

ACFID Guidance on Collaboration and Partnerships



AUSTRALIAN
COUNCIL
FOR
INTERNATIONAL
DEVELOPMENT

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This Guidance is designed to help and support ACFID members understand, meet and implement their obligations under the ACFID Code of Conduct. It also offers advice and examples of how to strengthen practice over time, above and beyond the requirements in the Code.

Quality Principle 5 in the ACFID Code of Conduct, focuses on collaboration and is based on the rationale that development and humanitarian responses are optimised through effective coordination, collaboration and partnership.

Quality Principle 5 is implemented by ACFID members through three commitments:

- 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.

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Part 1: Collaboration Guidance Note



Photo: Jim Holmes /
Department of Foreign
Affairs and Trade

Collaboration Guidance Note

Purpose, Audience & Background

The complexity of addressing global development and humanitarian challenges demands a comprehensive approach in which multiple actors collaborate together in different ways to tackle the most intractable problems and achieve sustainable development outcomes.

This Guidance Note articulates why it is important for Australian NGOs working in international development and humanitarian practice to collaborate with others in a multitude of ways and with a variety of institutions, organisations, networks, communities, and individuals.

Collaboration amongst development actors to achieve shared social or development outcomes and impact is at the heart of the work of ACFID Members. This recognises that for the most part, the work we are engaged in is complex and challenging, with effective outcomes dependent on multiple factors and actors – some being enablers and some being inhibitors - and that more effective change can be achieved through the joint efforts of, or engagement with, those actors.

It recognises that there are different roles to be played and that change will be achieved through leveraging the varied strengths and influence of different actors, whether those actors are the primary stakeholders, government entities, private sector entities, international NGOs, local NGOs/CSOs, church/faith based bodies, multilaterals, regional bodies or individuals.

Understanding of partnership principles and partnership practice has evolved considerably in recent years. Broadening our approaches beyond transactional partnerships to embrace collaboration as a broader and more holistic concept and practice is reflected in the language and obligations throughout the ACFID Code of Conduct.

The Code reflects the importance of joint negotiation, shared goals, and effectiveness in all collaborative approaches whether they are loose or informal coalitions or contractually bound formal partnerships.

Whatever the arrangement, in our sector, we define quality collaborations as those that are based on mutual respect, transparency and understanding. Accordingly, this Practice Note places a strong emphasis on mutuality and accountability in the way that we collaborate and partner with others.

This Guidance Note is intended to support staff of ACFID members involved in international development, humanitarian and advocacy responses to consider how collaboration can increase the impact of their work. It provides guidance on the way Members may think about and shape their collaborations and partnerships and to provide prompts and examples of practical tools to inform the management practices of Members. It is designed to support Members in their implementation of practices that will be compliant with the Code of Conduct and to assist Members

to work towards good practice. It will also be useful for actors across the development sector including NGO practitioners, government agencies, managing contractors, consultants and academics.

This Guidance Note has been informed by discourse within the sector on the principles of partnership, new models of working and complex systems change and draws heavily on the sectoral insights and experience of the authors, partnership approaches of ACFID members and partnership literature.

Why Collaborate?

The traditional approach of bilateral partnerships between donors and implementing partners is still a dominant way of delivering aid. It's an approach that continues to endure for many international and Australian NGOs whereby they sub-contract the delivery of a project to a local implementing entity. However, our understanding of complex global challenges has become more sophisticated and our experience and evidence has shown us that the most effective development initiatives leading to enduring change, involves collaboration amongst many players – primary stakeholders, civil society, governments, international agencies, and the private sector. This recognises that there are many actors and factors that inhibit and enable change and that it is only when multiple players work together, and use their respective resources, expertise, networks and ability to influence, that complex challenges can be addressed.

Similarly, while the traditional notion of time-bound, activities-based projects implemented through bilateral partnerships also continues to endure, increasingly development institutions, including NGO's, are recognising the value and power of global partnerships, networks, consortia and social movements, in achieving social change.

These realisations and paradigm shift are changing the way that civil society organisations think about how they can make change happen. Recognising that endemic social systems change cannot be created by a single project or program, or by a single actor, or even within a single sector, NGOs have become compelled to adapt their partnering models and approaches.

