

Code of Conduct for NGOs in International Development Cooperation

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Preamble

This Code of Conduct seeks to set the principles and values on how NGOs in international development cooperation can accomplish its purpose in a transparent and responsible manner by establishing a reasonable and progressive organizational structure and giving priority to the needs of the citizens of the beneficiary country and their participation in carrying out their mission of fighting poverty.

Abiding by the spirit of this Code of Conduct, the NGOs in international development cooperation shall aim to pursue the common value of creating sustainable changes in beneficiary countries by not only addressing surface phenomena of such social ills as poverty, inequality and social exclusion, but also discovering the fundamental causes behind them and making rectifications while implementing developmental activities.

In principle, NGOs are to choose this Code voluntarily. The organizations that choose the Code of Conduct for NGOs in International Development Cooperation shall declare their commitment to comply with this Code, establish their standards accordingly and announce them through the organization's management system. In addition, NGOs must ensure that this standards to be congruently applied to their domestic headquarters as well as branch locations in beneficiary countries.

In addition to this Code of Conduct, NGOs shall operate by complying with the laws of Korea and beneficiary countries as well as the international law. All signatories of this Code of Conduct are encouraged not only to meet minimum legal requirements but to go beyond and follow internationally recognized standards.

This Code of Conduct consists of five chapters. Chapter 1 and 2 will each define the standards on the organizational structure and the mission. Chapter 3, 4 and 5 will describe the highly emphasized standards with respect to accounting, release of information and ethical behavior that the employees and officers of the signatory NGOs shall abide by in order to reinforce the organization's social accountability.

Chapter 1. Organization

In order to fulfill their responsibility to carry out the committed activities and ensure the successful results, NGOs shall establish the democratic decision making process and strive to provide an organizational structure that is open and invites any citizen to offer suggestions and participate in NGOs' activities.

1. The decision making process shall be made pursuant to the relevant laws and regulations, and must be based on the general democratic principles.
 - ① The rules of the organization (articles of association, bylaws, rules, regulations, and other related documents) shall be aligned with legal requirements, and define the organizational structure of the NGOs, including its mission, member qualifications, decision-making and management matrix, and proper accountabilities, the frequency of the meetings, the quorum, etc.
 - ② The highest decision-making body of the NGOs is the general assembly (in case of a foundation – Board of Directors). Execution and auditing bodies shall be installed by following the organization's set rules.
2. The opinions of the stakeholders shall be welcomed and respected, especially the inputs by the beneficiaries who will be directly influenced by the organization's actions and decisions. In addition, NGOs shall encourage the public to make suggestions and participate in carrying out the organization's mission and policies.
3. All employees must be treated reasonably and provided with continuous education, training and hands-on learning opportunities to strengthen the employees' professional and leadership capabilities.

Chapter 2: Project Management

Mid- and long-term objectives shall be established in line with NGO's vision and mission statement. Based on such objectives, NGOs shall plan, implement and evaluate their projects while fulfilling the internationally agreed principles.

1. NGOs shall follow “Istanbul CSO Development Effectiveness Principles” while carrying out their mission.
 - ① NGO shall develop and practice strategies, activities and methods that are designed to promote human rights, both individually and collectively, through improved dignity, opportunities for quality jobs, social justice and equality.
 - ② NGOs shall put force their best efforts to promote the rights of women and girls to realize gender equality and gender equilibrium in beneficiary countries.
 - ③ NGOs shall make efforts to encourage the citizens of the beneficiary countries to cultivate the spirit of self-reliance and self-help by encouraging them to proactively participate in decision making process over the policies and plans that will bring direct impact on their lives.
 - ④ NGOs shall place priorities on enhancing the sustainability of the environment for the present and future populations by valuing the local socio-economic conditions, cultural and indigenous approaches of beneficiary countries.
 - ⑤ NGOs shall put continuous efforts to increase the level of transparency and redouble accountability and integrity in all project implementations.
 - ⑥ Conditions over project implementation shall be agreed or mediated pursuant to the principle of mutual equality among different development entities in the areas where similar developmental goals and strategies are clearly shared in order to ensure continuity and consistency.
 - ⑦ Local resources and wisdom shall be fully reflected in project execution and thus gained knowledge shall be shared with relevant outside organizations.
 - ⑧ NGOs shall prioritize on carrying out the projects designed to assist the underprivileged and alienated segments of the population while focusing on developing elements and creating results that will sustain transformation onto next generations.

2. While carrying out the humanitarian assistance, NGOs must comply with “The Code of Conduct for the international Red Cross and Red Crescent movement and non-governmental organizations in disaster relief.”

Chapter 3. Accounting

NGOs shall manage all financial matters in a transparent manner and aim to create sustainable developmental activities with professionally managed finances.

1. NGOs shall record and manage all transactions and undergo audits in accordance with the international and national accounting standards as well as their own organizational regulations.

① Accounting books and financial statements shall be generated as referred to the established standards for non-profit organizations by the Korean Financial Accounting Standards.

② The decisions on matters of accounting/finances shall be reviewed and approved by General Assembly (or Board of Directors). To secure public’s confidence and trust, an outside accounting expert shall perform external audit.

2. NGOs shall form a team dedicated to accounting/finances to professionally manage income, expenditure, assets and liabilities. In addition, the safety and continuity of the organization must be secured via appropriate risk management in order to ensure the financial accountability.

Chapter 4. Release of Information

NGOs shall provide objective and reliable information on the organization’s operation, activities and finances. In addition, the organization shall proactively communicate and share information with its stakeholders, public, and other NGOs.

1. NGOs shall disclose quality information that is trustworthy and useful to its stakeholders.

- ① Four types of information NGOs must disclose are: the basic organizational information, the governance structure, the mission statement and the financial information.
 - ② Personal information including the information on donors shall be managed with proper care and such information may not be released to any third parties without the consent of the party concerned.
 - ③ NGOs shall provide diversified channels of information release through annual report, newsletters or bulletins.
2. During fund-raising activities, a NGO must clearly disclose and describe its identity, the mission it is committed to and the needs of the intended beneficiaries. In composing any materials for fund-raising efforts, NGOs must respect the human rights and local culture of the beneficiary country.
 3. Through information sharing, NGOs shall prevent inefficiency resulting from redundant input of resources for development activities and through collaborative efforts, enhance the efficiency.

Chapter 5. Ethical Behavior

The officers and employees of the development NGOs have the responsibility to comply with the standards of ethical behavior stated below when carrying out their activities.

1. While carrying out NGO's mission, officers and employees must maintain the dignity and professionalism as experts of the subject matter, and carry out their duties with the spirit of sincerity and fairness.
2. Officers and employees of NGOs must respect stakeholders' opinions, support and value solidarity with each interacting organization and maintain independence from political and economic interest groups, mindful of their duties as the parties responsible for serving public interests.
3. Any form of bribery, corruption, coercion or embezzlement shall be prohibited.

Pursuit of inappropriate and unjustified benefits, or otherwise unethical behaviors that may damage public's confidence in NGOs shall also be prohibited. If wrongdoing or misconduct is discovered, timely and firm corrective measures shall be employed.

The signatories to this Code of Conduct shall be fully acquainted and comply with all the rules listed above. NGOs shall also perform "Accountability Self-Assessment Tool for Korean NGOs in International Development Cooperation" on a regular basis to verify the level of compliance with the Code of Conduct and make an effort to promote strong accountability not only within the organization but also with the general public.