementers promote learning and adaptation by building on what's working and changing strategies that do not. Staff and partners have good analytical and facilitation skills that they use to undertake regular monitoring and reflection with both partners and primary stakeholders.

EXAMPLE *Poor practice:* Organisation Y has money from donors to put into an activity. It is designed by the NGO and an agreement signed with the local partner to implement it, providing them with few opportunities to feedback what is working and what is not and no flexibility to change the approach, as it has worked well in other areas. The project ceases when the money runs out.

RESOURCES:

Poverty and livelihoods: whose reality counts?

Principle B.1.3 Consistency with vision, purpose and values

Signatory organisations will ensure that their aid and development activities are clearly aligned with the vision, purpose and values of their organisation and that these are clearly communicated in their relationships with all stakeholders.

Obligation 1. Signatory organisations will ensure that their aid and development activities are consistent with the vision, purpose and values of the organisation.

Obligation 2. Signatory organisations will communicate their core and shared values in their relationships with all stakeholders.

B.1.3 Consistency with vision, purpose and values

The signatory organisation's vision, purpose and values give direction and focus to the organisation and determine the type of activities planned and undertaken. These need to be communicated internally and externally to all stakeholders.

Assessing the degree to which organisations adhere to their core values and mission is a fundamental level of accountability and reflects their ideas and beliefs about the world.

These Obligations are achievable **progressively** and can be substantiated by including the organisation's purpose, vision and values in:

- the design, monitoring and evaluation of aid and development activity;
- the strategic plan - which should be an 'action oriented' embodiment of the organisation's purpose;
- the organisation's website, including the Annual Report and requests for funding from donors;
- staff induction packs;
- notice boards within the organisation; and
- agreements with partners and providing them to primary stakeholders as an essential component of basic information provided to them about the NGO. This can include posting them on community information boards, presenting them to community meetings etc.

Principle **B.1.4 Addressing gender**

Signatory organisations are committed to addressing the effect of gender inequalities and inequities. Gender equity and equality are fundamental to the effectiveness of aid and development activities.

Obligation 1. Signatory organisations will ensure that an appropriate focus is given to understanding and addressing gender issues in their aid and development programme design, implementation, monitoring and evaluation cycles.

Obligation 2. Signatory organisations will also work to assist partners to become aware and supportive of signatory organisation's commitment to deal with gender issues in their aid and development activity.

B.1.4 Addressing gender

The World Bank (2012) describes gender equality as 'smart economics' as it can enhance productivity, improve development outcomes for the next generation, and make institutions more representative. More basically, it addresses human rights expectations and obligations.

Evaluations confirm that gender-sensitive, gender-focussed and gender transformative strategies can enhance the impact of development projects. Achieving gender equality may require targeting programmes specifically at women, engaging with men as champions to promote gender equality and challenging the broader social relations that inhibit implementation of human rights. Social relations between women and men, among women, and among men change over time and vary between different cultures. Gender-transformative approaches that address the root causes of injustice, challenge harmful gender norms, and foster progressive changes in power relationships between women and men should be prioritised.

These are **progressive** Obligations which permit signatory organisations to prioritise working towards meeting requirements by developing and monitoring the implementation of a plan to achieve compliance over a defined period of time.

Signatory organisations to the Code commit to ensuring that gender is taken into consideration through appropriate gender analysis, monitoring and evaluation, consultation and response to the differing needs priorities and agency of women, men, boys and girls, in their aid and development activities.

Organisations can substantiate their compliance to the Obligations in this Principle by the following.

- Providing staff with training (and other capacity building initiatives) to build gender awareness and gender analysis skills (on a scale proportional to the organisational capacity of the signatory).
- Including gender analysis as part of all aid and development activities, at each stage of the programme or project cycle (for example, through adopting procedures and standardised tools).
- Engaging in active dialogue with partner organisations on the importance of gender equality and providing support to build gender awareness, skills in gender analysis and a commitment to gender equality. The capacity of a partner to integrate gender into their work may become criteria for initiating a new partnership engagement.

RESOURCES:

UN International Strategy for Disaster Reduction (UNISDR) on integrating gender issues into disaster reduction
Gender analysis tools - Status of women Canada

Principle **B.1.5 Non-development activity**

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. Where signatory organisations also undertake non development activities, these will be accurately represented to the people they work with, donors and the public.

B.1.5 Non-development activity

The intention of this principle is not to restrict the activities of Code signatory organisations or to judge their values. The intention is first to ensure that signatory organisations are accurately representing their activities to the people they work with, donors and the public.

Second, the intention is that funds raised for aid and development purposes are not used to exploit people and communities who are vulnerable and do not place any conditions or obligations on recipients in terms of non-development, religious or political outcomes that would affect their access to services being offered.

Applying this clause may be difficult in some situations and judgement will be necessary. The Guidance cannot provide a specific response for every circumstance. Organisations should apply the spirit and intent of this clause in the conduct of their development work.

If a signatory organisation finds that the Guidance does not provide them with a clear answer on how to comply in a particular circumstance, they should ensure that they document clearly the decisions they make and the reasons behind them so that both recipients and donors have some explanation about how programmes have been developed and will be delivered.

The definitions for this Principle (contained in Section F of the Code) are:

<i>other resources</i>	Include (but are not limited to) funds raised, gifts in kind, property, assets, staff and volunteers of signatory and partner organisations.
<i>supporting a particular party, candidate or organisation affiliated to a political party</i>	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.
<i>promoting a particular religious adherence</i>	Activities undertaken with the intention of converting individuals or groups from one faith and/or denominational affiliation to another.
<i>non-development activities</i>	Includes all activities that do not meet the following Code of Conduct definition for aid and development activities: Aid and development refers to 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.

- Obligation* 1. Signatory organisations will clearly distinguish – 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 activity contained in Section F (Definitions) of the Code.
- Obligation* 2. In the event that non-development activity is undertaken in conjunction with development activity, this will be clear in all fundraising, programmes and other activities, in public communication and in all reporting including annual reports.
- Obligation* 3. Any fundraising solicitations that include references to both aid and development and non-aid and development activities will provide donors with the choice of contributing to aid and development activities only.
- Obligation* 4. Signatory organisations will ensure that any such separation in fundraising, programmes and other activities, in public communication and in reporting, extends to partner and implementing organisations and is documented.

This Principle and Obligations are applicable to all signatory organisations and are **mandatory**. Compliance can be substantiated by a policy or guidelines.

If used by the signatory, fundraising material should contain the option for donors to indicate if they wished their donation to be used for aid and development activities only or if they wished it to be used for aid and development and for political purposes/promotion of a particular religious adherence. The following wording may be used:

EXAMPLE *Good practice: "if you wish your donation to be used for aid and development which incorporates religious activities please tick here. There is no tax deductibility for this donation".*

EXAMPLE *Good practice: "if you wish your donation to be used for aid and development only please tick here. Tax deductibility applies for this donation".*

The following are examples of situations that are not compliant with this Principle:

EXAMPLE *An organisation runs an appeal in New Zealand for its development work in Papua New Guinea. The funds are then transferred to a partner agency in Papua New Guinea that applies the funds to development activities that include components that seek to change the faith or denominational affiliation of the participants.*

EXAMPLE *An organisation runs an appeal in New Zealand for its development work in Indonesia. The funds are then used to fund a development worker in Indonesia. While implementing the programme, the development worker seeks to persuade the programme participants to support a particular candidate in the next election.*

Principle **B.1.6 Environmental sustainability**

The aid and development activity of signatory organisations will be informed by and implemented with an understanding of the environmental impact, if any, of their activities.

- Obligation
1. Signatory organisations will commit to conducting their aid and development activities in an environmentally sustainable manner that is consistent with traditional beliefs and practices and reflects local understandings of kaitiakitanga/stewardship in relation to the environment.

B.1.6 Environmental sustainability

The impact of climate change, biodiversity loss, desertification, waste, pollution and other types of environmental degradation on developing countries has the potential to reverse many of the development gains made in recent times. It poses challenges for how aid and development activities are undertaken. Signatory organisations often work in areas where long-term environmental impacts are considered secondary to the immediate security, economic or humanitarian need. Within these and other practical constraints, signatory organisations are conscious of the environment and local community's interaction with it, and will do what is possible to implement aid and development activity with a consideration of its impact on the environment.

This is particularly relevant to projects involving water and sanitation, development of fisheries, agriculture and forestry activities (but will apply to many other projects). It means taking an integrated approach, e.g. the inclusion of environmental markers or indicators in project checklists or more comprehensive analysis of environmental impacts.

This is a **progressive** Obligation which permits a signatory organisation to prioritise working towards meeting requirements by developing and monitoring the implementation of a plan to achieve compliance over a defined period of time.

This Obligation can be substantiated through any of the following means, appropriate to the size and nature of the organisation:

- commitment to this Code (suitable for small organisations);
- policy or guidelines which detail how the signatory enacts commitment to this Principle that may include environmental indicators in project monitoring and evaluation; and
- implementation of basic or medium level Environmental Assessments in environmentally sensitive locations or sectors.

EXAMPLE ***Good Practice:** organisation Y is involved in a Water and Sanitation project in Thailand. The location of the toilets has been considered in relation to the cleanliness of the water supply. Villagers have been provided with water quality monitoring kits to determine the effect of the sanitation project on the groundwater and the local river.*

EXAMPLE ***Bad Practice:** organisation X is developing a fisheries project which will bring significant income to some coastal communities in India. No consideration has been given to the effect of the introduction of exotic species on fish local to the area*

RESOURCES:

NGO-IDEAs impact toolbox participatory monitoring of outcome and impact
 Applying strategic environmental assessment: good practice guidance for development co-operation
 CARE toolkit for integrating climate change adaption into development projects
 UNDP Practitioners Guide: capacity development for environmental sustainability

Section B.2 Relationships with partners

Partners are individuals, groups of people or organisations that collaborate with signatory organisations to achieve mutually agreed objectives in aid and development activities. This may include affiliates. Signatory organisations' commitment to Te Tiriti o Waitangi runs throughout the Code as a living example of respect for equality in partnership, both in Aotearoa New Zealand and overseas.

B.2 Relationships with partners

One of the critical features of New Zealand NGO work is that most organisations do not implement programmes directly. Reflecting a commitment to building local capacity and self-reliance, most signatory organisations (but not all) choose to work through local implementing organisations. For this process to work effectively, a high value is generally placed on developing quality relationships with implementing partners.

Relevance of the Treaty of Waitangi

Signatory organisations' commitment to Te Tiriti o Waitangi runs throughout the Code as a living example of respect for equality in partnership both in Aotearoa New Zealand and overseas.

The concept of partnership is reflected in Te Tiriti o Waitangi. In development work, donor countries often risk becoming the dominant partner in the relationship. This can disengage local communities and compromise the effectiveness of development projects.² To avoid this, the principle of partnership must be structured into the organisational mission and purpose, promoting mutual learning, respect and accountability between actors.

The Treaty and the lessons learned from its associated colonial history demands respect for and recognition of indigenous rights with regards to the following:

- Indigenous sovereignty and equal legislative rights;
- traditional practices for engagement;
- non-private and non-individual forms of land tenure;
- legitimacy and preservation of languages and culture; and
- integrated world views that encompass economic, environmental, social and spiritual dimensions.³

Te Tiriti o Waitangi articulates such citizenship rights in a way that personally resounds with New Zealand development practitioners, demonstrating the Treaty's relevance to a CID Code of Conduct.⁴

A commitment to Te Tiriti o Waitangi through an approach of 'responsibility as accountability' is a part of the CID Code of Conduct. Responsibility encourages signatories to engage with how well their organisation is respecting the traditions, language, beliefs and culture of their development partners so they can gauge how they could improve their existing relationships in this respect.

"Good relationships evolve over time, based upon trust, mutual learning, accountability and acceptance of difference. The purpose of good relationships is to build the capacity of implementing partners and increase the process of self-reliance and/or local ownership"(CID NGO Effectiveness Framework, 2004).

2. BCSC, 'Exploring Mutual Accountability: Outcome.'

3. Betsan Martin Ph.D., Response Trust, 2012.

4. Pirnia, 'New Zealand Principles of Development Effectiveness'.

Principle B.2.1 Mutual respect and support

The relationship between signatory organisations and their programme partners will be characterised by manaakitanga, meaning placing value on respectful partnerships and achieving cross-cultural understanding while working and learning together.

- Obligation*
1. The relationship between a signatory organisation and its programme partners will be based on honest and transparent communication and on two-way learning, which leads to continuous improvement in the development practices of both.
- Obligation*
2. Signatory organisations will demonstrate a willingness to invest in their partner organisations to enable partners to:
 - a. Be more effective in fulfilling their own development objectives and priorities; and
 - b. Enhance their ability to help the signatory organisation meet its obligations under this Code in the areas of accountability to primary stakeholders, child protection, gender equity and control of funds and resources.

B.2.1 Mutual respect and support

The Code requires a signatory organisation working with partner organisations to invest in building their capacity and to have an approach of learning and transparent communication so that their relationship and aid and development outcomes can be continuously improved. Areas for signatory organisations to prioritise include Code requirements regarding Accountability to primary stakeholders (B.1.1), Child protection, (B.3.4), and Addressing gender (B.1.4).

The notion of investment implies an allocation of resources in the short term which will be repaid over the longer term. For this to occur, method/s of communication which takes into account power imbalances, language and cultural barriers and accessibility of information will need to be considered and addressed.

Staff in signatory organisations and their partners will need the personal and interpersonal skills, attitudes and behaviours to really listen to others and be open to feedback. This may be a focus for signatory training and development activities (D.5.3).

- These are **progressive** Obligations which permit signatory organisations to prioritise working towards meeting requirements by developing and monitoring the implementation of a plan to achieve compliance over a defined period of time.
- Signatory organisations can substantiate their compliance with these Obligations on the CSA by reference to partnership agreements, training policies, skills transfers, organisational development and capacity building activities, communication protocols, two way learning activities and evidence that partners are listened to and supported.

EXAMPLE *Good practice* involves providing a safe environment for frank and open dialogue about values and ideals; providing time for discussion, questioning and clarifications; providing organisational documents to back up what has been said about values and priorities; giving time and space for informal communications and regular reports; accepting difference and incorporating partner feedback into organisational processes.

