



AUSTRALIAN  
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## Developing & Managing Partnerships

### A Guidance Tool for the Code of Conduct

*Prepared for ACFID by Learning4Development  
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This *Guide to developing and Managing Partnerships* is part of a suite of resources, also including a *Collaboration Practice Note* and a *Partnership Agreement template*, provided to assist ACFID Members in the implementation of their obligations in relation to collaboration in the Code of Conduct and to strengthen practice over time.

## 1. INTRODUCTION

Collaboration amongst development actors to achieve shared social or development outcomes and impact is at the heart of the work of ACFID Members. The ACFID Code of Conduct outlines principles of practice and standards for organisations committed to quality international development and humanitarian outcomes. Key to this is Quality Principle 5 which relates to Collaboration.

### ***ACFID Code of Conduct's Quality Principle 5: Collaboration***

#### **Quality Principle 5: Collaboration**

Development and humanitarian responses are optimised through effective coordination, collaboration and partnership.

**Commitment 5.1** We respect and understand those with whom we collaborate.

**Commitment 5.2** We have a shared understanding of respective contributions, expectations, responsibilities and accountabilities of all parties.

**Commitment 5.3** We invest in the effectiveness of our collaborations and partnerships.

The terms 'collaboration' and 'partnership' can be used interchangeably but can also mean different things to different people and organisations. All partnerships involve collaboration, but not all collaborations will involve or require formal partnerships. The difference relates to the range of purposes (for example, to simply share information versus implementing a complex initiative), the complexity of accountabilities desired or required (for example, dual versus multiple accountabilities), and the degree of governance, structure or formality (for example, a loose interest group versus a global multi stakeholder initiative). Nevertheless, there are common principles that underpin each of these relationships.

In our sector, the vernacular use of the term 'partnership' tends to mean a more formal arrangement, bound by time and documented arrangements and with a shared objective or output.

Four core principles that are consistently recognised as being foundational to effective collaborations and partnerships are:

- Equity
- Transparency
- Accountability
- Mutual respect

While bilateral, transactional partnerships between ACFID members and in-country counterparts continue to be commonplace, many ACFID members are also engaged in highly complex multi stakeholder partnerships. Depending on the form of partnership and its associated complexities, members will need to adapt the processes outlined in this paper to meet the unique demands of their partnerships. For example, multi stakeholder partnerships may require stand-alone governance structures and secretariats, whereas bilateral partnerships may manage these requirements from within.

Whatever the form of the collaboration, it will benefit from using the steps outlined in this document to differing degrees. An informal and loose collaboration will benefit from building respect and a shared understanding of its members, clarity about expectations amongst its group, and reflection on how well it is working, as much as a more complex and formal partnership would. The more complex and formal partnership will find it is worthwhile investing in these processes to a greater degree and in a more systematic and structured manner. No matter how organisations adopt these processes, they should always be underpinned by the principles outlined above.

While the '**ACFID Collaboration Practice Note**' focuses on why and how NGOs might collaborate with others, this document, '**Developing and Maintaining Partnerships: A Guidance Tool**' discusses the approaches and processes that ACFID Members might consider to guide the development, formalisation and management of partnerships and which are required to be compliant with the Code of Conduct. Ultimately, an organisation's approach to partnership will be developed in response to their own values and principles, the context of their work, and the nature and number of entities they choose to partner with.

This guidance note focuses on the three broad areas that are identified as requirements in the ACFID Code of Conduct:

- **Developing Partnerships:** This covers the identification of partners, and due diligence & capacity assessments. These processes relate to Code Commitment 5.1.
- **Formalising Partnerships:** This covers partnership agreements and the governance of partnerships. These processes relate to Code Commitment 5.2.
- **Managing Partnerships:** This covers capacity strengthening and reflection, learning & adaptation of partnerships. These processes relate to Code Commitment 5.3.

Quality Principle 5's compliance requirements are highlighted throughout this document.

