



DEVELOPMENT POLICY

Policy Number:	4	Version:	5
Updated by:	Maria Prescilla, Paul Taylor	Effective From:	4 September 2024
Reason of Review:	Scheduled Review	Review Date:	As per schedule

INTRODUCTION

Established in 2000, Mercy Works Limited (MWL) is the development arm of the Sisters of Mercy in Australia and Papua New Guinea.

We work in partnership with vulnerable communities and local organisations domestically and in the Asia Pacific region. We work with the people of these communities and organisations to build capacity, dignity and self-reliance.

1. SCOPE

This policy applies to all MWL supported development and relief activities and should be read and understood by all MWL Board Directors, committee members, employees, contractors, volunteers, partners and other stakeholders who operate under the auspices of MWL.

2. PURPOSE

The vision of Mercy Works Limited (MWL) is **“Mercy in Action - Partnering with the most vulnerable toward opportunity, dignity and self-reliance”**.¹

In fulfilling this vision MWL has committed to working **“in partnership with local community organisations to support the most vulnerable, both within Australia and elsewhere in the Asia Pacific region, with a particular focus on women and children”** and developing programs that **“strive to build capacity and self-reliance and to foster environmental sustainability”**.²

The purpose of this policy is to document MWL’s overarching approach to aid, development and relief work. It aims to inform the types of programs MWL will support, the partners it will work with and the overall approach it will take to managing its development and relief work. It also seeks to provide clear definitions of development and non-development activities, as defined by the Australian Commonwealth Government, thereby ensuring that MWL continues to deliver overseas aid activities in accordance with the Overseas Aid Gift Deduction Scheme (OAGDS).

3. DEFINITIONS OF TERMS

MWL adopts the ACFID definition of key terms as follows:

¹ MWL Strategic Plan (2021-2022)

² MWL Strategic Plan (2021-2022)

- **Development:** Improving the conditions of communities in a sustainable way. It is based on working with communities, rather than for or on behalf of communities (see Sustainable Change).
- **Development and humanitarian initiatives:** Activities undertaken in order to reduce poverty and address global justice issues. In the non-government organisation sector, this may occur through a range of engagements that includes community projects, humanitarian response and 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.
- **Humanitarian response:** Action taken with the objective of saving lives, alleviating suffering and maintaining human dignity during and after human-induced crises and natural disasters, as well as action to prevent and prepare for them (Core Humanitarian Standard).
- **Non-development activity:** Includes activity undertaken to promote a particular religious adherence or to support a particular party, candidate or organisation affiliated to a political party.
- **Welfare activities:** Activities defined as care and maintenance, other than in refugee and emergency situations, which aims to maintain people in a particular condition on a longer-term basis. Substantial and broad impact on social and economic conditions in the community is not normally expected from welfare programs. Welfare may be provided to an individual or family including home-based and institutional care programs, such as those provided by orphanages, homes for the elderly, hospices and the provision of food for those who are destitute.
These activities typically:
 - are implemented independently of other sustainable community development activities,
 - include no strategy for integration into broader community development programs,
 - are provided on an individual or family basis, rather than on a community basis, and are unconnected to emergency needs, and
 - are implemented on a long-term basis with no clear exit strategy.
- **Evangelical activities:** Those activities that promote a particular religious adherence or are undertaken with the intention of converting individuals or groups from one faith and/or denominational affiliation to another.
- **Partisan political activities:** Those activities that are associated with facilitating or supporting specific political individuals to gain power. This does not include advocacy which is aimed at persuading and influencing decision makers and opinion leaders and is not aimed at promoting partisan political objectives.
- **Sustainability:** In the context of development and humanitarian programs, **sustainability**, refers to the sustainability of aid and development outcomes. DFAT has defined sustainability as: the continuation of benefits after major assistance from a donor has been completed³.