EXAMPLE *Poor practice* is exemplified by behaviours such as coercing the partner into arrangements to satisfy donors; adopting a rigid process that leaves no room for adjustments; blindly accepting differences without a process of deliberation; insisting that plans must be carried out 'how things are done in New Zealand because it is the 'right way'; and/or providing pro-forma partnership agreements with no opportunity for partners to modify.

RESOURCES:

Guidelines on Partnerships with Southern CSOs: A Dochas resource 2013
 INTRAC evaluation of NGO partnerships
 NGO partnerships in the water sector

Principle **B.2.2 Clarity in roles and responsibilities**

In work undertaken with partner organisations, signatory organisations will ensure mutual clarity and agreement about the objectives of the partnership and the respective roles, responsibilities and mutual accountability mechanisms.

Obligation **1.** Signatory organisations will work towards having a written agreement with each of their partners which sets out the agreed objectives of the collaborative aid and development activity and the roles, responsibilities and obligations of each party.

Obligation **2.** In their communications with stakeholders, signatory organisations will reference the role of their partners in delivering aid and development activities.

B.2.2 Clarity in roles and responsibilities

Signatory organisations are expected, at a minimum, to document their partner agreements and to work toward having written agreements with their partners. This ensures that organisations (rather than individuals) have mutually committed to the partnership agreement and provides objective accountability criteria to which all parties can refer. Being given the opportunity to negotiate and sign agreements is an acknowledgement that organisations are autonomous. Agreements ensure that organisations clearly spell out what they can expect from one another and could also cover grievance processes and an annual review of the partnership.

These agreements do not need to be overly bureaucratic and may take whatever form both parties feel will address their needs. They will reflect the size and risk of the aid and development activity, and range from basic (exchange of letters) to more sophisticated documents (Memorandum of Understandings strategic partnership documents). Ideally, the agreement will be co-created between the partner and the signatory organisation.

Signatory organisations should reference the role of their partners in their communications with stakeholders. This may range from acknowledging that the signatory is not implementing the project but is using local partners, to referencing the full name of the partner.

These are **progressive** Obligations which permit signatory organisations to prioritise working towards meeting requirements by developing and monitoring the implementation of a plan to achieve compliance over a defined period of time.

EXAMPLE *MediumAid delivers its water purification aid in Malawi through one coordinating agency and a series of regional delivery agencies. The partnership with the Coordinating Agency (NGO Malawi Inc.) is governed by written contract and meets the standards of this Code.*

The arrangements with the regional delivery agencies are less formal with three considered to be partially compliant (an oral agreement with agreed documented standards of delivery) and two non-compliant (only oral agreement and undocumented training provided). From next year, a local literacy training programme is being provided to the regional delivery agencies which will enable implementation of documented procedures and a written agreement. This is expected to take 2-3 years to have effect.

RESOURCES:

The Partnering Toolkit - Red Cross

Principle B.2.3 Control of funds and resources

Signatory organisations will make every reasonable effort to ensure that funds or resources disbursed to partners or third parties are applied lawfully, in accordance with the promise to the donor, for a proper purpose and with proper controls and risk management in place. (New Zealand Government legislative requirement).

- Obligation**
1. A signatory organisation will only disburse donated funds or resources to a third party (including affiliates or partner agencies) for aid and development activities where it is satisfied that:
 - a. The activity is consistent with the explicit or implicit promise to the donor;
 - b. the activity is consistent with the signatory organisations' strategy, objects, purpose and values;
 - c. the third party has the capacity to apply the funds or resources in accordance with the promise to the donor, with this Code, with the signatory organisations' strategy, objects and purpose and with the specific instructions of the signatory organisation;
 - d. the funds or resources will be disbursed in accordance with relevant laws including taxation, counter terrorism financing and anti-money laundering legislation; and
 - e. appropriate control and risk management mechanisms are in place to mitigate the risk of misappropriation or improper use of the funds or resources once disbursed.

B.2.3 Control of funds and resources

While the focus of this principle is on control of funds and resources, signatory organisations should be acutely aware that there are longer term risks to their own and the sector's reputation – and ultimately to development outcomes.

The guidance below recognises the great diversity in the arrangements that apply between New Zealand signatory organisations and their affiliates, partner and implementing agencies. Signatory organisations are best placed to understand and undertake a risk assessment to determine how exposed they are to becoming involved in financing terrorist organisations.

The Terrorism Suppression Act 2002, Section 243 of the Crimes Act 1961, and the Charter of the United Nations Act (1945) prohibit the provision of financial support to terrorist organisations or individuals and require signatory organisations to undertake a risk assessment on their activities and to take every 'reasonable effort' to avoid unwittingly being a party to wrongdoing. These prescribe that individuals or organisations may face criminal penalties if they provide financial support to a terrorist individual, organisation or act.

This Principle and Obligations are applicable to all signatory organisations and are **mandatory**.

Consistency with donor promise

Signatory organisations should have the capacity to track donor funds that have been raised for particular purposes (see also Principle C.3.6) and be able to demonstrate that they have been applied to the promised purposes. Aid and development engagement can continue for long periods, outlasting project and programme timeframes. This engagement can and should adapt and evolve over time reflecting changing needs and emerging good practice. Meeting this obligation requires careful attention to making realistic fundraising promises (see also Principle C.3.2) as well as to tracking funds and resources.

Consistency with Objects, Purpose and Strategy

An important element to a signatory organisation's reputation is the consistency of its aid and development activity with its purpose. A particular risk is that a signatory organisation may be exploited as a conduit for third parties to 'channel' funds in order to obtain a tax deduction.

Signatory organisations should not let funds be 'channelled' through their organisation to give a third party a tax deduction unless the third party's intentions are consistent with the organisation's purpose and objectives, it is satisfied that all of the relevant obligations of this Code have been met and that it complies with relevant New Zealand legislation.

EXAMPLE

A third party approaches a signatory organisation with a proposal that the third party will donate a sum to the organisation to be used to support a specific programme administered by Local Agency X in country Y. The third party agrees that an appropriate portion of the donation may be used to cover the organisation's administrative costs. The organisation has no connection with and has never worked with Local Agency X.

Good practice: the signatory organisation should advise the third party that it will only be able to accept the donation and transfer funds to Local Agency X once it has conducted appropriate due diligence on Local Agency X and it has approved the specific programme. There will be consideration strategic fit of the programme with the objects and purpose of the organisation, compliance with CID Code standards, and the ability to exercise the appropriate level of control and monitoring of the programme.

Poor practice: an organisation which has an object and purpose to improve access to housing in rural communities in Country A accepts funding from a donor which it is required to direct to an immunisation programme in Country B. Transferring funds to the immunisation programme will not assist the organisation to achieve its object and purpose of improved access to housing.

For programmes that are implemented through a shared management arrangement with other international partners, alliances or affiliates ('global programmes'), as opposed to a direct relationship between the signatory organisation and an implementing partner, the organisation should ideally have assessed the proposed use of funds being consistent with both the partner organisation and its own strategic plan.

Capacity of third parties

To meet the intent of this Principle, signatory organisations should be able to demonstrate that they have conducted appropriate due diligence on any third party to whom they have disbursed funds or resources for aid and development work.

This due diligence should be appropriate to the scale of the funds or resources involved and to the risk. At a minimum, it should include checking:

- that the third party is appropriately registered;
- the type of programme or work the third party conducts;
- its ability to comply with relevant laws;
- the track record of the third party; and
- the third party's standing in the Sector.

The signatory organisation should be satisfied that it will be able to establish and maintain a relationship with the third party organisation that is consistent with the values of both this Code and the organisation itself.

Compliance with relevant laws

For most signatory organisations, the relevant New Zealand laws require that funds raised for charitable purposes must remain under the control of the organisation until they are disbursed or used for that charitable purpose. This is entirely consistent with the intent of this Code.

The important point is that the New Zealand NGO is not absolved, either under this Code or the law, of its responsibility by passing the funds or resources to a third party for implementation.

In order to be satisfied that the third party will apply the funds or resources in compliance with the relevant legal obligations, signatory organisations should ensure that this requirement is incorporated expressly in contracts, written agreements or procedures.

As a minimum, this expression should include reference to:

- the appropriate principles of this Code;
- the specific New Zealand law that is known to apply; and
- a general provision to other relevant law in both New Zealand and other jurisdictions.

Signatory organisations should seek assurance that the third party organisations have adequate regulatory and legal compliance knowledge and systems – appropriate to their circumstances

Signatory organisations must particularly ensure that they do not inadvertently or otherwise have any form of relationship with the organisations and persons on the Department of Foreign Affairs list of 'proscribed organisations' and the 'consolidated list' on the Department of Foreign Affairs and Trade website.

Controls and risk management

An initial risk assessment should dictate the appropriate (or proportionate) level of control and risk management required. A signatory organisation may consider matters such as:

- the amounts of funding or resources involved;
- the particular circumstances of the development activity (e.g. geographical location, and the legal, political, social and economic context);
- the extent to which the development activity is innovative or proven;
- use of formal or registered financial channels for transferring funds; and
- maintenance of full programme budgets.

As a matter of good practice, all application of funds or resources to third parties by signatory organisations should be covered by a contract and/or written agreement. While these documents should allow for long term engagement and the ability to adapt and evolve, they should nonetheless strive to be as practically specific as possible.

Contracts should have specific clauses detailing the proposed use of funds and budgets and include provisions dealing with:

- how much funding or resources will be provided (and whether in tranches);
- the timing and method of disbursements;
- application of interest and/or exchange rate movements;
- reimbursement if funds or resources are applied other than to the agreed activity; and
- return of surplus funds.

Where appropriate, provisions relating to the governance of programmes should be included in contractual arrangements. This may include provisions that specifically document roles and responsibilities of the signatory organisation and the third parties involved in the relevant activity including international partners, alliances or affiliates.

As discussed earlier, contractual arrangements should include the requirement to comply with the relevant law and some assurance from the third party as to their capacity to meet the obligations of this Code.

Monitoring and evaluation

The signatory organisation should be able to demonstrate that it can monitor and evaluate the third party's progress with the agreed development activity. This may include financial reports, progress reports, and/or evaluation reports.

Influence over the activity

The signatory organisation should also be able to demonstrate that it has the ability to influence the development activity through participation in its strategic direction or programme design, through approvals of plans or budgets and through evaluation and review.

Ability to withdraw

The signatory organisation should have the ability to withdraw funding or initiate corrective action where an agreed development activity is no longer performing satisfactorily or meeting the agreed objectives.

Governance

The risk management framework should include reference to the governance arrangements to be applied and should ensure that those arrangements clearly set out the roles and responsibilities of the parties (including affiliates, partners and the signatory organisation).

RESOURCES:

New Zealand list of designated terrorist entities

Section B.3 Human rights

B.3 Human rights

The intrinsic relationship between human development and recognising, protecting and promoting the human rights of people is one of the key values of the Code. Gender equality is a human right and has been identified as key to good development practice. Other human rights include the right to equality and freedom from discrimination generally, health, education, food, water, housing and freedom from torture.

Signatory organisations work with the understanding that the realisation of human rights is fully consistent with the achievement of aid and development and conversely, the denial of rights, especially to vulnerable groups including women, children, people with disabilities and ethnic minorities, is an active block to their development. Development programming and advocacy are enhanced when their implementation is organised around human rights principles. In particular, vulnerable groups should be actively included in this work.

The Code recognises that development toward meeting some of the Obligations below will be **progressively** achieved over time – although some signatory organisations will have already incorporated all these Principles into their aid and development activity.

The key compliance issue is that signatory organisations prioritise working towards adoption of these practices and have a plan to phase in their introduction. This can be gradually implemented and monitored by the governing authority or via the compliance self-assessment process.

Signatory organisations should note that the Child Protection Principle (B.3.4) and Obligation 1 is applicable to all organisations and is **mandatory**. There is flexibility with respect to Obligations 2 and 3 of B.3.4.

B.3.1 Human rights in aid and development

Signatory organisations will provide an appropriate commitment to human rights principles within their organisation and will ensure that their aid and development activities are consistent with human rights principles. This can be substantiated through governance policies and practices; conducting specific human rights activities, including human rights in human resources and learning mechanisms, programming, communications, and marketing.

These are **progressive** Obligations which permit signatory organisations to prioritise working towards meeting requirements by developing and monitoring the implementation of a plan to achieve compliance over a defined period of time.

RESOURCES:

List of Human Rights Declarations and Conventions - United Nations
HRBA Checklist of Questions

Principle B.3.1 Human rights in aid and development

Signatory organisations' aid and development activity will be informed by and implemented with an understanding of the human rights dimensions of the activity.

Obligation 1. Signatory organisations will ensure that they provide a commitment to internationally recognised human rights principles within their organisation.

Obligation 2. Signatory organisations will ensure that their aid and development activities are consistent with respecting and protecting internationally recognised human rights including civil and political, economic, environmental, social and cultural rights.

Principle

B.3.2 Rights of vulnerable and marginalised people

Signatory organisations are committed to including and addressing the needs and rights of vulnerable and marginalised people and their representatives in all aspects of their aid and development activities. These groups may include women, children, people with a disability, Indigenous Peoples, minorities, refugees and displaced people, HIV positive people and those most at risk of HIV.

Obligation

1. Signatory organisations will ensure that they respect and protect the human rights of people from vulnerable and marginalised groups and an appropriate focus is given to promoting these in their aid and development activities.

B.3.2 Rights of vulnerable and marginalised people

The rights of vulnerable and marginalised groups are required to be addressed in signatory aid and development activity, with specific mention made of children and people with a disability.

These are **progressive** Obligations which permit signatory organisations to prioritise working towards meeting requirements by developing and monitoring the implementation of a plan to achieve compliance over a defined period of time.

Ways that signatory organisations can demonstrate compliance on the CSA include:

- providing rights of vulnerable and marginalised people training to all staff at induction and on a regular basis, attending CID training, or organising in-house training for larger organisation;
- including a focus on the rights of vulnerable and marginalised people in programming checklists, agreements with partners, planning and monitoring and evaluation tools;
- reporting on achievement of this Principle via reports to the governing body, including reporting on this dimension in the Annual Report.

