

Principles and Standards of INGO Fair Reward

(Working Draft – for consultation)

Purpose: There is increasing focus within the international aid and development sector on the importance of fair reward, and demand for a common set of reward-related principles and standards for organisations working in the sector. Reward is particularly challenging for international aid and development organisations due to the legacy of how the work has historically been structured, the breadth of locations in which the work is located (often conflict or crisis), and the changing nature of those engaging in the work now being drawn from global, rather than higher-income, contexts. This evolution requires a reconsideration of how INGO reward is structured.

The focus on fair reward aligns with the [United Nations' Sustainable Development Goals](#), specifically [SDG8](#) – decent work and economic growth, which calls for "equal pay for work of equal value", [SDG10](#) – reduced inequality, which calls for "equal opportunity and reduced inequalities of outcome", and [SDG17](#) – partnerships for the goals, which calls for enhanced cooperation between stakeholders to help meet the goals. It also aligns with the [Core Humanitarian Standard on Quality and Accountability](#), in particular Standard 8 – "staff are supported to do their job effectively, and are treated fairly and equitably" and Standard 3 - "humanitarian response strengthens local capacities and avoids negative effects".

These *Principles and Standards of INGO Fair Reward* are designed in order to help organisations develop a shared understanding of what fair reward means for the sector. This document outlines a series of standards as minimum requirements which are underpinned by 5 core principles. The standards and principles have been collaboratively developed by a working group of 25 INGOs and we welcome constructive input from all stakeholders.

It is intended that agreeing to these principles and standards demonstrates an organisational commitment to fair reward. They are aspirational in nature and do not reflect the assessment of whether existing reward structures are fair. Organisations that agree to commit to the principles and standards will include a public commitment on their website.

Throughout the document we define reward as the total reward package an employee receives, including base pay, allowances and benefits, as well as access to non-financial rewards such as career development and leadership opportunities. We recognize the core goal of reward is to attract, retain and motivate the right talent at the right point in time, and to do so in ways that enable the organisation to achieve its core aims in a financially sustainable way.

Stakeholders to this document include (and are not limited to) beneficiaries, donors, funders, employees, partners, suppliers, and unions.

Principle 1: Ethical Reward - Reward policy is fully aligned with the organisation's mission and values

Standard 1a: reward policies are free from bias and discrimination, and decisions made irrespective of personal characteristics;

Standard 1b: reward policies and practices should not undermine or distort the local market;

40 *Standard 1c: the INGO sector should be leading the way in good reward practice, with*
41 *consideration given to moral obligations to employees;*

42 *Standard 1d: attention should be given to any possible unintended consequences of reward*
43 *practices.*

44

45 Principle 2: Transparency – reward is offered in a way that is open, evidence-based and easy to
46 understand

47 *Standard 2a: reward policy is present*

48 *Standard 2b: job grading, salary scales and reward policies are available for all staff to*
49 *access*

50 *Standard 2c: process behind, and components of, the reward system are clearly explained*
51 *and applied consistently*

52

53 Principle 3: Equity – reward given to different employees is considered to be fair and consistent

54 *Standard 3a: all jobs are appropriately graded to reflect technical competence and required*
55 *experience*

56 *Standard 3b: reward policies are designed to enable necessary variation depending on local*
57 *contextual factors, such as in hardship locations, fragile states or absence of necessary skill*

58 *Standard 3c: policies are applied systematically, with no (or very limited) use of exceptions*

59 *Standard 3d: a framework for global package minimum standards exists*

60

61 Principle 4: Sustainability – a) cost of reward reflects stewardship of donor funds, and as such is
62 justifiable to donors while ensuring long-term organisational financial viability; b) reward levels
63 ensure sufficient wages for all employees and partners in all countries

64 *Standard 4a: reliable salary benchmarking data is used when setting reward*

65 *Standard 4b: reward framework and external factors are reviewed periodically to ensure*
66 *fairness is maintained*

67

68 Principle 5: Compliance and Risk – all reward policies and practices meet local and international legal
69 and regulatory requirements, while also respecting broader organisational social responsibility

70 *Standard 5a: awareness of legal context in all countries of operation and responsiveness to*
71 *any changes to that context*

72 *Standard 5b: tax implications for staff are considered and a uniform “no-harm” approach to*
73 *tax is taken*

74