

## PARTNERSHIP MEMORANDUM OF UNDERSTANDING

Between the Department of Foreign Affairs and Trade (DFAT) and the Australian Council for International Development (ACFID)

October 2016

### 1. Background

- 1.1 The Department of Foreign Affairs and Trade (DFAT) and the Australian Council for International Development (ACFID) have a longstanding relationship founded on respective roles in international development.
- 1.2 DFAT manages Australia's international development program. The Australian Government's development policy is outlined in *Australian aid: promoting prosperity, reducing poverty, enhancing stability*, with the accompanying performance framework *Making Performance Count: enhancing the accountability and effectiveness of Australian aid*. The purpose of Australia's aid program is to promote Australia's national interests by contributing to sustainable economic growth and poverty reduction.
- 1.3 ACFID is the peak body for around 150 Australian non-government organisations (NGOs) working in international development. ACFID's purpose is to lead and unite its members in action for a just, equitable and sustainable world. ACFID operates a secretariat in Canberra which leads, supports, coordinates and communicates with members and mobilises members in pursuance of *ACFID's Strategic Plan 2015-2020*.
- 1.4 ACFID's members are supported by 1.6 million Australians annually, and raise over \$1.6 billion annually with approximately 80% from non-government sources. ACFID members are all signatories of the *ACFID Code of Conduct*, a self-regulatory industry code of good practice. Coupled with ACFID's learning and development program, the Code aims to improve NGO performance and effectiveness, and increase stakeholder trust in members.

### 2. Purpose

- 2.1 This Partnership Memorandum of Understanding will guide collaboration between DFAT and ACFID. It expresses the enduring shared interests which are the foundation of the partnership, and the objectives the partnership seeks to achieve. It also outlines the principles that guide the partnership, and the governance arrangements that will support it. Importantly, it identifies the success indicators that will enable the partners to assess if the partnership is achieving its objectives.
- 2.2 This Partnership Memorandum of Understanding builds on over fifty years of engagement between the Australian Government and ACFID in international

development. This has included funding since the 1970s and a formal partnership since 2009. This agreement seeks to deepen and strengthen engagement.

### **3. Rationale**

- 3.1 Multi-stakeholder partnerships are vital for tackling international development challenges. The new global 2030 Agenda for Sustainable Development emphasises that the knowledge, expertise and finance of all development actors must be harnessed to address complex development challenges.
- 3.2 This Partnership between DFAT and ACFID expresses a commitment to bring together the capabilities of government and Australian NGOs to enhance effectiveness and impact in their international development activities.
- 3.3 DFAT's approach to working with NGOs to support development is outlined in *DFAT and NGOs: Effective Development Partners*. NGOs are vital partners for delivery, dialogue and innovation and for engaging with the Australian public on international development and humanitarian response. DFAT's partnership with ACFID is a key mechanism for pursuing DFAT's objective of working with NGOs to achieve the goals of the Australian aid program.
- 3.4 The partnership reflects the interest of both partners in understanding and influencing each other's strategy and direction setting. ACFID, in its role of leading and supporting collaboration by Australian development NGOs, can deliver efficiencies in dialogue processes between Australian NGOs and DFAT. DFAT values constructive dialogue with NGOs that leads to better programs and policies in support of the aid program's objectives.
- 3.5 The partnership is founded on a shared interest in an effective and accountable Australian NGO sector. DFAT seeks effective NGOs as development partners. Since ACFID was founded, increasing the effectiveness and accountability of its members has been an ACFID priority. Together, DFAT and ACFID can enhance the enabling environment for improved NGO effectiveness. We can work together to identify how DFAT program and funding arrangements can support NGO effectiveness, and how ACFID can build the capabilities in the Australian NGO sector that DFAT requires in development partners.
- 3.6 The partnership reflects the interest of both partners in engaging with the Australian public around Australia's development efforts. DFAT is committed to transparency and communicating the results achieved through Australia's aid program and the benefits of the program. ACFID works towards an engaged Australian public that is better informed about development and humanitarian assistance and actively supports Australia's global role in sustainable development and humanitarian action.

3.7 The partnership expresses the commitment of both partners to a constructive relationship between DFAT and the Australian NGO sector. ACFID represents Australian NGOs as key domestic stakeholders in the Australian aid program with an extensive support base in the Australian public. Both DFAT and ACFID benefit from a relationship based on mutual trust and respect that provides a foundation for open and honest communication, and for collaboration to deliver mutual benefits.

#### **4. Objectives of the Partnership**

4.1 The purpose of this partnership is to support collaboration between DFAT and ACFID that assists DFAT and the Australian NGO development sector to contribute to inclusive and sustainable economic development, poverty reduction, and human rights for all.