## 2. DEVELOPING PARTNERSHIPS

### Articulating your organisation's position on partnership

The first step in any partnership is a recognition that usually, more can be achieved, more effectively, by working together with other entities towards a common objective. To

*Commitment 5.1.1 Members work with others in mutually respectful ways*

promote and guide your organisation's philosophy and approach to collaboration and partnering, develop a policy, statement or guidance note. This document should have Board level support and

approval providing high level leadership to the organisation. Ideally it would be informed through consultations with existing partners to enable their voices to be present. Depending on the size or scale of your organisation, this may be a detailed policy document or it may be a simple statement of intent or guidance note. Whatever form it takes, it would ideally outline:

- How your organisation defines collaboration and partnership i.e. you might have various levels or types.
- your organisation's rationale for collaboration
- the principles that will underpin and inform your collaborations such as mutual respect, transparency, accountability and equity
- the different forms or structures collaborations might take; and
- expected accountabilities including how the role of your partners will be communicated and attributed.
- How the policy will be operationalised i.e. the procedures to be followed throughout all collaborations and partnerships. This may be included in one core document or the policy document may be linked to a separate procedures document or manual.

### Analysing the objective or development challenge

Before you can effectively identify which partners to work with you'll need to understand the type of influence, skills or resources that are needed or desirable to work towards a particular purpose or objective. To understand this undertake a systems analysis of the objective, problem or challenge. Understanding the development challenge, and the key stakeholders, agents of change and theory of change will inform the type of partners required.

### Identifying Partners

Each organisation will develop its own preferred methods of seeking out and identifying new and appropriate partners for different initiatives. For example, your organisation may only

*5.2.2 Members coordinate with and complement the work of others*

partner with other members within your organisation's network, with other church or faith based entities or with government structures. Each approach is equally legitimate depending on the unique nature of your organisation, the

context and the purpose of the partnership.

To begin the process of identifying new partners, you may wish to undertake some informal 'research'. You could do this by seeking recommendations or references from other organisations you trust and who know the potential partner. These recommendations may come from within your own organisation's network or by talking with other NGOs, community members or government representatives. You could review information about the entity in the public domain such as websites, newsletters or publically available reports. You will most likely also have early discussions with potential partners to get a general 'feel' for whether or not they would be an appropriate partner. Collectively, your assessment

following this initial ‘research’ could ‘narrow the field’ and should inform whether or not to proceed to deeper ‘partnership’ discussions.

In the identification stage, it is important to establish a mutual understanding of each partner’s objectives, capacities and priorities. This is usually done iteratively, as parties get to know each other through dialogue and exchange. Where the ANGO or INGO initiates the partnership, it is important to be mindful of power differentials and imposing your objectives onto new partners. The most critical aspects of any successful partnership include equity and shared objectives.

Partnerships are stronger and more effective when they are built on a shared belief in the value of partnering, that partnering will achieve better outcomes, and a deep understanding of each other’s values, aspirations, strengths, capabilities and capacities.

### **Understanding the Capacity of Partners**

Gaining this deep understanding can be systematically achieved through a structured capacity assessment process. In some ways ‘capacity assessment’ is an unfortunate term that has crept into our sector’s vernacular. The term feels pejorative in some way. For most organisations, though, this process is a way to get to know each other more deeply, and does not imply that a potential partner would be excluded on the basis of their ‘capacity’. If undertaken thoughtfully, using a strengths-based approach and with the partnership principles of equity and mutual respect in mind, a capacity assessment process can be a rich and validating process. Remember though that for many potential partners, it may feel confronting and judgmental. It is worth investing in an authentic participatory process, which may take some time, acknowledging each other’s strengths, mutual interests and capacities.

For more formal partnerships that are likely to involve an exchange of funds, people, ideas or learning, an organization may also undertake a formal due diligence assessment. The due

*Commitment 5.1.2 Members undertake due diligence and capacity assessments of organisations with whom they work in formal partnerships*

diligence assessment may be undertaken as a stand-alone process or as part of your broader capacity assessment process. It will take different forms in different organisations depending on their risk appetite and their own accountability obligations, for example to donors or their own networks. An outline of how these

processes are typically used is outlined below.