4. BACKGROUND

MWL engages in partnerships with local organisations and communities both within Australia and the Asia-Pacific region to promote justice and support peoples and communities most vulnerable to poverty and marginalisation. It aims to build capacity so that social and economic development can be achieved.

³ Promoting Practical Sustainability, September 2000
Development Policy September 2024

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5. APPLICATION

5.1 Development and Humanitarian

MWL provides long-term support to most vulnerable peoples and communities to enable them to bring about long-term and sustainable change. While it does, on occasion, work with communities who have experienced humanitarian emergencies, it does so only after the immediate crisis has subsided and its work is focused on recovery to enable people and communities rebuild their livelihood. Hence, MWL does not consider itself a humanitarian actor or agency.

For a project to be considered by MWL, the following key criteria must be met:

- the project is informed by thorough social, political and cultural analyses and clear on how change will take place in a particular context
- the project seeks to build resilience and improve the well-being of a community without favouritism or discrimination by race, religion, culture or political persuasion
- the project is identified, designed and implemented in close cooperation with primary stakeholders and local people to ensure that project activities are appropriate, are in direct response to local needs, and build on local capacities
- the benefits which result from the project are lasting, sustainable and likely to continue after the funding from MWL has ceased.

In addition to these criteria and in alignment with its mission and vision, MWL has a particular interest in projects that assist the development of vulnerable people, especially women and children.

MWL supports development projects that:

- recognise the human person not as the passive beneficiary of development interventions, but as its active subject, claimholder and participant
- promote and prioritise the human rights of all beneficiaries, with emphasis on the civil, political, economic, social and cultural rights enshrined by international standards
- are initiated as outcomes of consultation with communities and involve those affected by activities in decision making processes – including children and young people
- are planned and executed with a view to handing control and ownership of activities over to the local community
- provide ongoing benefits
- benefit whole communities without favouritism or discrimination for reasons of race, religion, culture, political persuasion.

5.2 Development and Humanitarian

MWL programs will show preferential care for the most vulnerable and marginalized including First Nations people, refugee women, men and children in Australia and Asia-Pacific region, with a particular focus on women and children at risk.

MWL sectoral priorities are identified through thorough contextual analysis and discussion with key stakeholders which involves key partners and other organisations from areas where we work. Currently, these are: health, education, livelihood and protection.

5.3 Development and Humanitarian

In line with ACFID code of conduct, MWL does not undertake evangelisation in its aid and development work. MWL does not support welfare programs, nor engage in partisan political activity.

As such, it commits to ensuring that funds and other resources designated for the purpose of aid and development are not used to:

- support projects that promote/engage in partisan political activities or support particular political party, individual or groups. This includes, but shall not be limited to:
 - MWL personnel, representatives or partners (when using MWL's name or resources) being involved in party political activities
 - using funds or resources to facilitate or support a specific political party, candidate or political organisation in a local, regional or national election in any country
 - 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.
- support evangelising, proselytising or attempting to convert people to another religion or faith. It will not make aid and/or development activities conditional on participation in religious activities.
- build church or religious infrastructure, or church activities (except when the activity is specifically designed to deliver a non-denominational development outcomes)
- support activities which create dependence on long-term care and maintenance.

Where a particular component of the project design may be considered as non-development:

- the program manager and/or program coordinator will review and revise the plan and monitor implementation closely to ensure compliance with this policy
- this process will be managed, reported on and accounted for separately to the aid and development component.

MWL will ensure staff and partners can understand and differentiate between development and non-development activities. MWL will ensure that partners understand their obligations regarding the use of MWL funds designated for development purposes, as reflected in the MOU or Program Agreement with partners.

5.4 Participatory and Inclusive Development

MWL promotes participatory and inclusive approaches in its community development work to advance the inclusion and representation of those who are vulnerable and those who are affected by the intersecting drivers of marginalisation and exclusion, including but not restricted to race, religion, ethnicity, indigeneity, disability, age, displacement, caste, gender, gender identity, sexuality, sexual orientation, poverty, class and socio-economic status.