RESOURCES:

Beyond the basic needs: Programming for marginalised and vulnerable groups (ODI)

Principle B.3.3 Working with people with a disability

Signatory organisations are committed to including and addressing the rights of people with disabilities and their representatives in their aid and development activity.

- Obligation*
1. Signatory organisations will ensure that an appropriate focus is given to understanding the rights of people with a disability and addressing these in their aid and development activities.

B.3.3 Working with people with a disability

The rights of people with a disability to be included in aid and development activity is a requirement of the Convention of Rights of People with Disabilities (CRPD) and was reaffirmed in the Asia Pacific-specific Biwako Framework for action toward an inclusive, barrier free, rights based society for persons with disabilities in the Asia Pacific region.

This is a **progressive** Obligation which permits signatory organisations to prioritise working towards meeting requirements by developing and monitoring the implementation of a plan to achieve compliance over a defined period of time.

Signatory organisations can use the following approaches to guide their aid and development work:

- promote and enable active participation and contributions by people with disability through the whole project cycle;
- recognise and respect people with disabilities, recognising that they have the same rights as others;
- recognise that the lived experiences and perspectives of people with disabilities are diverse and a better understanding of these will contribute to effective approaches, which will differ in different contexts;
- take into account the interaction of gender and disability which means that discrimination, access, inequality, etc. may be different between men and women, girls and boys, family members and carers;
- focus on children with disability, especially in terms of their access to education;
- support partnerships with disabled people's organisations and other groups;
- use a strengths-based approach, focusing on people and organisational abilities, strengths and priorities and their efforts to achieve self-reliance.

RESOURCES:

Mainstreaming Disability in development cooperation

How to include the perspectives of persons with disabilities in the project cycle

Including the rights of persons with disabilities in UN programming at country level

Cross Reference to D.5.4

Principle

B.3.4 Protection of children

Signatory organisations are committed to the safety and best interests of all children accessing their services and programmes or involved in campaigns, voluntary support, fundraising, work experience or employment, and in particular, to working towards the elimination of abuse.

Obligation

- 1.** Appropriate to their circumstances and the extent of their contact with children, signatory organisations will have a documented Child Protection Policy and procedures for dealing with children which are regularly reviewed. The Policy will be appropriate to the risk and address:
 - a.** Development programme planning and implementation;
 - b.** use of images and personal information for fundraising and promotion purposes;
 - c.** personnel recruitment including staff, volunteers, consultants and suppliers – in both New Zealand and overseas;
 - d.** all applicable legal obligations including mandatory police checks where available and appropriate for all personnel who have regular contact with children;
 - e.** behaviour protocols or codes;
 - f.** education and training of personnel and communication of the policy to all stakeholders; and
 - g.** reporting procedures.
- 2.** Signatory organisations that work with children will seek ways to incorporate the voices of children in shaping the development programmes that affect them.
- 3.** Signatory organisations that work with children will ensure that their complaints handling processes are child friendly.

B.3.4 Protection of children

Even if their work is not directly aimed at benefiting children, the work of signatory organisations in both New Zealand and overseas can impact directly and indirectly on the lives of children. It is a stakeholder expectation and implicit in the requirements of the Declaration on the Rights of the Child that signatory organisations will have taken all necessary measures to ensure the protection, safety and well-being of children.

This Principle and Obligation 1 is applicable to all signatory organisations. Compliance with Obligations 2, 3 are applicable only to organisations that work with children and may be progressively achieved.

RESOURCES:

Child friendly version of the Rights of the Child - UNICEF

The Minimum Standards for Child Protection in Humanitarian Action Handbook

Section **B.4 Advocacy**

This Section only applies to those signatory organisations that undertake advocacy work and is in addition to the Principles in Section B1, which form the basis of activities in this area.

Advocacy consists of activities undertaken to change the systemic and structural causes of poverty and disadvantage, which may include popular campaigning, lobbying, research, policy positions, alliances and use of the media. It may occur both in New Zealand and globally.

B.4 Advocacy

This principle only applies to those signatory organisations that undertake advocacy and is in addition to those Principles outlined in Section B.1, which form the basis of activities in this area.

Advocacy takes many forms and consists of activities undertaken to change the systemic and structural causes of poverty and disadvantage. This may include popular campaigning, lobbying, research, policy positions, alliances and use of the media. It can take the form of community-level action, research, private policy discussions, public campaigns and education. It seeks to change public attitudes and motivate their own action, and to influence the policy and practice of governments, companies and others. It is most effective when local, national and international levels of advocacy are pursued with common objectives.

It may occur both in New Zealand and globally and include working with stakeholders on a large, multi-partner campaign.

Advocacy has become an important and integral component of effective international aid and development. Much aid and development activity is designed to include combinations of specific projects, longer-term programmatic engagement and targeted advocacy.

Human rights and the dignity of the person are the unifying principles drawing together these different levels of advocacy. Similarly, advocacy for the protection of the most vulnerable and the implementation of international humanitarian law is integral to humanitarian response.

Principle

B.4.1 Speaking from evidence

Where a signatory organisation takes on an advocacy role in New Zealand or globally, either alone or in partnership with others, this will be done from an evidence based position and will include the perspectives of those affected.

Obligation

1. Signatory organisations will be transparent about the basis of the claims that underpin their advocacy.

Obligation

2. Signatory organisations will disclose any conflicts of interest.

Obligation

3. Signatory organisations will only claim to be representative when that authority has been clearly established.

Obligation

4. Signatory organisations will take all reasonable steps to protect the safety and rights of affected local people during or following an advocacy campaign.

Obligation

5. Signatory organisations will aim to empower those most affected by the issue in local communities to advocate for themselves.

Obligation

6. Signatory organisations will seek to work with organisations representing people most affected by the issue, where possible and appropriate.

B.4.1 Speaking from evidence

Non-government organisations have become increasingly involved and influential in forming public opinion and policy through advocacy. Yet this power has also raised questions about the basis of this engagement, the representativeness of their claims and the evidence that underpins them.

These are **progressive** Obligations which permit signatory organisations to prioritise working towards meeting requirements by developing and monitoring the implementation of a plan to achieve compliance over a defined period of time.

Signatory organisations can substantiate compliance with this Principle by:

- ensuring that they, or the organisations they are advocating in collaboration with, are using reputable and reliable sources of information to guide their advocacy work and having these 'to hand' should their statements be questioned by any stakeholders;
- noting conflicts of interest on the website or in advocacy materials;
- being clear or having guidelines about what will not be disclosed if questioned (see C.1) and why (protection of local people etc.);
- if speaking as a representative of a person or group, obtaining permission to speak on their behalf prior to 'going public' and a clear understanding obtained and records maintained on the scope of that authority;
- working to empower local men and women, and those from marginalised and vulnerable groups, and those with a disability, to speak on their own behalf, and invest in them to assist this process to occur. This may involve provision of training, arranging speaking opportunities or providing support as requested;
- working with organisations representing those most affected by the issue where possible to assist in their advocacy work e.g. disabled peoples' organisations.

Section B.5 Emergency management

This principle only applies to those signatory organisations that undertake emergency management activities and is in addition to those Principles outlined in Section B1, which form the basis of activities in this area.

Emergency management involves plans, structures and arrangements established to engage the normal endeavours of government, voluntary and private agencies in a comprehensive and coordinated way to respond to the whole spectrum of humanitarian needs in relation to humanitarian emergencies. This includes preparedness, mitigation, response, rehabilitation, reconstruction, development and prevention activities.

B.5 Emergency Management

This Section and its Principles only apply to those signatory organisations that undertake emergency management activities and is in addition to those Principles outlined in Section B.1, which form the basis of activities in this area.

If Section B.5 is applicable to a signatory organisation, the Principles and Obligations are **mandatory**.

Emergency management involves plans, structures and arrangements established to engage the normal endeavours of government, voluntary and private agencies and other relevant stakeholders in humanitarian response such as UN agencies, the International Committee of the Red Cross (ICRC), multilateral and bilateral donors and beneficiary communities in a comprehensive and coordinated way to respond to the whole spectrum of emergency needs over time. This includes preparedness, mitigation, response, rehabilitation, reconstruction, development and prevention activities.

Many signatory organisations have multiple mandates and will conduct work across both longer-term development and emergency management. It is expected that signatory organisations which are engaged in emergency management will use best endeavours to adhere to the international standards operating in this area.

Co-ordination with other actors (organisation, government department or individual with a role or influence) is critical to effective humanitarian response and is reiterated in key international statements on aid effectiveness such as the Paris Declaration, the Accra Agenda for Action and the Busan Outcome Statement.

B.5.1 International standards

If the signatory organisation undertakes humanitarian response activities, this Principle and Obligations are applicable.

In recognition of the fact that protection is a collective humanitarian responsibility signatory organisations undertaking emergency management are also expected to uphold international humanitarian protection principles and standards.

Principle B.5.1 International standards

Signatory organisations commit to providing humanitarian assistance in times of disaster, armed conflict, internal displacement and protracted crisis according to internationally agreed standards and principles of ethical practice.

- Obligation* 1. Signatory organisations will incorporate the principles of the Code of Conduct for the International Red Cross and Red Crescent Movement and NGOs in Disaster Relief into their work.
- Obligation* 2. Signatory organisations will adhere to the Sphere Humanitarian Charter and, and Companion Documents such as the Livestock Emergency Guidelines and Standards (LEGS), and Minimum Standards in Disaster Response.
- Obligation* 3. If involved in the distribution of pharmaceuticals and other donations in kind, signatory organisations will strive to reflect the principles embodied in guidelines covering drug donations to developing countries.
- Obligation* 4. Signatory organisations will comply with International Humanitarian law, Human Rights law and Refugee law and other relevant International Conventions.
- Obligation* 5. Signatory organisations will consider the principles of the WHO's IASC (Inter-Agency Standing Committee) Guidelines on Mental Health and Psychosocial Support in Emergency Settings.

Signatory organisations can substantiate their compliance with the Obligations to these Principles by the following:

- i. holding formal signatory status to relevant standards;
- ii. using internal monitoring systems to assess compliance with these Standards;
- iii. informing key stakeholders of the international standards to which the signatory is committed (e.g. via website, partner agreements, donor requests, reports, personnel induction and training);
- iv. including working with other actors in humanitarian relief project briefs and training staff accordingly.
- v. Demonstrating that they have used best endeavours to adhere to the Guidelines on donations if signatory organisations are providing pharmaceuticals or other forms of material relief. These include but are not limited to:
 - being based on the express wishes of the recipient and not distributed without prior consent.
 - making sure donated drugs are on the list of essential drugs of the recipient country, or if no such list is available, the WHO Model List of Essential Drugs;
 - making sure donated drugs comply with the quality standards of the recipient country and be authorised for use in that country;
 - ensuring all donated drugs have a shelf-life of at least 12 months upon arrival in the recipient country.

Note: Signatory organisations that are engaged in significant emergency management activities are encouraged to become certified members of Humanitarian Accountability Partnership (HAP). Many aspects of this Code are compliant with the HAP standards and signatory organisations may not be required to undertake a significant amount of work to comply. HAP has a certification system.

RESOURCES:

Red Cross Code of Conduct
Sphere standards - The Sphere Project

Principle **B.5.2 Coordination with other actors**

Signatory organisations will coordinate their activities and work collaboratively with other actors throughout the emergency management cycle of providing humanitarian relief.

Obligation 1. Signatory organisations will aim to be active participants in existing communication and planning networks and clusters.

Obligation 2. Signatory organisations will utilise the information gained from participation in networks to improve their disaster response.

B.5.2 Coordination with other actors

Coordinating emergency management activities with relevant stakeholders who have a role/influence in the response is crucial to the provision of effective relief.

This could take a variety of forms, for example, coordinating with local authorities, engagement in the UNOCHA cluster system or coordination with agencies undertaking similar assistance delivery.

The requirement to work collaboratively with other actors has been a cornerstone of many international statements including the Paris Declaration, the Accra Agenda for Action and the Outcome Statement from Busan.

If this section is applicable to signatory organisations, this Principle and Obligations are applicable and **mandatory**.

Signatory organisations can substantiate their compliance with this Principle by:

- including this requirement in field manuals and engagement guidelines;
- requiring field staff to report on networking events attended and lessons learnt.

RESOURCES:

Safety with dignity

Accountability

C. PUBLIC ENGAGEMENT

Section

C.1 Integrity in marketing and reporting

Principle

C.1.1 Transparency

Signatory organisations are committed to accurate and transparent communication with their stakeholders.

Obligation

1. Signatory organisations will proactively make information available to stakeholders which is accurate, accessible and timely.

Obligation

2. Signatories will be clear about what information they will and will not provide to stakeholders.

Principle

C.1.2 Reflecting values

Marketing materials will reflect signatory organisations' missions and values and the values of this Code.

Obligation

1. Signatory organisations will ensure their marketing materials clearly reflect their organisational values and the values of this code.

C. PUBLIC ENGAGEMENT

Critical to the success of aid and development organisations is the quality of their engagement and level of support from the public. Fundraising and reporting are frequently done together and so this Accountability includes Principles that cover transparency and integrity in communication, fundraising and reporting to stakeholders.

C.1 Integrity in marketing and reporting

C.1.1 Transparency

Transparency is a key part of accountability. Without information on what activities the signatory organisations is undertaking, how well the organisation is performing or what their financial situation is, it is difficult for stakeholders to engage with the organisation or to hold it to account.

Signatory organisations should provide information to stakeholders which can be readily accessed by them and which is accurate and up to date. For local people, basic information which could be provided includes background information on the NGO, details of the specific programme and any contact information. For donors it will include newsletters, reports, and a well-maintained web site.

Good practice is to develop a 'transparency policy' which clearly states what information will not be made public, with a default towards disclosure. Information which may not be provided may include staff issues, contractual information and correspondence.

C.1.2 Reflecting values

The intent of this Principle is to ensure that donors and supporters are clear about what signatory organisations stand for and that there is alignment between the values of the signatory organisations, the values of the Code and how their work is portrayed.

Implementation involves ensuring that the signatory organisations' values and those of the Code are appropriately embedded into the various forms of communication used. This will involve ensuring that the agreed values are documented, all staff and volunteers responsible for communication are aware of them and how they translate into choosing appropriate communication and marketing material, and that there is some process of monitoring to ensure that they are consistently applied.