### **Due Diligence**

There are risks associated with any partnership, such as those associated with reputation, quality, finance and accountability. Where an Australian NGO is partnering with another entity in a transactional type of arrangement, establishing the accountability practices of that body is particularly important. This is often undertaken in a process known as ‘due diligence’. This is a documented process that seeks to make an

*Commitment 8.2.5 Members undertake due diligence assessments of partners who manage funds on behalf of the Member*

assessment of a potential partner’s:

- governance and legal registration – consider how the governing structure or body is established, how conflicts of interest are identified and managed, the legal structure of the entity, whether it conforms with its local legal obligations, how it ensures accountability and transparency.

- values and objectives – consider whether these align with the values and objectives of the Member organisation, whether these would enable good development practice
- financial systems – consider segregation of duties, how budgets are developed and cash flows managed, how financial monitoring and reporting is undertaken, how goods and services are procured, anti-fraud and corruption practices, anti-terrorism practices, whether financial statements are prepared and audited.
- reference checks against prohibited entities listings, and
- implementation of key safeguarding and risk policies – consider child protection practices, risk management processes, counter-terrorism measures, environmental management and prevention of sexual exploitation, abuse and harassment.

### **Capacity Assessment**

Beyond a due diligence assessment, there are many areas relating to a potential partners' values, approaches, strengths, capabilities, capacities and performance that will be relevant to the partnership and the delivery of an initiative or the achievement of a shared goal. Capacity alone will probably not influence the decision about whether to partner with particular organisations but it will inform decisions about resourcing and shaping the partnership – often resulting in targeted activities aimed at organisational strengthening.

Many organisations have developed capacity assessment processes and tools of their own. No two are exactly the same although there are many similarities. Most assessment processes consider some or all of the following domains of practice:

- mission and values
- governance and leadership
- strategic and organisational planning
- human resources
- organisational systems, policies and procedures
- program/initiative management
- financial management
- risk appetite and management
- linkages with other entities, capacity to influence or advocate
- technical capabilities, and
- communication.

The way that organisations go about capacity assessments will differ significantly for different partnerships. The most useful capacity assessment processes are not based on simple 'tick the box' checklists. The design of the process should facilitate shared discussions, self- assessment and joint reflection and the tool should demand analysis and the recording of narrative.

Capacity assessments are usually undertaken at the commencement of a relationship to inform management practices, project design and capacity strengthening initiatives. Staff and capacities change over time so it is important to revisit this assessment process periodically throughout the life of a partnership.

### 3. FORMALISING PARTNERSHIPS

Once the foundation for a partnership has been established and the partners have engaged in a process to understand each other deeply, most partnerships then develop a documented agreement of some type.

#### Partnership agreement

While the form this takes may vary, the purpose does not. Having a shared document in place provides a platform for testing, negotiating and agreeing the approaches, interests,

*Commitment 5.2.1 Members negotiate shared goals and respective contributions with partners and those they collaborate with*

roles and accountabilities of all the partners. It decreases (but does not eliminate) misunderstandings, incorrect assumptions and conflict. Where relevant it could also document shared governance arrangements for example a multi

stakeholder partnership.

The formality and accountabilities of a partnership will affect the need for and type of agreement that is developed between partners. For informal collaborations such as information sharing, you might find that there is no need for a documented agreement. But most partnership types do warrant and benefit from formal, negotiated, documented agreements.

All organisations approach these documented arrangements differently. Some may prefer to have a single agreement while others have two or more levels of agreements such as a high-level memorandum of understanding or partnership agreement negotiated every 3-5 years, and then more specific program or initiative focused agreements probably negotiated every year or for the period of the program. These latter agreement types are relevant where the partnership is tied to specific funds and timeframes.