MWL programs will be informed by good contextual and stakeholders' analysis to understand the different barriers to inclusion faced by different groups of vulnerable and marginalised people in communities we work in.

MWL believes that all people have the right to participate in decisions that affect their lives, and that decisions should be made by the people most affected by the issues and concerns of the community. MWL seeks to support the capacity of most vulnerable and marginalised particularly, women and children in decision making that enables them to engage in processes aimed at changing their lives and their circumstances. Where programs prioritise children, MWL will work with partners to ensure the program promotes positive cultural attitudes towards the participation and inclusion of children. Girls and boys will

be supported to become active participants, by engaging them in decision-making processes and enhancing their knowledge and skills to realise their full potential.

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MWL will ensure partners are equally committed and are supported to be able to promote inclusive development practices.

5.5 Partnership

Working in partnership with local organisations and communities that share MWL mission, vision, values and priorities is core to advancing MWL's development work with the most vulnerable communities in Australia and Asia-Pacific region. However, MWL may decide to work directly in-country when there is lack of local partnership possibilities, or when the capacity of local partners is limited and we can offer specific expertise, otherwise not available.

MWL partnerships are built on the principles and practice of development that reflect commitment to agreed objectives and mutual accountability. MWL Partnerships are formalised through a memorandum of understanding (MOU), and will be reviewed as regularly as possible.

5.6 Sustainability

MWL promotes local ownership, capacity strengthening and empowerment in order to achieve sustainable development outcomes and avoid creating dependency.

MWL programs must value and build on local resources, encourage strong participation, promote local ownership and strengthen the capacity of participants to manage their own development. In doing so, the communities it works with will be in a strong position to continue in the long-term, with limited or no external assistance.

To reinforce the sustainability of development outcomes, where relevant, MWL will work with partners and communities to help build resilience and minimise the risk and impact of climate change and environmental degradation which undermine the results of hard-earned outcomes of development efforts.

5.7 Environmental Protection and Sustainability

MWL will seek to ensure that all the programs it supports are environmentally sound and assist the most vulnerable people and communities to have access to a greater share of the earth's resources, encouraging environmental sustainability and equity, and respect for the environment.

All MWL supported programs will always aim to do no harm to the environment. However, where this is unavoidable, the impact should be minimised and strategies for mitigating environmental impact should be developed, implemented and regularly assessed. Environmental implications should be considered throughout all stages of a project and MWL will work with partners to mitigate potential environmental impacts of the projects.

MWL promotes environmental protection and sustainability by:

- ensuring that partners and projects comply with relevant international and local environmental protocols, policies and law
- assessing, identifying and analysing potential environmental risks posed by the program and take relevant mitigation measures

- ensuring project designs promote environmental sustainability and improved environmental outcomes
- ensuring partners have sound environmental management practices
- monitoring environmental risks and impacts at all stages in the program management cycle.

5.8 Capacity Strengthening

MWL understands capacity strengthening as a deliberate process through which individuals, groups, organisations or networks, enhance existing or develop new knowledge, skills, attitudes, systems and structures needed to function effectively, efficiently and sustainably, in order to achieve development goals. This increases the ability of people, organisations and systems to cope with crises and to contribute long-term to the elimination of poverty.

MWL seeks to ensure that the individuals, organisations and communities we work with are in a better position to lead their own development process and eventually achieve sustainable development.

MWL will work closely with partners and communities to identify the capacity strengthening required at the local level as well as the most appropriate mechanism and method of delivery.

MWL will work with partners and communities to ensure capacity strengthening and empowerment of communities and participants are an integral part of the programs we support. This may be through training opportunities such as leadership training, technical training or participation in various committees and developing mechanisms that provide primary stakeholders with opportunities to contribute ideas, feedback and make complaints so that they have a voice in and ownership of the development initiative.