For a small signatory organisation with a handful of people responsible for centrally prepared and controlled communication processes, implementation will be straightforward. A statement of values (perhaps already in the governing instrument) and authority for monitoring and control will be sufficient.

For larger signatory organisations, sufficient implementation will require, as appropriate to their scale and sophistication, more robust systems and processes for awareness, operationalising and monitoring.

An agreed 'design guidelines' approved by the governing body would assist signatory organisations to have a uniform approach as to how their values affects their choice of communication material. This is recommended but is not obligatory.

Example - Good practice: MediumAid has brand and style guidelines which include a straightforward depiction of what photographs are appropriate for MediumAid communication materials and what are not. These include ensuring photos which depict interaction with children are appropriate (do not involve physical touching); show people achieving results; have a preference for colour photography and tell a story, rather than using beautiful portraits.

RESOURCES:

CCIC document Focus on Ethics: Addressing tensions in choosing fundraising images

Creating a basic style guide: six top tips

Principle C.1.3 Portrayal of local people

Signatory organisations will ensure that the use of images and messages portraying women and men, boys and girls in their communications respects the dignity, values, history, religion and culture of the people portrayed.

- Obligation**
1. Images and messages of women and men, boys and girls will present them in a dignified, respectful manner, portraying them as equal partners in the development process.
- Obligation**
2. Images and messages will honestly portray the diversity of local people including age, disability and other marginalised groups.
- Obligation**
3. Images and messages will honestly convey the context and complexity of the situations in which local people live.

C.1.3 Portrayal of local people

Key to the values of signatory organisations and to the long-term effectiveness of aid and development action is the need to develop and maintain supportive, respectful and effective relationships with the most important stakeholders for this sector - the local communities.

The Code Preamble introduces the values that guide these Principles and these are manifest in the images and messages that signatory organisations use to inform (media/education), sell (marketing and fundraising); convince (advocacy/policy) and account for (report).

These images and messages can be enormously powerful in influencing the public's perceptions and attitudes and can have a cumulative effect over time. Accurately representing the distress caused by poverty while upholding the values of this Code can be challenging and requires the involvement and approval of the highest levels within the signatory organisations.

It is recognised that applying this clause will be difficult and requires ethical judgement. Signatory organisations should apply the spirit and intent of this clause in the conduct of their public engagement work.

Signatory organisations should avoid messages or images which portray women and men, boys and girls as pitiful rather than as participants in activities which reflect their daily lives.

- Obligation* **4.** Key figures in images will be informed of what the image is being used for and if possible, their permission obtained.
- Obligation* **5.** Origins of any images used will be known and any necessary permissions, including copyright releases, be held.
- Obligation* **6.** Care will be taken to ensure that the identification of or use of images of local people will not endanger the people they portray.

Signatory organisations can substantiate compliance with this Principle by ensuring that the Code Obligations are used as a benchmark/checklist to guide staff responsible for marketing and communication activity.

EXAMPLE ***Good practice:** Women and men, boys and girls are portrayed as equal partners in development not passive recipients. Their voices are often used in messages and the context of their lives (country, home, and livelihood) is portrayed. People with a disability and those from marginalised and vulnerable groups are included if this is relevant to the project being described. The development issues portrayed are complex but the message is conveyed that change is possible with donor support.*

EXAMPLE ***Non-compliance:** Images are cropped to show faces of starving children from an unspecified country seeking donor support to feed them. They are portrayed as objects of pity and the message conveyed that the donor is required to save them from death. The image fuels the stereotype of starving developing countries and does not indicate a partnership approach to development, fuelling a sense of 'northern superiority'.*

Cross reference to C.1.2; C.3.2

RESOURCES:

Dochas: Code of Conduct on Images and Messages

CCIC document Focus on Ethics: Addressing Tensions in Choosing Fundraising Images.

International Labour Organization: Media Guidelines for the Portrayal of Disability

Section C.2 Annual reporting

C.2 Annual Reporting

Signatory organisations understand that the provision of open and accurate information concerning an organisation's purpose and activities is key to effective public accountability. Signatory organisations are committed to honesty and transparency in reporting to stakeholders, acknowledging successes and failures and sharing the learning from their experience.

The Annual Report is a key tool for transparency as it represents in a consolidated fashion the work that the signatory organisation has been undertaking and how it has spent its money.

Increasingly, Annual Reports are being used to strengthen learning and build trust with stakeholders by engaging them in an honest assessment of how the organisation is performing. The requirements for what organisations must report on are explained in the Obligations to this Principle.

Principle C.2.1 Transparency

Signatory organisations will use their annual report as a key part of their accountability to all stakeholders.

- Obligation** 1. A written annual report will be produced and be made available to the signatory organisation's stakeholders including their members, staff, volunteers, supporters, partner agencies, and members of the public.
- Obligation** 2. The annual report will provide stakeholders with:
- A description of the signatory organisation's purpose, objectives/aims and values;
 - a plain language summary of the signatory organisation's income and expenditure and overall financial health;
 - a description of the most significant aid and development activities undertaken during the reporting period and their impact; and
 - information about evaluations into the effectiveness of and the learning from aid and development activities conducted by the organisation.
- Obligation** 3. The annual report will also specifically include:
- A report by the management and/or the governing body;
 - financial statements prepared in accordance with the requirements of relevant New Zealand legislation;
 - a statement of commitment to adherence to the Code;
 - identification of the ability to lodge a complaint against the organisation and a point of contact; and
 - identification of the ability to lodge a complaint for breach of the Code with the Code Committee and a point of contact.

C.2.1 Transparency

An Annual Report need not be lengthy, nor need it be of elaborate production quality. The extent and quality of the Annual Report should be appropriate to the signatory organisation's circumstances.

This Principle and Obligations are applicable to all signatory organisations. Signatory organisations should ensure that the Annual Report submitted reflects the legal entity that is a signatory to the Code. The CID logo is available on the CID website for signatory organisations to include in their Annual Report and is a symbol of quality and accountability to stakeholders.

The Annual Report may be published in electronic form, via email or on the signatory organisations' website, provided:

- members and stakeholders are alerted to its publication;
- the Annual Report meets the standards expected by this Code; and
- a printable copy is available on request.
- The Annual Report should be easily accessible, able to be viewed on screen or that to download it, it is of reasonable file size and that it is easy to find on the website.

A plain language summary of an signatory organisation's income and expenditure and overall financial health should include the following:

- Discussion and analysis on overall financial performance and position for the year;
- revenue stream – discussion and analysis on main streams of revenue, any movements in revenue, factors affecting revenue for reporting year and future years as applicable;
- expenditure stream – discussion and analysis on expenditure stream by reporting categories e.g. programme costs by regions/projects, community education, fundraising costs, accountability and administration etc. as applicable. These discussions can be enhanced by the inclusion and analysis of financial ratios such as:
 - Administration Expense ratio (total administration expense/total expenses);
 - Programme Expense ratio (total programme expenses/total expenses);
 - Fundraising Expense ratio (total fundraising expenses/total expenses);
 - cost of Fundraising ratio (total fundraising expenses/total fundraising revenue; and
 - charts or graphs that provide information about the composition of the signatory organisations assets or information about revenue or expenses over say a five year period.

Principle

C.2.2 Financial statements

Signatory organisations will publish financial statements in their annual report.

Obligation

1. Signatory organisations will publish an annual report which will contain:
 - a. Financial statements prepared in accordance with the Implementation Guidance to this Principle. This requirement is not withstanding any other legal or parent body requirements; and
 - b. A reference to the availability of the full financial report (if the full financial report has not been included in the annual report).

Principle

C.2.3 Access to full financial reports

Signatory organisations will ensure that in any references to financial performance stakeholders are made aware of their right to access the full financial reports.

Obligation

1. Any other publications that refer to financial performance, in summary, in an extract of detail or in commentary, will make it clear that the full financial report is available on request.

The objective of these ratios is to show how efficiently a signatory organisation has used their resources.

EXAMPLE

Good practice: C.2.1: Obligation 3d: (Organisation X) has a process for handling any complaints about it. Please direct your complaint to (name of person or section) on (phone number) or (email address).

EXAMPLE

Good practice: C.2.1: Obligation 3e: (organisation Y) is a signatory to the CID Code of Conduct which is a voluntary, self - regulatory sector code of good practice. Information about how to make a complaint can be found at [under development by CID]

C.2.2 Financial statements

As part of a major focus on transparency, this Code requires a signatory organisation to publish CID compliant annual financial statements to a particular standard to ensure fair disclosure and comparability. These will be aligned with the XRB Accounting & Auditing Requirements for Not-for-Profit Organisations which came into effect in April 2015. All charities are required to produce financial statements to the appropriate level (based on size) set by the XRB and will be filed with the annual return to the Charities Services which regulates charities in New Zealand. As the templates are developed and guidelines are produced, CID will keep members informed of developments.

C.2.3 Access to full Financial statements

Making available the full financial statements from which figures are summarised or commented on, ensures transparency of reporting to members and the public and contributes to raising the level of trust and confidence in the financial operations of signatory organisations.

This Principle and Obligations are applicable to all signatory organisations.

EXAMPLE

Good practice: It would be sufficient to include words such as: 'For a copy of the full financial report for the year ending ... please contact ...' in the financial section of the Annual Report or in any document where information gained from the full financial reports is detailed, summarised or commented on.

Section C.3 Fundraising

Principle C.3.1 Legal obligations and ethical principles

Signatory organisations will abide by applicable fundraising legislation and will be aware of best practice standards in fundraising.

- Obligation**
1. Signatory organisations will have processes and procedures in place to ensure that all legislative requirements are met in their fundraising activities.
- Obligation**
2. Signatory organisations are encouraged to be aware of and comply with the Fundraising Institute of New Zealand's (FINZ) Code of Ethics and Professional Conduct and their standards for the type of fundraising undertaken (e.g. telemarketing, direct mail, electronic, events, face-to-face, grants and workplace giving).

Principle C.3.2 Truthfulness

Fundraising solicitations by or on behalf of signatory organisations will be truthful, will accurately describe the organisation's identity, purpose, programmes, and needs and will only make claims which the organisation can fulfil.

- Obligation**
1. Signatory organisations will ensure that staff, volunteers and contractors are aware of the requirement that fundraising solicitations must be truthful.
- Obligation**
2. Fundraising materials and solicitations will accurately identify the organisation's name, address, Charities Act registration number, New Zealand Business Number (if relevant) and purposes.
- Obligation**
3. Fundraising solicitations will clearly state if there is a specific purpose for the donations (see also Non-development activity at Principle B.1.5 and Control of funds and resources at B.2.3 and Advocacy at B.4).

C.3 Fundraising

The fundraising activity of a signatory organisation represents both its integrity and public face. It is where the signatory organisations' understanding of and commitment to the values of the Code will be displayed. As signatory organisations subscribe to the values of this Code, the dignity of the donor should be respected and their rights to transparency, accountability, and honesty upheld. Donors are best viewed by signatory organisations as participants in the mission of the organisation and not there simply to provide resources.

C.3.1 Legal obligations and ethical principles

FINZ is the professional body for fundraisers and organisations involved with charities and not-for-profits in New Zealand which sets a Code of Ethics and Professional Conduct (http://www.finz.org.nz/Site/About_Us/Code_of_Conduct.aspx) for its members. This Code covers a range of areas which signatory organisations need to be aware of, as they develop their own fundraising programmes.

C.3.2 Truthfulness

Honest and truthful communications represent accurately the activities of the signatory organisation and are crafted to ensure that the public response is based on the reality of the situation and reflects the capacity of the signatory organisation to respond. They aim to ensure that any public response is made in a way which is free, informed and not the result of manipulation.

If truthfulness is not maintained the signatory organisation may be exposed to complaints from the public. Donors give on the basis of information provided to them and signatory organisations should be able to verify claims made in promotional material.

Signatory organisations are reminded that the Code commits signatory organisations to addressing 'sustainable, fair and equitable solutions that address the root causes and symptoms of poverty and disadvantage'. This means that images and messages that emphasise victims and their suffering can work at cross purposes to the aid and development work that signatory organisations and their partners undertake.

- Obligation* 4. Fundraising materials and solicitations will, in particular, avoid material omissions, exaggerations of fact, misleading visual portrayals and overstating either the need or what a donor's response may achieve.
- Obligation* 5. Solicitations should accurately portray intended recipients, their situations and the potential solutions.

Messages and images which generalise and mask the diversity of situations, fuel prejudice, and foster a sense of superiority, are not compliant with this Code. Choose substance over sensationalism.

If solicitations contain images they should have captions attached which describe the situation, where and when the picture was taken and the names of the subjects (if appropriate). The images and message should match the purpose of the donor request and indicate what the solution is (e.g. housing, clean water, etc.) If statements regarding costs of fundraising are included in fundraising solicitations they must be factually accurate.

Signatory organisations can substantiate compliance with this Principle by:

- conducting regular training of staff, volunteers and contractors in the requirements of this Code; devising campaign checklists based on the Code; detailing internal checking processes; developing and using fundraising manual/guidelines

EXAMPLE *Good practice:* Messages and images which are consistent with this Code are those that put a human face or a personal story on the impact of a disaster, or on the difficulties stemming from injustice; present a message of potential change; appeal on the basis of justice and common humanity rather than guilt; emphasise the positives rather than the negatives; portray a balanced picture of the needs and accomplishments of local communities.

EXAMPLE *Poor practice:* Messages and images which should be avoided are those which isolate an individual from the context of family and community; portray people overseas as objects of charity; fail to acknowledge the local resources which alleviate the situation; use camera angles which look down; portray people who are not from the country in which the appeal is being conducted; present donors as 'going to the rescue'

EXAMPLE *Non-compliant practice:* An organisation produces and distributes a newsletter to its membership that includes a general fundraising appeal for the organisation. The content of the newsletter could be characterised as 80% aid and development, 10% promotion of religious adherence and 10% other. When the funds are received they are allocated on a ratio of 80% to promotion of religious adherence and 20% to aid and development activities.

RESOURCES:

Focus on Ethics: Addressing Tensions in Choosing Fundraising Images

Cross-reference to B.1.5, B.2.3, B.4; C1.2, C1.3

Principle C.3.3 Responsibility

Signatory organisations will be responsible for all fundraising activities outsourced to a third party and will put all such contracts and agreements in writing.

