



Policy on Non-Development Activity

Statement of Purpose: The purpose of this policy is to guide Love Mercy Foundation (LMF) and our partners to make a clear separation between development and humanitarian and non- development objectives and activities. This policy addresses our ACFID compliance obligations when communicating with or soliciting donations from private donors and the public, including fundraising for restricted and unrestricted purposes from aid agencies, sponsors and supporters, and fundraising from the general public. This policy was created to ensure LMF complies with its obligations under sections B.1.5 of the Australian Council for International Development (ACFID) Code of Conduct (the Code).

The following policy applies to:

- Love Mercy Foundation Ltd staff (both in Australia and Uganda).
- Love Mercy Foundation Ltd board members (both in Australia and Uganda).
- Love Mercy Foundation Ltd volunteers and interns (both in Australia and Uganda).
- Partner organisations.

Review Date: July 2020

1. Objectives of the Love Mercy Foundation

The Love Mercy Foundation (LMF) aims to:

- Provide relief from immediate poverty;
- Assist in the advancement of sustainable development through education and employment;
- Assist in the advancement of medical support through the establishment of clinics; and

2. Aid and development activities

References to activities of 'aid and development' in this policy are taken to have the same meaning as those in the Code being, any activities undertaken in order to reduce poverty and address global justice issues which may include 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.

- 2.1.** LMF is committed to complying with all of its obligations as a deductible gift recipient and a member of the ACFID, particularly in relation to the use of funds and resources designated for the purpose of aid and development.
- 2.2.** LMF commits to use funds and resources designated for the purpose of aid and development only for the purposes for which they were donated.
- 2.3.** Funds and resources donated for the purpose of aid and development will not be used for any other non-aid and development activity including to promote a particular religious adherence or to support a political party, or to promote a candidate or organisation affiliated to a particular party.
- 2.4.** Aid and development projects operated by LMF will be conducted on a non-discriminatory basis and will not be limited to individuals of a particular race, religion, gender, age, ethnicity, sexuality or political preference. It is our intention to ensure that our commitment to human rights and anti-discrimination are evident in all aspects of our work.

3. Promotion of a particular religion or faith

For the purposes of this policy, the definition of promoting a particular religious adherence is the same as that given in the Code and is taken to mean any activity undertaken with the intention of converting individuals or groups from one faith and/or denominational affiliation to another. This includes Christian evangelism and discipleship.

- 3.1.** The values of LMF are derived through the readings of scripture and the desire to empower those in poverty as expressed in the Bible.
- 3.2.** As outlined in paragraph 2.4 above, the empowerment of those in poverty will not be limited to those who profess a faith, and will be explicitly non-discriminatory in regards to religion.
- 3.3.** Projects are often coordinated in partnership with local churches. This is due to pre-existing authority and power structures in rural villages and not always based on religious preference to work through churches. As churches are often the sole sites for communal gatherings in rural villages, LMF utilizes these existing structures as venues from which to operate its projects. Participation in LMF aid and development projects however is not exclusive to church attendees.

4. Political involvement

- 4.1.** LMF is not aligned with and does not seek to endorse any political party, nor is it the intention of LMF to do so in the future.
- 4.2.** LMF is and will remain an impartial organisation that does not support or oppose any particular government, political party or political candidate or organisation affiliated to a particular party. It will not engage in any political activity, including but not limited to campaigning or lobbying.
- 4.3.** LMF will strive to empower citizens of Uganda through advocacy programs to become aware of their human rights, including their right to vote within a democratic election. By doing so, LMF seeks to reinforce the existing democratic system that operates within Uganda.
- 4.4.** It is the aim of LMF to respect the local and national levels of government in Uganda and it seeks to cooperate with government agencies and to work within their existing legal structures.
- 4.5.** Further, LMF aims to fund projects that operate in a complimentary manner to any government programs and does not seek to overpower or replace any existing government support.

5. Clear separation of activities

- 5.1.** LMF strives to maintain high standards of transparency and integrity in all of its interactions with relevant stakeholders. LMF therefore commits to maintaining a clear separation between aid and development and non-aid and development activities at all times using the following guidelines:

5.2. All communications, reports and solicitations for funding or otherwise are to be reviewed by the CEO prior to distribution to ensure Code compliance and separation of reporting and fundraising for development and humanitarian and non-development activities.

5.3. Fundraising materials will be reviewed prior to publication to ensure that solicitations make a clear distinction between aid and development and non-development activities. All solicitations for funding involving both aid and development and non-aid and development activities will provide donors with an option to give to aid and development activities only. Any funds raised for non-development activity will be tracked, managed, reported and accounted for separately to those raised for development and humanitarian components.

5.4. LMF will appraise all project proposals to determine whether they include non-aid and development components. Any issues will then be followed up to ensure policy requirements are satisfied before the project is approved. Issues which need to be closely monitored over the life of a project will be identified and monitored to ensure compliance with this policy.

5.5. All project updates contained in LMF Annual Reports will be clearly separated into aid and development and non-aid and development activities.

5.6. In-country project monitoring will include monitoring of the separation of non-development activities from development and humanitarian activities as part of project monitoring, learning and evaluation processes.

5.7. LMF's partners will be subject to capacity assessment processes requiring the signatory to identify whether the partner is engaged in non-development activities, and if so, how it is able to manage and account for them separately to aid and development activity.

5.8. Financial Statements will clearly differentiate between the income and expenditure of LMF's aid and development and non-aid and development activities.

6. Extension of policy to partner organisations

6.1. LMF will ensure that all of its partner organisations understand the importance of, and comply with, the requirement of clear separation between aid and development activities and those which promote a particular religious adherence and/or promote a particular political position, party or candidate as outlined in this policy through the following guidelines:

6.2. All initial communications with potential partners will include a clear statement on LMF's position in relation to the separation of all aid and development and non-aid and development activities and its ACFID code compliance responsibilities.

6.3. Any Memorandum of Understanding (MoU) or Partnership Agreement created between LMF and a partner organisation will include comprehensive definitions of aid and development activities and non-aid and development activities, being those referred to in this policy.

6.4. The MoU or Partnership Agreement will also include a statement of commitment on behalf of the partner organisation, stating that it understands and agrees to be bound by the obligation not to use funds designated for aid and development activities for any other non-aid and development activity.

6.5. A copy of this policy will be annexed to all MoU or Partnership Agreements.

6.6. LMF will ensure ongoing compliance by partner organisations through regular reporting systems and annual monitoring and evaluation of its partners' activities.

In the event that a partner organisation fails to maintain the separation between its aid and development activities and its non-aid and development activities, LMF will suspend any additional funding provided until such time as the partner organisation can show that a clear separation has again been established.

7. Policy review

This policy will be reviewed on an annual basis but may be amended at any time the Board sees fit.