5.9 Cross cutting issues

In order to achieve equitable and sustainable outcomes and to respond effectively to particular circumstances, MWL seeks to ensure that all development activities address relevant key cross-cutting issues that are essential to human development in a particular context. Each of these cross-cutting issues need to be considered throughout the project cycle, from the planning and design phase through to monitoring and evaluation. These cross-cutting issues may include Gender Equality, Disability Inclusion, Protection, Safeguarding and Climate Change Adaptation.

5.9.1 Gender Equality

Gender inequality is a root cause of many barriers to sustainable development. It intersects with and exacerbates other factors contributing to marginalisation. A commitment to gender equality and equity is grounded in globally agreed human rights principles, including non-discrimination. It is based on international instruments, in particular the Convention on the Elimination of all forms of Discrimination Against Women (CEDAW).

MWL is committed to promoting gender equality and equity and to non-discrimination in regard to gender identity in its work. MWL programs will seek to address barriers to female participation in decision-making due to power imbalances, stereotypes, traditions or discrimination by identifying the barriers women and girls face, and integrate strategies that seek to overcome these barriers at design process. Program strategies that seek to overcome these barriers might include:

- capacity building activities for women and girls that foster leadership skills and build confidence
- training activities for young people, women, and men on women's right to participation and roles in decision-making
- engaging men as champions for women's participation
- revising the rules and procedures of committee structures so that they include female representation
- supporting women's leadership in the workplace through greater inclusion in senior positions

- ensuring that meetings are scheduled at times that suit the other responsibilities of women
- ensuring that there is safe transport for women to attend decision making forums.

5.9.2 Disability inclusion

Multiple and intersecting sources of discrimination hinder the ability of people with disability to realise their rights including to participate fully in their communities and access public services, education, health and employment opportunities. Women with disabilities are also two to three times more likely to experience violence than women without disabilities and men with disabilities in their communities.

To promote the human rights and empowerment of people with disability, MWL commits to mainstreaming disability in its programs. At a minimum, programs design will include undertaking analysis which includes consultation with people with disability and contextual analysis of the barriers to social inclusion and participation. Findings from this analysis should be used to ensure the program does no harm and does not reinforce inequalities, and that program designs promote inclusion of people with disability.

MWL will work with partners to ensure they incorporate measures to understand the barriers to inclusion, and to promote disability inclusive practices throughout the program.

MWL will integrate disability considerations at all levels in its program management cycle. MWL program monitoring and evaluation will include the assessment of progress in promoting the inclusion of people with disability.

5.9.3 Protection

MWL protection activities will aim to contribute to a safe and dignified environment for all members of the community MWL and its partners work with, particularly women and children. It includes the protection of human rights, the promotion of safety and human dignity and the participation and inclusion of all.

MWL will focus on two key areas of protection work: Sexual and Gender Based Violence and Child Protection. It will include two main types of program initiatives:

- **protection mainstreaming:** programs that implement development projects with a protection 'lens'. It aims to prioritise safety and dignity and avoid causing harm, facilitate meaningful access to programs and services, have accountability to communities and promote participation and empowerment
- **stand-alone programs:** programs where protection is the main objective (such as protection for women and girls affected by violence and for child protection and child rights projects).

5.9.4 Safeguarding (Child Protection and sexual exploitation, abuse and harassment)

MWL has a zero tolerance approach to child abuse and is committed to taking all necessary steps to ensure that all children and young people with whom it works (both here in Australia and overseas in our development programs) are provided a child-safe environment at all times. (MWL Child Safeguarding Policy).

All programs supported by MWL which involve children or communities more broadly, must seek to promote the safety and well-being of children. MWL will not support activities that are not covered by adequate child protection policies, including providing funds that support an individual with any conviction under the Crimes (Child Sex Tourism) Amendment Act 1994.