Whatever approach your organisation takes, these agreements should cover at least the following:

Higher level inclusions (that go beyond specific programs or initiatives):

- partnership principles or shared values and behaviours
- a shared vision for the partnership (beyond individual programs or initiatives)
- decision making procedures
- any overarching policy compliance requirements such as gender, child protection, fraud, counter terrorism, prevention of sexual exploitation, abuse and harassment (the actual policies may also be attached as annexures)
- external audit and financial management expectations
- commitments to capacity strengthening
- provisions for evaluation and review
- confidentiality
- dispute resolution
- termination or an agreed process for exiting or completing a partnership, and
- if it relates to a specific program it may also include a brief description of the program.

Program or initiative level agreement inclusions:

- a brief description of the project/program
- roles, responsibilities and contributions of each party
- a work plan (tasks, responsible entities and outputs)

- resources to be contributed and a funds transfer schedule
- external audit and financial management expectations
- accountability and reporting schedule
- provisions for evaluation and review
- any specific policy compliance requirements, and
- budget.

A best practice approach to developing partnership and project agreements involves a highly consultative process between the ANGO and partners. The development of partnership agreements begins at the stage of program identification and continues to build through the process of program design and appraisal. During this process, partnerships are strengthened by producing a single agreed set of program goals and objectives and by developing mutual trust and honest communication between partners. The capacity of each partner to contribute resources and expertise to a program is also assessed and contributions agreed to in-principle.

Refer to Annex A – Partnership Agreement template – for a generic approach that can be adapted.

### **Governance of Partnerships**

Multi stakeholder partnerships may require stand-alone governance structures and secretariats, whereas bilateral partnerships may manage these requirements from within. Having an independent or autonomous governing body could enable equal representation, manage power differentials and satisfy accountabilities demanded by donors.

The approach to governance should be negotiated early in the partnership development process. Some of the issues to consider are:

- consensus on the purpose and scope of the governing body
- management of power differentials where some members may be donors and others may be implementers or influencers.
- resourcing of the governance structure and whether the benefits can justify the cost
- the balance between inclusion and effectiveness - while there is obvious appeal to a constituency or representative governing body, its size may undermine its effectiveness, and
- whether a secretariat is needed and how this will be resourced and hosted.

## **4. MANAGING PARTNERSHIPS**

When organisations recognise and value the capacities and strengths of their partners to create and influence long term change, they seek to continually build an understanding of their partners, their operating contexts, and the role that they can play in supporting partners and the partnership to achieve long term change. This means that their approach to managing partnerships is through a lens of relationship development rather than contract management. The principles of equity, mutual respect, accountability, and transparency underpin this approach.

The development and maintenance of partnerships involves ongoing relationship building, reflection, re-calibration and adaptation. In a practical sense this is usually facilitated by regular email, Skype and phone contact, as well as through visits to individual partners and

periodically bringing partners together. Open feedback and dialogue between all partners is core to managing and sustaining an effective partnership.

Partnerships often grow and strengthen over time. Many partnerships commence with the joint implementation of small scale, lower risk activities. This approach can be useful to manage risk while getting to know partners. As the relationship deepens and your knowledge of partners' strengths grows, it is common to support partners in their own institutional development and with their own priorities, rather than those of the Australian NGO.

Where multiple partners are involved, it may be advantageous to bring partners together to share collective experiences and leverage their various strengths and networks. Where resources allow, this could be done face-to-face or this type of process could also be facilitated through the use of questionnaires, skype or other web-based platforms.

Where partnerships start or grow beyond the implementation of specific projects, it may also be beneficial to involve partners in the development of geographic, thematic or sectoral strategies and plans.

### **Capacity Strengthening**

A natural extension of a capacity assessment and developing a deep understanding of each other, is to identify areas for all parties that may benefit from strengthening or development. These may be linked to a specific initiative the partnership is implementing or

*5.3.1 Members support mutually identified capacity strengthening strategies with their partners*

it may relate to broader institutional strengthening or more generally increase the effectiveness of the organisations and their role as agents of influence and

change. The approach to identifying areas for capacity strengthening should be carried out as a joint process involving key staff from all partners using a strengths-based approach. Undertaking this process using a collaborative approach enables partners to engage in a rich dialogue about the areas of greatest priority. Many organisations document these processes so that there is a record of shared objectives and partners' commitments to initiatives or resources that will support mutual growth and development. This is sometimes referred to as a 'capacity building plan'.