- Obligation**
1. Signatory organisations will ensure that all contracts for fundraising meet the applicable legislative and regulatory requirements.
 2. Signatory organisations will have written contracts with third-party fundraisers that specify the expectations, responsibilities and obligations of each party.
 3. Signatory organisations will ensure that any form of fundraising undertaken by a third party clearly identifies the signatory organisation as the beneficiary of the funds.

Principle C.3.4 Protection for donors

In all fundraising activities conducted by or authorised by signatory organisations, there will be policies and procedures in place to protect the rights of donors.

- Obligation**
1. Signatory organisations will have policies and procedures in place to ensure that the privacy of donors or potential donors is protected (consistent with the Privacy Act (1993), including the right to:
 - a. Have their names deleted or suppressed from mailing lists, including those that the organisation intends to share;
 - b. identify collectors, see documentation confirming their bona fides and know whether they are volunteers, paid staff or agents of the organisation; and
 - c. be informed about the purposes for which funds are being raised and be able to access information on programmes supported by their donation.

C.3.3 Responsibility

Many signatory organisations use the services of specialist fundraising or collections organisations as part of their revenue activity. This is often not clear to donors, and the Code aims to ensure that signatory organisations take responsibility for any fundraising done through third parties and that written agreements are made detailing the responsibilities and obligations of each party.

As signatory organisations are responsible for fundraising activities, they should ensure that the companies used do not take advantage of, or subject potential donors to undue influence, harassment, intimidation or coercion.

Signatory organisations should also ensure that fundraising messages do not violate this Code and that its Principles and Obligations are respected.

This Principle is only relevant to those organisations that outsource their fundraising activities to a third party.

Compliance with this Principle can be demonstrated by the existence of contracts.

C.3.4 Protection for donors

Donors should be able to have full trust and confidence in the signatory organisation that their rights to privacy are respected, who is collecting their donation, and the purpose for which it is being used. It is good practice for signatory organisations to place their privacy policy on their website and make it readily available for their donors.

Signatory organisations can substantiate compliance with this Principle by:

- having policies and procedures in place which protect the rights of donors;
- ensuring relevant staff are aware of and implement the policies and procedures;
- having 'opt out' clauses in their fundraising material regarding inclusion on mailing lists; and
- ensuring accurate information on the programmes supported by donations is provided to donors via website, promotional material and the Annual Report.

*Principle***C.3.5 Acceptance of donations**

Signatory organisations will ensure that decisions to accept or reject donations support the purpose of the organisation.

Obligation

1. The governing body of the signatory organisation will have a position on acceptance and refusal of funds.

*Principle***C.3.6 Application of donated funds**

In public fundraising for a specific purpose, signatory organisations will have a plan for handling any excess and for substantiating the application of donors' funds.

Obligation

1. Signatory organisations will ensure that when fundraising for specific purposes they will have a plan for use of any excess funding and make this known at the commencement of the fundraising appeal.

Obligation

2. Signatory organisations will maintain financial records that enable substantiation of application of donor funds and will provide this on request.

C.3.5 Acceptance of donations

Signatory organisations are required to be clear about what donations they will accept and what they will refuse. This will assist in meeting the requirements of the control of funds and resources (B.2.3) and assist the organisation to maintain its independence.

Signatory organisations should consider the following when deciding a position on whether to accept or refuse donations:

- the Objects and Mission of the signatory organisation;
- compliance with any legislation;
- the reputation of the signatory organisation;
- the reaction from existing or potential donors;
- who decides whether to accept or reject the donation and whether it accords with the signatory organisation's values (e.g. some organisations do not accept funds from particular industries which conflict with their principles and values); and
- if there is any conflict of interest for senior personnel in the signatory organisation created by accepting the donation.

C.3.6 Application of donated funds

At the time of conducting an appeal for a specific purpose, it is unknown how generously the public will respond. When successful, funds raised may be in excess of what the signatory organisation has the capacity to legitimately spend on that particular project, as campaign, emergency appeal or circumstances may change, and the aid may not be able to flow through to the affected area.

In keeping with the Principles of this Code, signatory organisations must indicate to donors that if any excess funds are raised they will be returned or used for another campaign, activity or project.

Signatory organisations will maintain financial records that enable substantiation of the application of donor funds. It is recognised that responding to donor requests to provide information regarding the application of donor funds could place a significant administrative burden and cost on signatory organisations. However in order to demonstrate good governance and accountability, signatory organisations need to respond to requests by donors to provide information

Principle

C.3.7 Disclosure of fundraising and administration costs

Any use by signatory organisations of expenditure ratios (e.g. percentage of funds spent on administration and fundraising costs) will truthfully and transparently disclose all costs incurred in the donation programme.

Obligation

1. Signatory organisations should not give the impression that fundraising has no costs nor that aid and development programmes have no administrative component.

Obligation

2. If using financial ratios, signatory organisations will comply with the Financial Reporting Implementation Guidance at C.2.2.

Obligation

3. Signatory organisations will fully and accurately disclose to the public their fundraising and any administration costs incurred, and will reflect this in financial ratios, if used, in publications and marketing material.

Obligation

4. Signatory organisations will accompany any use of ratios with a note explaining how these have been determined.

regarding the application of donor funds, doing so in a manner that does not place an undue burden and cost on the signatory organisation, and this should be explained to the donors.

EXAMPLE

Good practice: *Should the funds raised exceed the amount required to meet the immediate and longer term needs of the people in the affected areas, or if there are changes in circumstances beyond organisation's X control, which limit its ability to utilise all funds in the affected areas, organisation X will direct donations to our XXX Fund to enable us to rapidly address future emergencies as they occur.*

C.3.7 Disclosure of fundraising and administration costs

In response to many stakeholder concerns, some signatory organisations use financial ratios to reassure donors that every effort is made to maximise the funds directly applied to aid and development activity.

There are two key reasons to ensure that financial ratios are used honestly and transparently. First, stakeholders must be educated that like any organisation, signatory organisations must invest in management systems that help to best target aid and development activity. Signatory organisations face unavoidable regulatory and administrative overheads, like any other business.

Second, it is important that no signatory organisation is obtaining a fundraising advantage through misrepresentation of its comparative efficiency through financial ratios.

Attaching a note to financial ratios provides stakeholders with information on how the ratio has been determined. For example: fundraising expense ratio is the amount spent on fundraising as a percentage of total expenditure.

If the signatory organisation intends to distribute all of its funds to a project it should state how the costs incurred in administration and fundraising are being covered (i.e. through other funds, volunteers, a bequest etc.).

EXAMPLE

Good practice: *organisation Y informs its donors on its emergency appeals webpage that it deducts X% of donations for its international appeal to cover its own costs. The rest of the donation goes to provide assistance to the victims.*

EXAMPLE

Good practice: *organisation Y informs its donors on its emergency appeals webpage that there are administrative expenses for receiving and receipting donations for its international appeal. Final costs can only be estimated after the appeal has concluded. However, in previous emergency appeals, organisation Y contained administrative costs to X% of total funds expended.*

Cross-reference to C.2.1, C.2.2

Accountability D. ORGANISATION

Section D.1 Structure

Principle D.1.1 Public benefit

Signatory organisations are not-for-profit and formed voluntarily by a group of interested people for a common purpose that serves a public benefit and is not carried on for the profit or gain of individual members of the organisation.

- Obligation** 1. The signatory organisation's governing instrument(s) will clearly indicate the not-for-profit purpose and character of the organisation and the public benefit to which it is dedicated.
- Obligation** 2. The organisation may make and retain or invest a surplus, provided that surplus is directed to carrying out the organisation's purposes.
- Obligation** 3. The governance instrument(s) will prevent the organisation from distributing profits or assets for the benefit of members or other private persons, both during operation and on winding up.

Section D.2 Integrity and ethics

D. ORGANISATION

D.1 Structure

Signatory organisations are accountable to stakeholders for how their organisations are run; including their structure, governance, integrity, financial controls and treatment of staff and volunteers.

Although signatory organisations are diverse in their purpose, size, membership, and culture they share certain underlying characteristics including their public benefit purpose, their voluntary basis and their not-for-profit status.

D.1.1 Public benefit

A simple statement in the governance instrument(s) is normally sufficient to implement these Obligations. The following are some examples of not-for-profit clauses that would meet Obligations of the Code.

EXAMPLE **Non-profit clause.** *The assets and income of the organisation shall be applied solely in furtherance of its above mentioned objects and no portion shall be distributed directly or indirectly to the members of the organisation except as bona fide compensation for services rendered or expenses incurred on behalf of the organisation.*

EXAMPLE **Dissolution clause.** *In the event of the organisation being dissolved, the amount that remains after such dissolution and the satisfaction of all debts and liabilities shall be transferred to another organisation with similar purposes which is not carried on for the profit or gain of its individual members.*

D.2 Integrity and ethics

This part of the Code covers both the basic functioning of the signatory organisation in terms of meeting the legal obligations of legislation, to a higher level requirement to respect other non-government organisations working in the aid and development sector. Signatory organisations to the Code should be scrupulous in observing the conflict of interest and anti-fraud Obligations as any breaches in these areas would seriously undermine the credibility of the sector.

Principle D.2.1 Legal requirements

It is the responsibility of each signatory organisation to ensure that they are meeting the range of legal obligations that are applicable to them in each jurisdiction in which they work.

- Obligation**
1. The governing bodies of signatory organisations will ensure that their organisations have in place compliance systems and processes to ensure that their legal obligations are being met in each jurisdiction where work is carried out.

D.2.1 Legal requirements

Implementation of this Principle and Obligation must be appropriate to the nature of the signatory organisations' aid and development activity, and their scale and sophistication.

It should be noted that even the smallest signatory organisation is subject to a complex range of legal requirements and legislation (corporations laws, rules of incorporation of associations, fundraising and charitable institutions, privacy, equal employment opportunity principles, occupational health and safety standards, human rights and anti-discrimination, intellectual property, child protection, copyright) and other external obligations (e.g. compliance with code(s), certification of one kind or another). Signatory organisations must have some systematic way of ensuring that they are compliant with these requirements.

At a minimum, a signatory organisation must be able to identify someone in the organisation who is accountable for legal compliance (even if the compliance work is outsourced) and explain the processes used to regularly check compliance.

Signatory organisations should also have some means of ensuring that work carried out overseas is compliant with the legal requirements in that country. This could involve requiring partners to provide assurance via the Partnership Agreement that their organisation operates in compliance with the legal requirements of that country.

EXAMPLE

The example below illustrates a Compliance Self-Assessment statement that would be sufficient to meet this Principle (and D.2.2) for a small organisation.

'The Office Manager is responsible for ensuring that Smallaid is compliant with our various legal and other external obligations (including the CID Code). His/Her responsibility for this is stated in the job description which is part of his/her employment agreement. Legal compliance advice is sourced from Smallaid's lawyers, currently X, Y & Z Partners. A periodic review of the legal obligations is jointly conducted with the lawyers and Smallaid is alerted to any changes to relevant legislation by the firm. The Board receives a report of that review from the Office Manager and the lawyers confirming Smallaid's legal compliance. It is also a condition of our Partnership Agreement with local partners that all local legal requirements are met by the organisation.'

The larger and more complex the signatory organisation, the more rigorous and comprehensive its systems and processes must be to ensure compliance across many staff and volunteers, many activities, and many locations. Larger signatory organisations may be expected to have dedicated compliance staff, staff manuals and training, internal audit and other systems appropriate to their environment. These systems and processes should be described succinctly in the biennial Compliance Self-Assessment.

Principle **D.2.2 Respect for other NGOs**

Signatory organisations will ensure that their public communication is respectful of other NGOs. They will not denigrate other agencies, or make inaccurate or misleading public statements regarding other agencies.

Obligation 1. Signatory organisations will ensure that any communication regarding another NGO will be factually accurate and will not intentionally or otherwise mislead.

Obligation 2. Signatory organisations will not make statements about other NGOs with the intention of creating a reputational or other advantage for themselves.

Principle **D.2.3 Anti-fraud and anti-corruption**

Signatory organisations will minimise any risk of wrongdoing, corruption, fraud, bribery or other financial impropriety among its governing body, paid staff, contractors, volunteers and partner organisations.

Obligation 1. The governing bodies of signatory organisation will ensure that their organisations:

- a) Articulate their stance against any wrongdoing, ensure that their ways of working actively minimise the risk of operational wrongdoing and monitor for evidence of wrongdoing;
- b) have internal and external processes for safe reporting of wrongdoing ('whistle blowing') that include:
 - I. Publicised points of confidential contact (including at least one member of the governing body);
 - II. A process for investigation and escalation; and
 - III. Prescribed timeframes for investigation and response; and
- c) take prompt, firm corrective action where wrongdoing is identified.

D.2.2 Respect for other NGOs

Signatory organisations can minimise any risk with regard to this Principle by confining their public statements to description of their own merits rather than comparisons with other development organisations.

Care should be taken with self-promotion communication to ensure that it does not imply, inadvertently or otherwise, that other development signatory organisations are less efficient, spend more on administration, or are somehow acting inconsistently with the values and Principles of this Code.

Implementation of Obligation 2 will vary with the size and nature of the signatory organisation. The signatory organisation could specify, as a governing body decision, which of its office-bearers and staff are authorised to make public statements and/or approve published material. The signatory organisation could ensure that each authorised person is made aware of the provisions of this principle of the Code and understands their responsibility to comply. Ways that this could be evidenced in the Compliance Self-Assessment include communication or media guidelines or a statement of principle.

D.2.3 Anti-fraud and anti-corruption

Signatory organisations will need to conduct a thorough risk analysis of their operations and to devise measures to implement the Code effectively in their specific context. Discussion of corruption needs to be transparent, emphasising that addressing it does not imply a particular vulnerability to it.

This approach will highlight areas where the signatory organisation is most vulnerable to wrongdoing and approaches can be devised accordingly.

Bribery, including provision of 'facilitation payments', is a crime in most countries and also under the UN Convention Against Corruption, which has over 150 States as signatories. Additionally bribery of foreign public officials to obtain or retain business is a crime in New Zealand and this covers some activities of Code signatory organisations overseas. However, it is acceptable for a signatory organisation to obtain the services of an intermediary to assist in dealing with a local bureaucracy if that person is selected, paid appropriately and provided with a clear understanding of the scope of their duties (which prohibits paying of bribes to officials).