To ensure child-safe programming, MWL will implement procedures that will help safeguard those who are vulnerable to sexual exploitation and abuse in the delivery of MWL supported programs, including:

- integrating child safeguarding into MWL project cycle management guidelines and tools such as progress and monitoring report templates to ensure child safeguarding issues are considered at each stage of the project cycle
- undertaking risk assessments of perceived and potential risks to children in all programs and initiatives and put in place mitigation measures
- establishing review mechanisms that minimise the possibility of program activities exposing children to greater risk, including assessment of partner's policy and practices in relation to child protection and Sexual Exploitation Abuse and Harassment (SEAH)
- working with partners to strengthen their capacity around Child Protection and SEAH
- providing opportunities for children to share their views, experiences and ideas to inform and set the direction for MWL initiatives and projects
- providing opportunities for children to provide both positive and negative feedback on the outcomes of projects on their lives.

5.9.5 Climate Change Adaptation

Climate change poses a significant threat to the health, security and livelihood of the world's poorest communities, exacerbating existing development challenges in the most susceptible regions, including Asia Pacific. In fact, many of the communities we work with are already experiencing the detrimental effects of a changing climatic conditions.

MWL will endeavour to promote Climate Change Adaptation practices in relevant development and relief activities in order to increase community resilience and minimise their vulnerability to disasters or shocks.

5.10 Value for Money

MWL strives to demonstrate greater Value for Money (VfM) into all areas of operation, development practice and stages of program management cycle by:

- exercising cost consciousness and identifying reasonable opportunities to reduce costs for an activity, with a regard to maintaining quality
- having systems proportional to the capacity and need to manage results and/or deliver better outcomes at utmost efficiency
- focusing on results and successfully achieving the intended outcomes from an activity
- addressing inequality and facilitating equal access to resources by most vulnerable communities and individuals.

5.11 Risk Management

MWL manages a wide range of risks associated with its development and relief activities, including but not limited to:

- child safeguarding incident involving staff or partners
- sexual exploitation or abuse incident involving staff or partners
- resources being diverted to proscribed 'terrorist' groups;
- poor fraud management planning leading to repeated fraud incidents
- lack of staff or specific technical skill-sets in country office or partners
- security situation affecting implementation negatively
- environmental risk

- other programmatic risks that may affect the achievement of program objectives.

MWL manages risks throughout the project management cycle, and has developed procedures and tools to assess, rate, treat and monitor risks at program and partnership levels.

5.12 Monitoring and evaluation (M&E) of projects/programs

MWL commits to establishing a monitoring and evaluation (M&E) system that will track the progress and determine the effectiveness of its and partners work, and provide ongoing learning as to what contributes to positive and sustainable change.

MWL M&E will look at key areas including but not limited to: community empowerment, sustainability, gender, the environment (if relevant), financial accountability and risk management.

MWL will endeavour to conduct one project evaluation over the life of a multiyear project costing over \$250K to make a judgment on the approach, methodology and outcomes of the project.

5.13 Accountability

Accountability is a core duty arising from the trust placed in MWL by donors, supporters, partners and other people it works with. For this reason, MWL strives to meet the highest standard of development practices reflected in the ACFID Code of Conduct and other relevant sectoral standards. As such, MWL will put mechanisms in place that promote good management practices, program quality, and continuous improvement.

MWL is committed to making all reasonable efforts to ensure the funds are used solely for development purposes agreed with MWL and are not being misused or directed to support terrorism activity.

MWL renounces all forms of terrorism and will not knowingly support, tolerate or encourage terrorism or the activities of those who embrace terrorism.

5.14 Exiting Strategy

MWL recognise that sustainable development takes some time to achieve, requiring long-term commitment. Sufficient time and resources are needed for stakeholders to learn and participate in a meaningful way in the project cycle to build local capacity and promote local ownership, particularly of the most vulnerable.

When exiting a program or at program completion, MWL will ensure that partners and communities are ready for the transition to greater independence. This can be ascertained through a participatory evaluation as well as other partnership engagements. MWL will allow up to one year for this transition period in order to minimise the impact of its exit. MWL programs will incorporate exit strategy at design.