Designing a structured or systematic process in consultation with partners, will ensure that it is intentional, proactive and based on good analysis and planning. Skills, knowledge or other institutional development will be achieved more efficiently and effectively if it is well planned, properly resourced and reviewed. Each organisation will undertake this process differently but there are some common principles or approaches to consider when designing your own process:

- facilitate a process that enables partners to identify their own priorities for strengthening or development
- where appropriate enable all parties to contribute to capacity strengthening of other parties
- record in a documented plan, the areas identified for strengthening, proposed initiatives, resources required and how progress will be reviewed - in other words, treat it much like you would any project or initiative, and
- jointly reflect on the plan and the progress to allow for celebration, re-direction or adaptation. This will also allow the opportunity to re-vision the roles in a partnership where new skills have been developed.

## Reflection and Adaptation

We engage in partnerships because it is a more effective way to tackle complex challenges and change. It follows then that the partnership itself will also be complex and may require adaptation over time to remain relevant and effective. All partnerships will have internal accountabilities amongst the partners, and external accountabilities to other stakeholders

### *5.3.2 Members assess their collaborations and partnerships*

such as community members or donors. The partnership and its effectiveness should therefore be regularly reviewed, reflected on and adapted as required. Like most review and

reflection, it won't happen in a meaningful way unless it is planned and resourced.

This reflection process relates to the partnership as distinct from the program or initiative it was established to achieve.

What the 'effectiveness' of the partnership might look like needs to be defined at the outset although of course this can be adapted as the partnership matures or changes. Over the course of a partnership, partners will continue to develop their own ideas about what constitutes effective practice and will refine their approaches accordingly.

This should be defined jointly by the partners and may even involve agreeing on indicators of success or effectiveness which can be tracked and measured over time. If done at the beginning of a partnership, this is also an excellent way of identifying or flushing out any hidden agendas, assumptions or unreasonable expectations.

The reflection process itself can be undertaken in a variety of ways. Ideally, there should be frequent and ongoing opportunities for partners to provide feedback to each other on the strengths and challenges of the partnership. If there is already some clarity around what 'effectiveness' or 'success' looks like, partners may be able to contribute their views and assessments separately or remotely. This can be enhanced through the use of a documented tool or template. There is always benefit though, in spending dedicated time, face-to-face, where all parties have permission to reflect, learn and re-calibrate.

Critical to this process are the principles of equity, respect, transparency and mutual accountability. A good partnership assessment/reflection process will be mindful of power differentials and ensure all partners are able to safely and honestly reflect on the performance of all other partners.

## Exiting a Partnership

Like every other stage in the life of a partnership, exiting or graduating from a partnership should be done thoughtfully and with forward planning. There are many reasons why it may be appropriate to exit from a partnership, including:

- it may have run its natural course having implemented what it was established to achieve.
- the partner organisation may have grown and strengthened to a point where there is no further value-add by partnering with an Australian NGO.
- the Australian NGO may decide the partner organisation no longer aligns with its objectives or approaches.
- etc.

Ideally the timing and process of exiting from a partnership will be jointly discussed and determined between all parties. This should be done well in advance of the completion of

the partnership to ensure good management including possible alternative funding sources, adequate staff and technical capacity, communication with other external stakeholders and primary beneficiaries etc. These plans could be documented in a plan which would be shared with all parties to ensure transparency.

Of course, there may be instances where a rapid exit from a poor performing partnership is necessary or where there are significant/serious breaches of contractual arrangements, for example with regards to safeguarding or compliance issues. The process for doing this should be enunciated in the partnership agreement negotiated at the outset of the partnership.