Transparency International (TI), a global civil society organisation with a mission to create a world free of corruption defines corruption as "the abuse of entrusted power for private gain" meaning private in contrast to the public good. This very broad definition includes financial corruption such as fraud, bribery and extortion. It also includes non-financial forms like diversion of aid and assistance to non - target groups, allocation of resources in return for sexual favours, preferential treatment for family and friends, and coercion and intimidation of staff or beneficiaries to ignore or participate in corruption.

Private gain can refer to communities, ethnic or religious groups, political organisations, corporations, or militia. Bribery is defined as “the offering, promising, giving, accepting or soliciting of an advantage as an inducement for an action which is illegal or a breach of trust”.

Articulating a stance against wrong doing involves signatory organisations considering and making known to internal and external stakeholders their approach to bribery and corruption. This strategy will be based on:

- an organisational and context specific corruption risk analysis;
- sound leadership dealing with corruption as a challenge rather than ignoring it;
- providing staff with training and being specific about what is (and isn't) corruption;
- and providing staff with a senior staff member to discuss issues and situations when they arise.

The extent of effort that signatory organisations make in support of this Principle will be appropriate to their circumstances and capabilities.

To illustrate, a small signatory organisation may have minimal system and documentation outlining its approach to integrity and ethical conduct. It may consist of a very simple articulation in a statement of values; reliance on advice and training from expert partner agencies or CID; a simple operational policy and monthly reporting format; it may simply exchange letters with partners; and its complaints/whistle-blowing referral procedure may simply be direct referral to the Chair of their governing board.

A larger signatory organisation, on the other hand, may have extensive documentation including a purpose and values statement, detailed operational manuals, detailed contracts and agreements with partner agencies, extensive training programmes, detailed monitoring and reporting systems and a robust, multi-faceted complaints and whistle-blowing system. If no wrongdoing has been identified signatory organisations should indicate this in their Compliance Self-Assessment, and if it has occurred, action to be taken should be outlined.

RESOURCES:

HAP checklist for organisations development Codes of conduct

Preventing corruption in humanitarian operations: A handbook of good practice.

Transparency International 2012

Principle D.2.4 Conflicts of interest

The governing bodies of signatory organisations will ensure that their organisations manage any real or perceived conflicts of interest for their governing body, paid staff, volunteers and partners.

- Obligation**
1. Signatory organisations will have a clear conflict of interest process that:
 - a. Requires members of the governing body, paid staff, and volunteers to disclose any real or perceived conflict of.
 - b. Requires members of the governing body and paid staff to absent themselves from discussion, as appropriate, and abstain from voting or otherwise participating in the decision making on any issue in which they have a conflict of interest.
 - c. Requires members of the governing body, paid staff, and volunteers to disclose any material gifts or offers of gifts for their personal use and prohibits them from accepting valuable or otherwise inappropriate gifts.

Principle D.2.5 Environmental impact of operations

Signatory organisations will aim to operate their domestic and field operations in an environmentally sustainable way.

- Obligation**
1. Signatory organisations will actively work to reduce the environmental impacts of their domestic and in country operations including the use of energy efficient systems and technologies.

D.2.4 Conflicts of interest

A conflict of interest arises when a person participating in decision-making is able to gain or could be perceived as gaining an advantage for themselves or for another organisation or person in which they have an interest - due to access to privileged information or from the outcome of the decision.

As noted in the definition above, a perceived conflict can be as damaging to the signatory organisation's reputation as a 'real' conflict of interest. Signatory organisations have a duty to carefully manage any such conflicts or perceived conflicts as the reputational damage can affect the whole sector.

Small signatory organisations may opt to use an annotated copy of this Code as a working guide for governors, staff and volunteers; better practice is a documented organisation-wide policy. Signatory organisations should detail what process they use in their Compliance Self-Assessment.

RESOURCES:

Sample policy on conflict of interest – Our community.org

D.2.5 Environmental impact of operations

Signatory organisations can actively work reduce their domestic environmental impacts by the following:

Minimising Operational consumption patterns: Unsustainable development processes put pressure on natural resources. Unsustainable production and consumption patterns degrade the natural environment, and intensify poverty elsewhere. Signatory organisations are committed to ethical and sustainable consumption patterns. Although there are significant differences in the ability of signatory organisations to control their domestic environmental footprint a number of options are available. Straightforward measures for all organisations include paper recycling, reminders to switch off idle equipment and lights, printing all publications and promotional material on recycled paper, switching thermostats to lower energy settings, avoiding bottled water, etc. Larger signatory organisations are encouraged to have environmental policies, awareness training and materials, procurement policies that recognise sustainability objectives, smart building software, renewable power, etc. Audits to improve energy efficiency of premises by independent experts can reduce long-term power costs. Measures taken should be detailed in the biennial Compliance Self-Assessment.

Section D.3 Governance

Principle D.3.1 Governing instrument

Signatory organisations will have written documentation (called a governing instrument in the Code) that sets out the goals and purpose of the organisation and defines how it operates.

- Obligation**
1. A signatory organisation's governing instrument will set out:
 - a. The organisation's basic goals and purposes;
 - b. the membership of the organisation and members' rights and obligations;
 - c. the governance structure and processes of the organisation;

Considering CO2 emissions: Flights account for between 6-10% of global CO2 emissions and they can make up a significant part of many NGOs' domestic CO2 emissions. Signatory organisations should monitor their carbon footprint, and reduce flights wherever possible and use communication technologies to hold meetings.

Increase environmental awareness among staff: Assessing different travel options to and from work (biking, public transport, car-pooling) can lead to savings and a reduced environmental footprint.

Consider core environmental values and principles in any corporate partnerships: While a small signatory organisation may simply use reminder signs around its premises, larger organisations may have an organisational policy, awareness training and materials, procurement policies that recognise sustainability objectives, smart building software, renewable power, etc. This should be detailed in the biennial Compliance Self-Assessment.

Cross-reference to B.1.6

D.3 Governance

Signatory organisations vary considerably in their legal status and formal structures. Each of them will have specific legal requirements that they must meet. Others will have obligations to their parent organisation or controlling body. This section sets out what is expected of member-based organisations (the majority of Code signatory organisations).

Where there are legitimate reasons for a signatory organisation to vary from these expected standards, the 'if not, why not' principle will apply. In this situation signatory organisations should provide details of the reasons for variation and indicate how the intent of the Code is met by the alternate arrangements (either in their application or their biennial Compliance Self-Assessment as appropriate).

D.3.1 Governing instrument

Provisions in the governing instrument relating to the structures and processes need not be lengthy or complex although they will be for some signatory organisations. For member-based development organisations there should be some emphasis on the fairness, transparency, and legitimacy of the governance processes. This would include the provision of a notice of meetings, what number attending a meeting constitutes a quorum and access to information.

Distinguishing between members and supporters can be problematic but there are some typical distinguishing features:

In general, members:

- are defined by an organisation's governing instrument;
- have a formal status and are registered by the organisation;
- have certain rights (e.g. participation in meetings of members, voting for office-bearers);

- d. the frequency and processes for meetings of members (at least annually);
- e. the method of appointment/election of governors/board members, their terms of office, any provisions for termination and, where applicable, the basis for their remuneration (details may be specified in a separate policy);
- f. the rules for meetings of the governing body, including the frequency of meetings (at least two a year) and the size of a quorum;
- g. the powers and responsibilities of the governing body including a statement of the overall responsibility of the governing body;
- h. the strategic control (e.g. approving business plan, appointing the CEO) of the governing body;
- i. the financial control (e.g. approving budgets, receiving audited financial accounts and appointing the auditor) of the governing body; and
- j. the power of the governing body to delegate authority to officers, staff and others.

Obligation 2. The governing instrument will be readily accessible to members and supporters.

Obligation 3. The governing instrument will comply with the relevant New Zealand legislative requirements.

- have certain responsibilities towards the organisation (e.g. must pay a membership fee).

In general, supporters (although they may contribute significantly in time or money):

- have a less formal status than that of membership, although they may be registered as a volunteer or donor;
- have limited or no obligations to the organisation; and
- are not necessarily defined in the organisations governing instrument.

If applicable, signatory organisations should state what part of their governing instrument complies with these Obligations. The availability of the governing instrument should also be detailed (on website, by request).

Principle **D.3.2 Governing body**

Each signatory organisation will have a governing body that has ultimate responsibility for all aspects of the organisation and to whom the organisation is accountable.

Obligation 1. A signatory organisation's governing body will be elected or appointed by members from within the organisation's body of membership and will be accountable to them.

Obligation 2. The governing body must have a majority of non-staff (non-executive) members.

Obligation 3. The governing body may delegate authority to staff or others, but may not delegate its overall responsibility.

Obligation 4. Where authority is delegated to management or others, there will be clearly defined lines of authority between the governing body and those granted the authority.

Obligation 5. The respective roles and responsibilities of the governing body, staff and management will be clearly set out and communicated to all concerned.

D.3.2 Governing body

Guidance for implementation of the first three Obligations under this Principle can be found under the governing instrument principle above (D.3.1).

The restriction on staff who are Board members (or Directors, Trustees - like the similar requirement of listed company boards) aims to achieve a proper balance between the interests of paid staff and the interests of the members in pursuing the aims of the signatory organisation. In light of good governance practice in New Zealand, it is highly recommended that the Chair of the Board is not the CEO and is an independent non-executive director/chair-person. The Obligations relating to delegation of authority will typically be implemented by way of a decision of the governing body. The minimum form is simply documentation of that decision or decisions. More sophisticated signatory organisations may have a schedule of delegations setting out those powers delegated to different levels of management and those reserved for the governing body.

In either case, the delegation should specify:

- the nature of the authority granted;
- any limits to that authority (e.g. \$ limits for minor capital expenditure, method of payment, counter-signatory organisations, etc.);
- any particular reporting required (e.g. against a business plan item or project); and
- a 'sunset' period (i.e. a time when the delegation expires or must be renewed).

The governing body should have a system of periodically reviewing and renewing the delegations. This could be a standing item on the governing body agenda - perhaps quarterly.

Material explaining the division of responsibilities between staff/volunteers, management and the governing body should be widely accessible and provided during induction for those new to the signatory organisation.

Due to the diversity of signatory organisations, a variety of forms may be acceptable and signatory organisations should indicate the type of governing body they have in the Compliance Self-Assessment. Substantiation may also include policy or delegations instrument, personnel manual and the governing instrument.

Principle **D.3.3 Annual general meeting**

Signatory organisations will hold an annual general meeting (AGM) of their members as defined in the governing instrument.

- Obligation*
1. The AGM of the signatory organisation will:
 - a. Deal with substantive matters including reports from the governors and managers, receiving the annual audited financial statements and appointing an independent auditor, if applicable, for the subsequent year/s;
 - b. in accordance with its governing instrument, provide members with every reasonable opportunity to attend and engage with the governors and managers of the organisation; and
 - c. provide advance notice of the meeting to all members and provide reasonable access to any relevant information.

Principle **D.3.4 Governing body policies**

Signatory organisations will have written policies covering appointment, induction, termination and, where applicable, remuneration of members of the governing body for their work as board members/governors, including reimbursement for expenses and any loans.

- Obligation*
1. To the extent that appointment and termination of members of the governing body are not covered by the governing instrument(s), a written policy will set out the processes for selection, appointment and induction.
- Obligation*
2. There will be documented governing body policy setting out the signatory organisation approach to reimbursement of expenses by members of the governing body.
- Obligation*
3. Where applicable, there will be a documented policy with respect to any remuneration by the signatory organisation of members of the governing body. This policy must be approved by the Annual General Meeting of the members of the organisation.

D.3.3 Annual general meeting

This Principle is intended to be consistent with and not duplicate any legislative or parent organisation obligation to hold an Annual General Meeting.

This Code expects a bona fide effort to engage with members at the annual general meeting and would expect notice to be provided in any regular newsletter or other form of communication and via email. Where members are entitled to attend and vote at an AGM, but do not permit or provide email contact details, they should receive written notice of the AGM.

D.3.4 Governing body policies

The formal, legal processes and authorities for the governing body of a signatory organisation will normally be contained in the governing instrument(s) of the organisation. This Principle requires signatory organisations to supplement those processes with written policy as required.

Reimbursement and remuneration provisions are less likely to be embedded in the governing instrument. In the interests of integrity and to ensure that the governing body and its members are beyond reproach, there will be documented policies covering the key terms and conditions for members of the governing body.

Cross-reference to D.2.4

Section D.4 Financial management

Principle D.4.1 Internal financial controls

Signatory organisations will maintain internal financial control procedures that minimise the risk of misuse of funds.

- Obligation** 1. Signatory organisations will maintain detailed accounting records.
- Obligation** 2. Signatory organisations will have policies and procedures in place to ensure appropriate segregation of duties, taking into consideration size and capacity of the organisation.
- Obligation** 3. Signatory organisations will have adequate procedures for the review and monitoring of income and expenditure by management and the governing body.
- Obligation** 4. Signatory organisations will have a governing body approved policy for internal loans and transactions to staff and governing body members. This policy will include disclosure and reporting about such loans and transactions.
- Obligation** 5. The nature of the relationship and the amount of any loans or payments to the members of the governing body or related parties must be fully disclosed in the annual financial report and subject to audit.
- Obligation** 6. Signatory organisations will ensure that funds and resources entrusted to them are controlled and properly invested and managed prior to their disbursement to any third party.

D.4 Financial management

The need for irreproachable management and application of donated funds and transparent, easily comparable financial reporting are central to the credibility of aid and development organisations.

Because financial standards are closely related to other aspects of the Code, the provisions that relate to financial management are located in several parts of the Code: - Financial management (D.4) covers internal controls, audit requirements and effective use of resources; Partnerships (B.2) covers control and security of funds; Annual Reporting (C.2) covers the standards for financial disclosure and reporting; and Fundraising (C.3) covers aspects of managing donations.

D.4.1 Internal financial controls

Signatory organisations are expected to maintain financial control systems which are adequate to the scale, capacities, and risks of the organisation. A large, sophisticated signatory organisation would be expected to have implemented accounting software, policies, controls and systems appropriate to their activities. Small signatory organisations may keep largely manual or spread sheet-based accounts and rely, in part, on honorary officials.