6. COMPLIANCE

6.1 Development Project Assessment

Projects are assessed against a set of criteria that reflects the good practice standard outlined in this policy by MWL staff and the MWL Standing Committee for Program Management, using the MWL Project Appraisal Form.

Partners are also assessed using the MWL Partner Assessment Tool, which includes an appraisal of their capacity to effectively manage, deliver, account for and report on program.

6.2 Expenditure Reporting

For reporting to ACNC, MWL and the two Trusts for which it is Trustee, namely the Sisters of Mercy Overseas Aid Fund and The Australian Mercy Works Charitable Trust, as well as Mercy Works Limited's subsidiary Company MWLPNG, are authorised for group reporting. Within the MWL accounts funds of each identity are kept separate. Additionally, funds for each project are kept separate in the accounts. MWL does not undertake non-development activities.

6.3 Fundraising

Guidelines are in place to address appropriate reporting to donors and the public. Fundraising materials will be reviewed prior to publication to ensure that solicitations make it clear that MWL does not undertake non-development activities.

6.4 Communications

Guidelines are in place to address appropriate reporting in organisational promotional materials. Communications materials are reviewed prior to publication to ensure that they are compliant with MWL policy.

6.5 Choice for Donors

Communication with new partners and donors will state MWL's position that we do not undertake non-development activities. MWL's partner will receive a copy of this policy. The partner agreement Memorandum of Understanding (MOU or equivalent) will include clear definitions of development and humanitarian activity. The partner agreement (MOU or equivalent) will require the partner to adhere to this policy.

6.6 Project Agreement Document/Partnership Memorandum Of Understanding

In submitting an application for funding, partner organisations agree to be bound by this policy and to ensure that funds allocated for development purposes are not misapplied or misused. The MWL Project Application Form, together with a Letter of Approval from MWL Board Chair granting funds to the partner organisation and the Project Agreement Document/ Partnership Memorandum Of Understanding constitute an MOU as per DFAT's guidelines.

7. RELATED DOCUMENTS:

This policy should be read in conjunction with MWL's other relevant policies, including:

- ACFID Code of Conduct

- Partnership Policy
- Human Rights Policy
- Inclusive Development Policy
- Environmental Sustainability and Management Policy
- Management of Concerns, Complaints and Commendation Policy
- Transparency and Accountability Policy
- Whistleblowing Policy
- Code of Conduct Policy
- Prevention of Sexual Exploitation and Abuse Policy
- Counter-Terrorism and Anti-Money Laundering Policy
- Fraud Control and Corruption Prevention Policy
- Child Safeguarding Policy
- Financial Wrongdoing Policy
- Project Application Guide
- Project Application Form
- Project Assessment Form
- Letter of Approval
- Partner Assessment Template
- Project Agreement Document/ Partnership Memorandum Of Understanding

8. BREACH

A breach of this policy may result in disciplinary action that may involve severance from the organisation.

9. AUTHORITY

This policy is approved and reviewed by the Board.

10. CONTACTS

Executive Director
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02 9564 1911
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11. REVIEW

Review of this policy will be undertaken every 2 years by the Executive Director with the approval of MWL Board.

12. REVISION/ MODIFICATION HISTORY

Date	Version	Current Title	Summary of Changes	Approval Date	Commencement Date
29 Apr 2020	1.	Development and Non-Development Policy	New	29 Apr 2020	30 April 2020
15 June 2022	2	Development Policy	Various	15 June 2022	15 June 2022
18 July 2022	3	Development Policy	Various	18 July 2022	18 July 2022
Q6 September 2024	4	Development Policy	Standardisation, grammatical changes, revised introduction, inclusion of breach, authority and contacts sections	4 September 2024	4 September 2024

13. APPROVAL DATE/REVISION SCHEDULE

Approved by: Board, Mercy Works Limited
 Date: 4 September 2024

To be Revised: September 2026

Board Chair Signature	<i>Joseph Bakar</i>
Date	09 October 2024