4.2 The partnership will support collaboration on the following objectives:

- a) Enhanced policy and practice dialogue between DFAT and the Australian NGO sector through ACFID, facilitating a two way flow of knowledge and ideas to increase development effectiveness; and
- b) Increased capability, effectiveness and accountability of the Australian NGO development sector, through standard setting and organisational development.

4.3 Collaboration on these objectives will focus on the following priority areas over the life of the partnership:

- a) The 2030 Agenda for Sustainable Development, including the Addis Ababa Action Agenda
- b) Climate change
- c) Gender equality and empowerment of women and girls
- d) Private sector engagement and development
- e) Humanitarian response and policy
- f) NGO performance and effectiveness
- g) Dialogue on aid performance and effectiveness
- h) Innovation

4.4 The partners are also committed to dialogue on each other's approaches to communicating the aid program, and its impacts and benefits to the Australian public. Opportunities for cooperation will be explored.

4.5 Other priorities may be mutually determined between the partners.

4.6 In addition to the Partnership objectives and priority areas above, DFAT and ACFID are pursuing objectives specific to each agency through the partnership as below.

a) DFAT objectives:

To implement the Australian Government's development policies, with a particular focus on DFAT's policy framework for working with NGOs to achieve Australia's development objectives, *DFAT and NGOs: Effective Development Partners*, and the Government's private sector and innovation agendas.

b) ACFID objectives:

To implement *ACFID's Strategic Plan 2015-2020*, with a particular focus on:

- i. Australia's leadership in sustainable development and humanitarian action as reflected through effective Government policies, action and partnerships;
- ii. ACFID members being influential agents of change and leaders in development and humanitarian practice, NGO effectiveness and accountability;
- iii. Ensuring DFAT program and funding arrangements can enable NGO effectiveness.

## 5. Guiding Principles

5.1 The partnership will be guided by the following principles:

- a) Respect for the accountabilities of DFAT as a government agency, and ACFID as an independent civil society actor accountable to its members;
- b) A commitment to open communication at all levels and to professional relationships characterised by respect, trust and goodwill;
- c) A focus on engagement at a strategic level, on the strategic relationship between DFAT and the Australian NGO sector, and on strategic issues across the aid program;
- d) An emphasis on pursuing collaboration opportunities and on achieving outcomes that are more beneficial than either DFAT or ACFID could achieve working alone;
- e) A commitment to sharing ideas and lessons learned to strengthen the capability and impact of both partners and of the Australian NGO sector;
- f) A shared commitment to transparency and to accountability for the partnership delivering clear results;
- g) A commitment to promote the visibility of the partnership, its work and its achievements to respective constituencies.

5.2 The partners will develop Partnership Metrics to give behavioural expression to the Guiding Principles, and thus be transparent on behaviours that support the partnership.

## 6. Contributions

6.1 DFAT and ACFID recognise the contributions that each other brings to the partnership and recognise the value of these complementary contributions in achieving outcomes that neither could achieve alone.

6.2 DFAT brings:

- a) understanding of Australian Government development policy and processes, and access to policy makers;
- b) understanding of development issues in the context of Australia's foreign policy objectives, and of global development policy frameworks;
- c) knowledge of developing countries and development issues in the Indo-Pacific region;
- d) development expertise, including in sectoral areas, geographic locations, and program and performance management and accountability frameworks;
- e) well established networks and relationships with a broad range of development actors including partner governments, other donor governments, the private sector, multilateral organisations, managing contractors, and Australian and in-country civil society;
- f) funding to support ACFID to deliver concrete outcomes of value to DFAT and the Australian NGO sector against this partnership's objectives and priority areas.

6.3 ACFID brings:

- a) deep understanding of the Australian development NGO sector, and advice on an enabling environment to leverage the value the sector can bring to Australia's development efforts;
- b) a robust Code of Conduct and associated compliance and public complaints mechanisms, recognised by Government regulatory authorities ([The Australian Charities and Not for Profit Commission](#), AUSTRAC) as leading good practice in NGO self-regulation, and which drives member accountability and effectiveness;
- c) access to Australian NGO and academic development expertise, including through ACFID communities of practice, ACFID Development Practice Committee, and partnership with the [Research for Development Impact Network](#);
- d) effective communication capability, supporting timely and efficient communication with ACFID members (and their supporter base of 1.6 million Australians) and wider civil society organisation networks;
- e) convening power and the ability to consolidate sector views, supporting efficient and effective policy and practice dialogue between Australian development NGOs and DFAT;

- f) a parliamentary presence that is multi-partisan, recognised, mature and active;
- g) member funding and in-kind support to deliver concrete outcomes of value to DFAT and the Australian NGO sector against this partnership's objectives.