There is freedom for signatory organisations to operate with accounting records and systems that suit their operational, legal and structural requirements. Code requirements will be aligned with Accounting & Auditing Requirements for Not-for-Profit Organisations as identified in C 2.2.

Signatory organisations are expected to have in place internal monitoring processes that are appropriate to their scale and capabilities. Signatory organisations may have dedicated financial staff, monthly management reports, internal websites, an audit committee, internal audit functions, etc. or they may have one staff member or volunteer accountable for finances (amongst other duties), an honorary treasurer, and perhaps quarterly meetings of their board or a committee of the Board. Provided the arrangements are demonstrably appropriate to the risk, they would be compliant with this Code.

Appropriate controls, policies and procedures should be in place to ensure funds are managed and invested well to protect the value of funds or resources that have been donated or provided to the signatory organisation.

Segregation of duties policies should be appropriate to the size and scale of the signatory organisation. For the smaller signatory organisations, they may be as simple as requiring counter-signing and approvals by members of the governing body.

Internal loans or other financial transactions with staff or the governing body should generally be avoided as they are difficult to justify to external stakeholders and invite criticism and suspicion. Where there are good reasons to permit them, it is expected that there will be clear policies and processes for managing signatory organisations and full disclosure in the Annual Report. All signatory organisations are expected to reach the same standard of implementation, irrespective of the size of the organisation.

Broadly speaking, a related party for a signatory organisation may include governing body members of the organisation, their immediate families and companies that they control. A related party transaction is therefore a transaction with someone who has a close, and possibly privileged, relationship with the signatory organisation.

EXAMPLE *An example of a related party transaction that would be covered by this Principle is where a member of the governing body is a partner in an accounting firm that may be contracted by the signatory organisation for auditing and accounting services.*

EXAMPLE **Good practice:** *Template for disclosing Related Party Transactions*

'The names of each person holding a position on the [organisation's governing body] during the financial year are as follows: [List the names] Each person has provided their services on a voluntary basis with reimbursement for out of pocket expenses incurred in the discharge of their duties as members of the [governing body].'

EXAMPLE **Good practice:** *Governing Body members have received payment for services etc. 'The organisation did during the year pay [ABC Chartered Accountants the amount of \$2,500 for accounting services. Governing Body member John Smith is a partner with ABC Chartered Accountants.]'*

Note - Signatory organisations that are public companies are already legally required to make this extra disclosure as part of their statutory accounts, and it is expected that they will continue to follow the statutory format. The above template is provided as a guide only for other entity types.

D.4.2 Auditing of financial statements

This Principle and Obligations are applicable to all signatory organisations. (Link to C2.2.)

In 2013, The New Zealand Government announced legislative changes to mandatory reporting and other assurance of charity financial statements that will affect CID members. The changes will take effect over the next few years. This Principle will be changed accordingly once the changes are finalised.

Principle

D.4.2 Auditing of Financial statements

In 2013, The New Zealand Government announced legislative changes to mandatory reporting and other assurance of charity financial statements that will affect CID members. The changes will take effect over the next few years. This Principle will be changed accordingly once the changes are finalised.

Principle **D.4.3 Effective use of resources**

Signatory organisations will strive to be effective in their use of resources and will minimise financial wastage in the planning and implementation of development and aid activities.

Obligation 1. Signatory organisations will ensure that their aid and development activities are structured to enable measurement of costs.

Obligation 2. Signatory organisations will be diligent in reviewing the costs of their engagement, and seeking cost savings and efficiencies where appropriate to the context and nature of their aid and development activity.

D.4.3 Effective use of resources

The effective use of resources is, of course, fundamental to achieving the greatest development outcomes. Understanding the true costs and benefits of aid and development activity is essential to making the best choices and to meaningful evaluation and learning. Clear organisational focus on the effective use of resources is also fundamental to external credibility and central to the current debate over the effectiveness of delivering international aid and development through NGOs.

It is recognised that signatory organisations are primarily focused on values and development outcomes, and cost-benefit considerations are amongst many second order principles that support that primary purpose. Implementation should be expressed in a way that is consistent with signatory organisation values and should also recognise the long-term nature of development objectives. Signatory organisations therefore have considerable flexibility in implementation of this Principle and Obligations.

Rather than stand-alone policies or a statement of intent, implementation of this Principle should focus on embedding a focus on effective use of resources into the normal planning, operational and evaluation cycles of the signatory organisation. Signatory organisations would be expected to be able to distinguish the costs of particular development programmes or activities and should be able to explain how these principles are applied in day-to-day operation.

Signatory organisations could substantiate compliance with this Principle in the Compliance Self-Assessment by referring to programme budgeting; efficiency reviews as part of programme evaluations; use of internal benchmarking ratios and internal audits.

D.5 Staff and volunteers

To ensure that the values and philosophy that drive signatory organisations' aid and development actions are part of the fabric of their organisation and culture the values and philosophy must be reflected in management and personnel policy.

Signatory organisations also have a duty of care to personnel, both paid and volunteer, especially given the often insecure and stressful nature of the work. Signatory organisations are committed to implementing personnel and management policies and procedures that value all staff and volunteers and clearly define and protect their rights and safety.

Good personnel and management practice also contributes to greater organisational effectiveness and enables signatory organisations to better achieve their development objectives. Signatory organisations are committed to the development of policies that aim for good practice and not only to meet minimum legal and professional requirements.

Section **D.5 Staff and volunteers**

Principle **D.5.1 Human resources**

Signatory organisations will protect the human rights and safety of personnel, including paid and volunteer staff, working in New Zealand or overseas.

- Obligation** 1. Signatory organisations will meet all minimum legal and regulatory requirements relating to personnel, and will document and maintain policies and procedures that relate to personnel.
- Obligation** 2. Signatory organisations will include in their human resources policies and procedures a statement of unacceptable behaviours expressly including reference to any sexual exploitation or abuse.
- Obligation** 3. Signatory organisations will ensure that all personnel are provided with the relevant induction information pertaining to their rights and safety and that there is ready access to personnel and Occupational Health and Safety policies and procedures.
- Obligation** 4. Policies and procedures relating to staff and volunteers based both inside and outside New Zealand will be informed by the People in Aid Code of Good Practice in the Management and Support of Aid Personnel.

D.5.1 Human resources

Signatory organisations will be subject to a range of laws and possibly parent body policy requirements with respect to their staff and volunteers. This Code expects those requirements to drive a significant part signatory organisation's human resource implementation. This Code also recognises the People in Aid standard as providing guidance for the treatment of staff and volunteers employed overseas. Signatory organisations are not required to be compliant with People in Aid, but should be guided by it.

Some aspects of human resources policy are particularly important within an aid and development context and they are given some emphasis in the Code. These include the Obligations that relate to sexual exploitation or abuse and safety. These are expected to be given appropriate emphasis in signatory HR policy and procedures.

It is recognised that smaller signatory organisations will have very different circumstances and capacities by comparison with large agencies. Small agencies are nonetheless expected to make clear their approach through adequate policy and procedure. Compliance with this Principle will be evidenced through personnel policy, induction packs, job descriptions and contracts.

Psycho-social issues such as stress are a major consideration for agencies caring appropriately for their staff. Signatory organisations will find the Antares Guidelines (link below) useful and training of the Mandala Foundation helpful to ensure that OHS policies address this issue.

EXAMPLE

A statement of unacceptable behaviours could include the following the types of prohibited conduct : physical or verbal abuse, sexual activity with a child (anyone under the age of eighteen), theft of physical items and intellectual property, inappropriate use of assets, inappropriate use of email/social networking, fraud, bribery, misrepresentation of the organisation or another staff member, breaching confidentiality, all forms of exploitation and abuse (including sexual) (modified from HAP website)

RESOURCES:

People in Aid Code of good practice

Principle **D.5.2 Professional conduct**

Signatory organisations will clearly communicate their expectations that professional conduct of staff, volunteers and members of the governing body will be consistent with the requirements of this Code.

- Obligation** 1. Signatory organisations are committed to increasing staff and volunteer awareness and understanding of all the Principles and Obligations of this Code and how it applies to their role and responsibilities within their organisation.
- Obligation** 2. Staff and volunteers of signatory organisations are expected to comply with this Code, and this expectation must be clearly communicated at induction and in ongoing training.

Principle **D.5.3 Training and development**

Signatory organisations recognise the importance of professional training and development for staff and volunteers and aim to instil a culture of learning into their organisation.

- Obligation** 1. Signatory organisations' personnel policy and procedures will clearly set out the organisations' commitment to training and development.
- Obligation** 2. Signatory organisations will ensure their staff and volunteers are aware of the rights of people with a disability and those from vulnerable and marginalised groups and are provided with training on these issues, as appropriate and desirable.

D.5.2 Professional conduct

The CID Code of Conduct covers many if not all areas of a signatory organisation's operations and so it is vital that all staff, volunteers and members of the governing body of signatory organisations are aware of its requirements and how they may impact on their role within the organisation. As representatives of their organisation, they must be aware that their actions may impact on their organisation's compliance with the Code, its reputation and the reputation of the sector.

Mechanisms for communicating these expectations may include:

- i. Organisational codes of conduct;
- ii. Comprehensive induction training;
- iii. Appropriate policies and procedures;
- vi. Contracts, job descriptions and duty statements;
- v. Adequate performance appraisals.

EXAMPLE Organisation Y has included compliance with the Code of Conduct in all its position descriptions and requires new staff to sign that they have read the CID Code of Conduct and understand the implications of its requirements for their position within the organisation.

D.5.3 Training and development

Professionalising the sector will be maintained through a strong commitment to training and staff development. To embed a culture of learning within the signatory organisation, opportunities for learning should be a part of the signatory organisation's business cycle, such as through performance reviews, team planning and organisational reflections and could also be a mix of formal and informal learning opportunities.

The opportunities for staff and volunteers to move around the signatory organisation, participate in cross agency projects and build their skills on the job is one of the easiest ways of building capacity. Mentoring, coaching and peer support for staff and by staff in the signatory organisation or sector is another key strategy for effective learning and can be combined with formal training opportunities. A blended learning approach targeted at individual learning styles will reap the best outcomes.

The training and development suite should follow the employee cycle encompassing induction activities, professional and technical development opportunities aligned to work outcomes, management and leadership development, and the defining of career pathways. This approach can be taken within both large and small signatory organisations.

Cross-reference to B.3.2, B.3.3

Principle **D.5.4 Human rights and anti-discrimination**

Signatory organisations will apply human rights principles to their own organisations.

- Obligation* 1. Signatory organisations will make clear their commitment to human rights and anti-discrimination in employment and advancement in the organisation's key documents.
- Obligation* 2. Signatory organisations will engage staff and volunteers within a framework that actively promotes human rights and avoids discrimination, in a way that supports the organisation's identity, philosophy and values and meets the statutory obligations of any anti-discrimination legislation
- Obligation* 3. Signatory organisations will have comprehensive gender equity policies and disability guidelines in place that aim to produce equitable outcomes between women and men, and people with a disability, in all activities of the organisation, including:
- a. Engagement of volunteers and staff;
 - b. engagement of partner agencies; and
 - c. senior management and governance.

D.5.4 Human rights and anti-discrimination

The Preamble to this Code sets out the values subscribed to by signatory organisations: 'Respect and promote human rights, social justice and equality for all people; Embody gender equality and equity while promoting women's and girl's rights and support women's efforts to participate as fully empowered actors in the development process; Focus on people's empowerment, democratic ownership and participation, with an emphasis on the poor and marginalised.'

To make these values real and to embed them in the fabric and culture of signatory organisations, it is clearly important that they are demonstrated in the signatory organisation's key documents and operations, and that staff and volunteers can see them in action.

This Principle recognises the importance for signatory organisations to engage staff and volunteers that support the organisation's identity, philosophy and values, respecting this is implemented within a framework that meets the obligations of anti-discrimination legislation.

This Principle is intended to impact on all forms of human rights and discrimination; however it is acknowledged that particular forms of discrimination will be a matter for greater focus in different environments and at different times.

For example, in this Principle gender equity and disability are areas of particular focus for the aid and development sector, and ties in with Section B requirements to pay particular attention to the rights of these two groups.

- Signatory organisations can make their commitment to human rights and anti-discrimination via statements and policies in documents such as the strategic plan, organisational charter (vision, purpose, values), and diversity and human resources policies.
- Guidelines and policies to ensure equitable outcomes between men and women and people with a disability seek to achieve fairness and justice in the distribution of benefits and responsibilities between women and men, and ensure that no barriers exist to people with a disability participating in all activities of the signatory organisation.
- Policies and guidelines of the signatory organisation and partner agencies could include the following:
 - i) Provision for carers with children to work flexibly;
 - ii) Availability of subsidised child care costs;
 - iii) Providing the necessary aids and services to staff, board members and volunteers with a disability; and
 - iv) A statement of commitment to achieving gender balance in delegations, boards and other decision making bodies.

RESOURCES:

World in diverse cultures – People in Aid.
The gender audit handbook – InterAction

Section **D.6 Complaint-handling within signatory organisations**

D.6 Complaint-handling within signatory organisations

The 'right to redress' is a basic consumer right enshrined in the UN Guidelines for Consumer Protection. An important part of a complete accountability framework for signatory organisations is the ability for stakeholders to report or lodge a complaint about conduct that breaches the signatory organisation's promises. This dimension of signatory organisation accountability enables stakeholders to hold an organisation to account for its actions or decisions by providing a process where these can be queried and a response obtained. However, this type of accountability is only as effective as the commitment the signatory organisation has to learning from the complaint and the robustness of both the process and its accessibility.

These provisions are distinct from the processes for handling complaints against signatory organisations that are brought to CID under this Code of Conduct which are specified at E.3.1. These provisions relate to the signatory organisation's own capacity to accept and deal with complaints.

This Principle is applicable to all signatory organisations and marking the CSA as 'Not applicable' or 'if not why not' is not permitted.

Principle **D.6.1 Value of complaints**

Signatory organisations recognise the importance and value of listening and responding to concerns and complaints.