NGOs must identify who are the brokers of change, who are the agents of influence, who has resources that can be leveraged for good, what institutions can help to create enabling environments, who should have a voice that does not and then imagine what is possible when all of these actors work together. This of course requires deep analysis of complex development problems to develop an understanding of the interrelationships between stakeholders, markets and sectors.

This nuanced and more sophisticated understanding of how we, as NGOs, can contribute to change, requires us to rethink the way that we work. If we have not undertaken deep systems analysis and carefully identified other actors with whom we can create a vision and collaborate with in realising that vision – our efforts to create change are likely to be short lived and limited.

Underpinning the importance of collaboration is recognition that there are actors who must have a seat at the table if we are serious about effecting change. They include organisations with values driven goals and expertise, power brokers whose absence will stall any great initiative, companies that have resources that have enormous potential for global development, investors that are ready to invest in social impact, advocates that represent the marginalized or hidden voices, entrepreneurs with new ideas or technologies, leaders whose endorsement is critical, market analysts that understand the impact of change, academics who have invested in research, and networks

that bring a swell of support and experience. We quite simply cannot create sustainable development change without truly understanding these actors and collaborating with them in realising a shared vision.

It is for these reasons that ACFID has identified 'Collaboration' as one of the Quality Principles of the ACFID Code of Conduct. It calls on ACFID members and others in the sector to cooperate, coordinate, collaborate and partner with a wide variety of actors, in different ways, in order to optimize the effectiveness of our development and humanitarian responses.

Forms of Collaboration

There are many different types of collaborative relationships and arrangements, ranging from loose commitments to cooperate, to network affiliations with a shared and coordinated interest, to full collaborative structures with complex and formal relationships and documented arrangements. All of these involve 'collaboration', the difference between types relates to the purpose of the collaboration, the complexity of accountabilities desired or required and the degree of organisation, structure or formality. You can read about the many forms of partnerships models practiced by some ACFID members on this blog: [Seven partnership models that can transform your organisation.](#)

There is no absolute system of categorisation of different forms of collaboration. Organisations and

methodologies vary in their use of terminology, language and definitions, although there are many similarities. The key shift as outlined in the previous section of this paper and which is reflected in the ACFID Code of Conduct, is that NGOs must embrace a range of collaboration approaches to address the demands of complex social change. This means that while the traditional bilateral or multilateral transactional type of partnership remains relevant in many contexts, other forms of collaboration have emerged and are vital if we are serious about supporting enduring social change.

This section of this Guidance Note provides some prompts for thinking about different forms of collaboration without being prescriptive. Each organisation should consider its own unique context and define its own forms and

characteristics of collaboration and the associated operating practices required to support them.

Figures 1 and 2 (following) come from [Collaboration for Impact](#)¹. Both provide representations and characteristics of the range of relationships that are possible along the

collaboration continuum. Figure 1 shows the characteristics of the range of relationships categorised from loose arrangements through to tight and trusting arrangements. Figure 2 shows the characteristics of the range of relationships categorised from cooperation through to collaboration.