## **7. Success Indicators**

7.1 DFAT and ACFID are committed to achieving value from the partnership in the form of outcomes for DFAT and the Australian development NGO sector. The partnership will be successful when:

- a) All objectives: Outcomes are delivered against the partnership's objectives and in priority areas, and are built on annually.
- b) Objective 1: Policy and practice dialogue between DFAT and the Australian NGO sector is delivering mutual benefit in priority areas, and contributing to increased development effectiveness and impact of both parties.
- c) Objective 2: The development effectiveness capability of the Australian NGO sector is increased through ACFID's standard setting and learning and development activities, and enabled through DFAT program arrangements.
- d) Ways of Working: Collaborative working and outcomes of mutual benefit are increased.
- e) Ways of Working: Regular communication and flexible and adaptive planning processes are used to take advantage of new opportunities for collaboration as they arise, to consider the implications of changes in partners' organisational priorities, and to identify and manage risks.
- f) Ways of Working: Outcomes achieved through the partnership are captured and effectively communicated, clearly demonstrating the value delivered to DFAT and Australian development NGOs.

## **8. Governance**

### Partnership meetings

- 8.1 The partners are committed to working towards one meeting a year between the DFAT Secretary and the ACFID President and relevant Board colleagues.
- 8.2 Two meetings a year will be held between the ACFID Board and the DFAT Deputy Secretary with responsibility for this partnership. Meetings will be focused on strategic policy and practice matters.
- 8.3 Three Partnership Management meetings will be held a year, led by the DFAT Assistant Secretary, NGOs and Volunteers Branch and the CEO of ACFID. Meetings will focus on supporting the achievement of partnership objectives, including the exchange of

information of strategic relevance to the partnership, and planning and accountability under the partnership and associated funding arrangements.

- 8.4 The partners are committed to regular communication to build and maintain professional relationships characterised by respect, trust and goodwill. DFAT's NGOs and Volunteers Branch and the ACFID Secretariat, as the operational managers of the partnership, will develop a schedule of regular meetings.

#### Accountability and Review

- 8.5 Partnership Management meetings will provide for regular accountability discussions. They will monitor the partnership's implementation of Guiding Principles, and monitor progress in activities towards the partnership's objectives in priority areas, including as agreed in the annual funding Workplan.

- 8.6 A Partnership Healthcheck, will be held annually. Together, the partners will assess the partnership against success indicators; review risks to the partnership and identify opportunities; and review the practical tools that support the partnership. Importantly, partners will identify the contribution of annual partnership activities, including under the funding agreement and annual Workplan, towards the achievement of partnership objectives in priority areas. At the end of the second year, the Healthcheck will be a facilitated review of the partnership to date.

#### Succession planning and induction

- 8.7 Partners recognise the importance of managing the transitions of key individuals in the partnership. To minimise potential disruptions, partners agree to co-briefing key new individuals on the history and state of the Partnership. This will include a new ACFID President or CEO, and new managers and executive with direct responsibility for the partnership in DFAT.

#### Risks

- 8.8 Careful management of potential risks is an essential part of the partnership. A Risk Register for the partnership will be jointly developed, and reviewed at the annual Partnership Healthcheck or more regularly if required.

#### Settlement of Differences

- 8.9 The partners will consult together at any time upon request of either partner regarding any matter in relation to this Partnership Memorandum of Understanding. In the event that a grievance arises regarding any matter under the partnership, the partners will endeavour in the spirit of cooperation, good faith and mutual trust to work on any difficulties or misunderstandings which may arise, until the issue is resolved.

## **9. Legal Status of Partnership Memorandum of Understanding**

9.1 The Partners understand that this Partnership Memorandum of Understanding, while expressing their goodwill and intention to cooperate and collaborate on issues of mutual interest, does not create any legal relations and does not create a partnership in law between the Partners in any jurisdiction. The Partnership Memorandum of Understanding does not represent any commitment with regard to funding on the part of the Partners. Funding arrangements will be set out in separate grant arrangements.

## **10. Amendments**

10.1 This Partnership Memorandum of Understanding may be amended at any in writing by the partners.

## **11. Duration**

11.1 The Partnership Memorandum of Understanding will take effect on the signature of both parties, and will remain in effect till 30 June 2019.

**SIGNED** on behalf of the **DEPARTMENT OF FOREIGN AFFAIRS AND TRADE**



Mr Ewen McDonald  
Deputy Secretary, Department of Foreign Affairs and Trade  
21 October 2016

**SIGNED** on behalf of the **AUSTRALIAN COUNCIL FOR INTERNATIONAL DEVELOPMENT**



Ms Sam Mostyn  
President of ACFID  
21 October 2016