D.6.1 Value of complaints

A sufficient implementation of this Principle should include (as appropriate to the signatory organisation's scale and capacity) an articulation of commitment, a process for making board members/governors, staff and volunteers aware of the commitment and a systematic way of ensuring that senior staff and the governing body review and absorb the lessons from the content of complaints received.

The smaller signatory organisations could satisfy the Principle by simply using this Code of Conduct Guidance and awareness of it, maintaining complaints files and a simple register, along with an annual (at least) review by the governing body of complaints received.

For larger organisations, sufficient awareness will require more extensive effort, possibly through training and procedure manuals. The review of all complaints information may also require more extensive systems for gathering and analysing the complaints information before presenting it to the governing body.

Example - Organisation Y developed training after the Haiti earthquake to ensure that staff in its in-country office understood the benefits of good complaints handling and what to do and not to do when receiving a complaint. A simple fact sheet was developed that aimed to encourage staff to listen, empathise and show understanding when receiving a complaint. This was based on organisation Y's view that complaints led to better accountability, performance and development.

Obligation **1.** Signatory organisations will equip staff and volunteers with an understanding of the organisation's approach to complaints response and assist them to effectively implement the policies.

Obligation **2.** The signatory organisation will have in place a process for reviewing and analysing information available from concerns and complaints raised with the organisation.

Principle

D.6.2 Accessibility and awareness

Signatory organisations will seek to ensure that their feedback and complaints handling processes about their aid and development activities conducted in New Zealand and overseas, are effective, safe, confidential and accessible to all stakeholders, irrespective of their gender, status or background and without prejudice to their future participation.

Obligation

1. Signatory organisations will have a documented complaints handling policy and procedure that:
 - a. Provides an accessible, safe and discreet point of contact for stakeholders in New Zealand and countries where work is carried out to raise concerns or complaints about the organisation;
 - b. is responsive and fair;
 - c. provides information to all stakeholders about the reporting and complaints procedure;
 - d. provides information in a clear and easily understandable manner in appropriate forms and through appropriate media;
 - e. ensures requirements for filing a complaint take into consideration the needs of the most vulnerable and considers minority and disadvantaged stakeholders; and
 - f. advises a complainant of the ability to make a complaint regarding an alleged breach of the Code to the Code Committee of the CID Board.

D.6.2 Accessibility and Awareness

Irrespective of size, all signatory organisations are expected to show that they treat complaints seriously, have afforded complainants an opportunity to be heard and have provided a fair process. All signatories are expected to document a genuine complaints process, albeit very simple.

For all the acknowledged difficulties of partners, language and literacy, it is also important that a genuine effort is made to open channels for complaints in the local communities where the development work is being done. Although this effort may take some years to produce results, it is a critically important dimension of accountability and the external credibility of NGO aid and development.

The extent of documentation of the signatory organisation's own complaint-handling processes will be appropriate to the scale and capacity of the organisation. For very small organisations for example, a one or two page procedure should be sufficient. The use of non-executive governors as a first point of contact for any complaints may also be a cost-effective way to meet that part of the standard.

Good practice implementation should include:

- an identified point of contact in each field location;
- preferably two points of contact in New Zealand (a senior staff person and a board member);
- a documented process (for a small organisation this might be 1-2 pages) that should be accessible to all staff, available on the organisations' website and perhaps in local language leaflets in field locations. This should involve a minimum of bureaucracy and be open to the vulnerable, disadvantaged and the illiterate;
- local community engagement processes that regularly encourage feedback and reporting of complaints and promote the correct points of contact;
- a documented process for investigation (this may be very simple for a small agency);
- escalation steps that will bring complaints ultimately to the governing body; and
- timelines for each step in the process

RESOURCES:

Humanitarian accountability partnership – tools

Humanitarian accountability partnership – resources

Accountability

E. COMPLIANCE WITH THIS CODE

Section

E.1 Compliance

Principle

E.1.1 Compliance with this Code

Signatory organisations will be compliant with all applicable aspects of this Code and will not engage in activities which bring the sector into disrepute.

Obligation

1. Signatory organisations will monitor themselves to ensure they are compliant with the Code.

Obligation

2. Signatory organisations will promote their commitment to the Code and the Code complaints handling process on their website.

Obligation

3. Signatory organisations that become aware of major transgressions against this Code in their own, or other, signatory organisations are encouraged to notify or make a complaint to the Code Committee.

Section

E.2 Assessment of compliance

Principle

E.2.1 Application to become a signatory

Organisations wanting to become a signatory to the Code of Conduct must complete the application process as determined by the Code of Conduct and must be fully compliant with the Code's mandatory obligations, as applicable, before being granted Code signatory status.

Obligation

1. On application to become a signatory, an organisation will complete the Compliance Self-Assessment Process, which details organisational documentation that supports compliance with the Code Principles and Obligations.

Obligation

2. On application, the organisation will provide the Code Committee with copies of the relevant documents that demonstrate compliance with the Principles and Obligations in the Code.

E. COMPLIANCE WITH THE CODE

This Code is voluntary and compliance is primarily self-assessed, although the Code Committee does conduct assurance on some aspects of the Code. The Code should be considered as one of a range of requirements that any signatory organisation must comply with - including the law, and any other external standards committed to by the organisation.

E.1 Compliance**E.1.1 Compliance with the Code**

Signatory organisations are expected to be good citizens of the Code community and ensure that they are compliant, to promote the Code on their website and to notify breaches - both their own and other organisations.

At a minimum, organisations test their compliance on application to become signatories, biennially when the Compliance Self-assessment is lodged and as they are subject to CID Code Committee assurance processes (biennially and ad-hoc). They may also be tested for compliance if they are subject to a complaint investigation over an alleged breach.

Signatory organisations should ensure that their Code compliance monitoring is embedded in their general compliance activity.

E.2 Assessment of compliance**E.2.1 Application to become a signatory**

(E.2.1 to E.2.4 will be covered elsewhere on the website including access to the Compliance Self-Assessment document. No specific Guidance is provided for these sections.)

Obligation 3. Organisations must complete their application process within 12 months of lodging their initial application.

Obligation 4. Organisations are not able to use the Code of Conduct logo until they have Code signatory status.

Principle **E.2.2 Biennial assessment**

Signatory organisations will provide information on a biennial basis demonstrating their continued compliance with the Code.

Obligation 1. On a biennial basis, signatory organisations will complete the Compliance Self-Assessment process, which requires signatory organisations to report on compliance with the Principles and Obligations in the Code and advise if any of their key supporting policies and documents have changed materially.

Obligation 2. The Compliance Self-Assessment process must be completed within 5 months of the conclusion of the signatory's most recent financial year.

Obligation 3. Signatory organisations will promptly provide the Code Committee with any reasonable requests for clarification or additional information.

Obligation 4. Signatory organisations will comply with any remedial actions recommended by the Code Committee.

Principle **E.2.3 Promotional material**

Signatory organisations will respond promptly to rectify any Code of Conduct breaches identified in random promotional material checks conducted during an emergency appeal.

Obligation 1. Where the signatory organisation is advised by the Code Committee of a breach in the Code, the signatory organisation will rectify the breach within a time frame nominated by the Committee and put in place systems to ensure that the breach does not recur.

E.2.2 Biennial assessment

(E.2.1 to E.2.4 will be covered elsewhere on the website including access to the Compliance Self-Assessment document. No specific Guidance is provided for these sections.)

E.2.3 Promotional material

(E.2.1 to E.2.4 will be covered elsewhere on the website including access to the Compliance Self-Assessment document. No specific Guidance is provided for these sections.)

Section E.3 CID Code of Conduct complaints handling**Principle E.3.1 Agreement to the process**

Signatory organisations agree to be bound by the independent, accessible, fair and confidential CID Code complaints handling process.

- Obligation** 1. Signatory organisations will comply with the complaints handling process as set out in the Guidance. This forms part of the binding obligations of this Code.
- Obligation** 2. Signatory organisations will comply with Code Committee requests for information within all reasonable time limits as set.
- Obligation** 3. If there is a breach of the Code, signatory organisations will comply with the corrective or disciplinary action agreed with the Code Committee, as described in the Implementation Guidance and which forms a binding part of the Obligations of this Code.
- Obligation** 4. If a breach has occurred, the signatory organisation will comply with the Code Committee requirements that it will put in place measures to minimise the risk of the breach recurring.

E.3 CID Code of Conduct Complaints Handling

[This whole section has not yet been developed for the cid code pending discussion by the board regarding appropriate mechanisms for cid members.]

F. DEFINITIONS

Accountability: 'The processes through which an organisation makes a commitment to respond to and balance the needs of stakeholders in its decision making processes and activities, and delivers against the commitment' (Pathways to Accountability, the GAP Framework One World Trust, 2005)

Actors: An organisation, government department or individual with a role or influence. (Safety with Dignity, Action Aid, 2009)

Affiliate: An organisation to which the signatory organisation has some form of membership, formal association or alliance.

Aid and development: Aid and development refers to activities undertaken in order to reduce poverty and address global justice issues in the broader context of working to achieve sustainable development. In the non- government organisation sector, this may occur through a range of engagements that includes community projects, disaster risk reduction, responding to disasters, community education, advocacy, volunteer sending, provision of technical and professional services and resources, environmental protection and restoration, and promotion and protection of human rights.

Advocacy: Activities undertaken to change the systemic and structural causes of poverty and disadvantage which may include popular campaigning, lobbying, research, policy positions, alliances and use of the media. It may occur both in New Zealand and globally. Civil society organisation (CSO): Includes non-government organisations (NGOs), not-for-profit organisations (NPOs), charities and community based (which are NGOs), not-for-profit organisations (NPOs), and charities and community-based organisations (CBOs). Can also include religious organisations, trade unions, foundations and any institutions outside of the corporate and government sectors. (Pathways to Accountability, the GAP Framework, One World Trust, 2005).

Collaborate: A process in which two parties contribute core competencies and share the risks and decision-making to achieve mutual objectives.

Communities: Locally organised or informal groups or networks. (Safety with Dignity, Action Aid, 2009).

Complaint: An 'expression of dissatisfaction'. (International Standards Organisation standard on complaints handling).

Development: Seeks to improve the conditions and quality of life of communities in a sustainable way. The focus is on working with communities or organisations, rather than for, or on behalf of, communities.

Dignity: 'The feeling of having decision making power, freedom and autonomy over life choices, together with the feeling of self-worth and self-confidence, and feeling one has the respect of others'. (Safety with dignity, ActionAid 2009 based on Protection: an ALNAP Guide for Humanitarian Agencies, Slim and Bronwick 2005.)

Disability: Persons with disabilities include those who have long-term physical, mental, intellectual or sensory impairments which in interaction with various barriers may hinder their full and effective participation in society on an equal basis with others (United National Convention on the Rights of People with a Disability).

Emergency management: 'Involves plans, structures and arrangements established to engage the normal endeavours of government, voluntary and private agencies in a comprehensive and coordinated way to respond to the whole spectrum of emergency needs'. (The United Nations International Strategy for Disaster Reduction (UN ISDR) 2004). This includes preparedness, mitigation, response, rehabilitation, reconstruction, development and prevention activities.

Effectiveness: Promoting sustainable change that addresses the causes as well as the symptoms of poverty and marginalisation. (ACFID NGO Effectiveness Framework 2004).

Emergency: A threatening condition that requires urgent action. (The United Nations International Strategy for Disaster Reduction (UN ISDR 2004).

Gender: 'The socially constructed roles and responsibilities of women and men that are learned (and therefore unlearned) roles and responsibilities, and expectations, of women and men often described in terms of masculinity and femininity'. (Gender Analysis Guideline, MFAT, 2012)

Gender analysis: The process of considering the impact that a development programme or project may have on women and men, boys and girls and the economic and social relationships between them. (Guide to Gender and development, AusAID, 2007.)

Gender equality: 'Men and women have the same right, status, opportunities and resources to realise their potential and contribute to political, economic, social and cultural development, and to benefit equally from the results'. (Gender Analysis Guideline, MFAT, 2012)

Gender equity: 'Ensuring fairness between men and women often through measures to compensate for political, economic, cultural or historical disadvantages that prevent equality'. (Gender Analysis Guideline, MFAT, 2012)

Human Rights: Legal statements by the international community that assert the equality and dignity of all human beings, including civil and political rights and economic, social and cultural rights.

Humanitarian relief: Fulfilling ‘the most basic requirements for sustaining the lives and dignity of those affected by calamity or conflict’. (Sphere Project, 2004)

Local people: The women and men, boys and girls who are participants in, and directly affected by, aid and development activities in the geographical area in which the activity is undertaken. May also be known as beneficiaries or primary stakeholders.

Non-development activities: Includes all activities that do not meet the following Code of Conduct definition for aid and development activities: Aid and development refers to 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.

Non-government organisations: Voluntary, not-for-profit, organisations formally registered with government that are run by a governing board that is accountable to its members.

Non-food items: Includes clothing and bedding, personal hygiene items, cooking and eating utensils, stoves, fuel and lighting, tools and equipment. (Sphere 2004)

Other resources: Includes (but is not limited to) funds raised, gifts in kind, property, assets, staff and volunteers of signatory and partner organisations.

Partner: Partners are individuals, groups of people or organisations that collaborate with signatory organisations to achieve mutually agreed objectives in aid and development activities. This may include affiliates.

Primary stakeholders: (see local people).

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

Psycho social support: Any type of local or outside support that aims to promote psychological and social wellbeing and/or to prevent or treat mental disorder.

Signatory: An organisation which the Code Committee has accepted as a signatory to the CID Code of Conduct and which has not resigned or been removed and has paid all its fees.

Stakeholders: Individuals and groups that can affect or are affected by an organisation’s policies and/or actions (Pathways to Accountability, the GAP Framework One World Trust, 2005).

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.

Sustainable development: ‘Meeting the needs of the present without compromising the ability of future generations to meet their own needs’. (World Commission on Environment and Development, 1987). Sustainable development also needs to address the maintenance of the carrying capacity of natural systems upon which humanity ultimately depends.

Transparency: ‘An organisation’s openness about its activities, providing information on what it is doing, where and how this takes place and how it is performing’. (Pathways to Accountability, the GAP Framework, One World Trust, 2005).

Third parties: May be a contractor, partner or an affiliate of the non-government organisation.

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