Figure 1

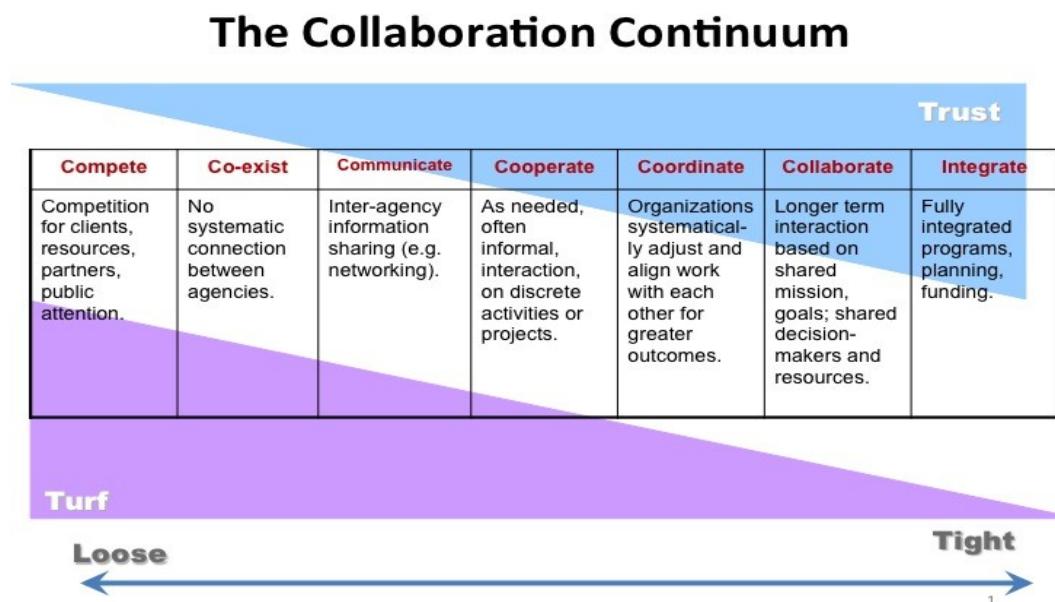


Figure 2

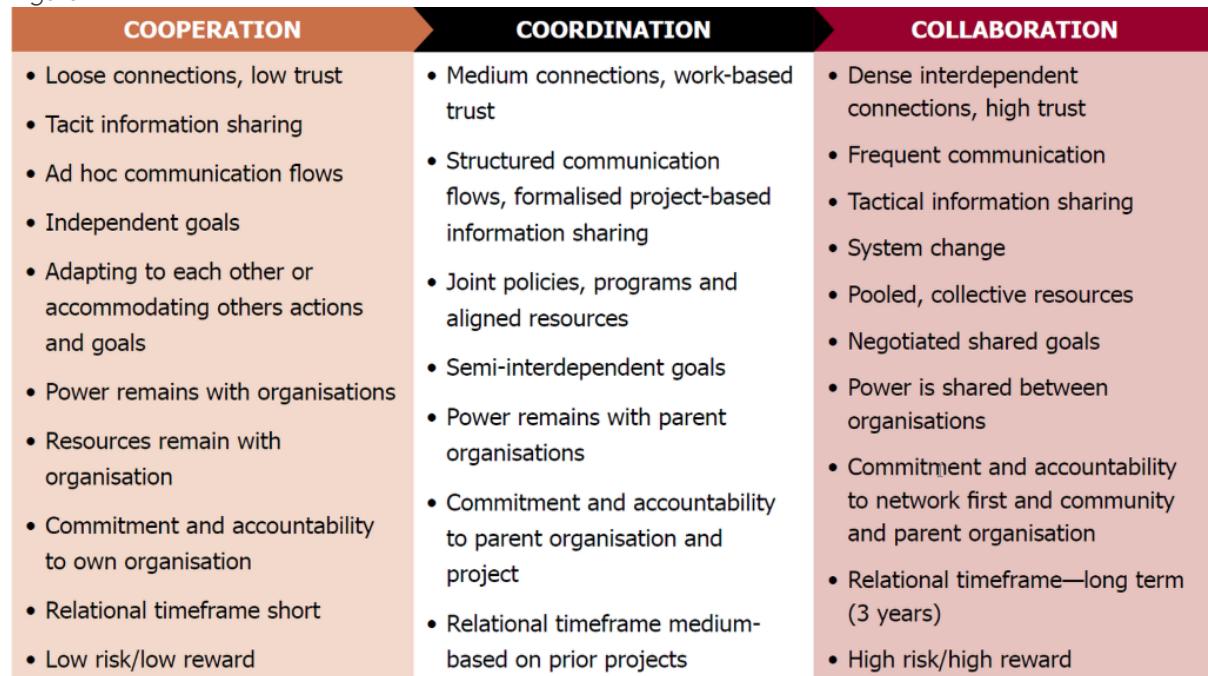


Table 1 (below) provides another way of viewing the range of categories. These categories have been drawn from numerous sources and the authors' experience. While these are presented in a linear fashion with an inference of a hierarchy from informal to formal, in reality, collaborations frequently

develop a mix of the various attributes and rarely develop in a linear manner. It is also the case that different organisations use the terms differently. What one organisation defines as a 'network', another organisation may refer to as a 'coalition' or 'affiliation'.

Table 1

Form of collaboration	Characteristics	Purpose
Networks	<ul style="list-style-type: none"> • Involves a group of organisations or individuals • Usually informal with no documented obligations • Some point of shared interest between participants but not necessarily a defined or shared objective • Minimal or no accountability to each other • Non-hierarchical 	<ul style="list-style-type: none"> • To share information, resources, tools, lessons • To enhance communication or support
Examples of a Network: Plan International, Research for Development Impact (RDI) Network		
Coalitions	<ul style="list-style-type: none"> • Involves a group of organisations • Shared objectives • May have pooled funds or resources to achieve objective • Some level of accountability amongst members 	<ul style="list-style-type: none"> • To campaign, promote, or advocate for change towards a shared issue or objective • To increase profile and awareness of an issue • To bring together individuals from a community, often activists, on a single issue.
Form of collaboration		
Examples of a Coalition: Make Poverty History, Campaign for Australian Aid.		
Alliance	<ul style="list-style-type: none"> • Involves a group of organisations, often with a shared mission or identity • Some level of formal, documented obligations • Some level of accountability although may not be 'policed' 	<ul style="list-style-type: none"> • To promote or advocate for change towards a shared issue or objective • To enhance cohesion amongst a 'family' of organisations. • To promote shared approaches, quality standards or consistent branding amongst members.
Example of an alliance: Child Fund Alliance, Oxfam International		

Consortiums	<ul style="list-style-type: none"> Involves a group of organisations with a shared objective. May only join as a consortium for a particular objective or program outcome. Formal, documented obligations Shared accountability to central entity, often a donor. Would enhance effectiveness if the group took a systematic 'Collective Impact' approach. 	<ul style="list-style-type: none"> To access funding grants To create 'collective impact' To tackle an issue that is too large for any single member to tackle alone
Example of a consortium: Vision 2020 Australia		
Global Partnerships	<ul style="list-style-type: none"> Also referred to as multi-stakeholder partnerships or global programs Involves large groups of entities – governments, donors, NGOs - joining forces on a shared issue with specific objectives Often have complex governance structures Have become dominant structures in international development sector in past few decades 	<ul style="list-style-type: none"> To coordinate the distribution of large-scale funds To coordinate or harness localised efforts on a single issue or objective of global importance •
Examples of Global Partnerships: The Global Fund (for the fight against) AIDS, TB and Malaria, the Global Water Partnership.		
Formal Partnerships	<ul style="list-style-type: none"> 2 or more organisations coming together in a formal relationship with a shared mission or objective May be time bound or continue indefinitely with new objectives Formal documented management arrangements Shared risk, benefits, resources and accountabilities. 	<ul style="list-style-type: none"> To implement a program or achieve a shared objective To establish shared understandings, roles, responsibilities and accountabilities To establish a shared framework or platform for ongoing or potential programs or objectives.
Examples of formal partnerships: DFAT's Australian Humanitarian Partnership, bilateral partnerships between many Australian NGOs and their in-country government or implementing partners of ACFID members		

Principles of Collaboration

With so many forms of collaboration, it is important to recognise the core principles that should underpin the collaborative process to ensure that no matter the nature or form of the collaboration, it will always be based on consistent and sound principles. Regardless of whether it is a loose network, a transactional formal partnership or a multi-stakeholder collaboration, it should be underpinned by principles. The principles of collaboration provide the foundation upon which a collaboration is built. They inform the way we think about who we collaborate with, the terms upon which we are prepared to collaborate, and the way that we intend to relate to each other or multiple partners within a collaboration.

Many organisations have defined their own set of principles. Each organisation should consider these and determine their own principles. Discussing and negotiating agreed or shared principles with potential partners is also an important step in any collaboration.

Four core principles that are consistently recognised as being foundational to effective collaborations and which appear in many organisation's partnership principles are:

- Equity
- Transparency
- Accountability
- Mutual respect.

There are other principles that might also be considered, depending on the values base of your organization, your organisation's approach

to collaboration and partnering, the unique circumstances of a collaboration or your partners' views. Some of these might include:

- Shared interests
- Mutual benefit
- Autonomy and Independence
- Clarity of roles and responsibilities

Definitions for these principles will differ slightly with each author. The following definitions are provided as a guide.

Equity: In any relationship, there will be divergences of power, resources and influence. Equity recognises that all parties have an equal right to be part of and benefit from the collaboration, decision making and outcomes.

Transparency: Sharing accessible information. Transparency is a precondition for accountability and both are required for trust. Transparency will enable accountability to primary stakeholders, partners, donors and other stakeholders.

Accountability: Taking responsibility for our actions and commitments. Involves accountabilities to and amongst all stakeholders at all levels.

Mutual respect: The participants must respect each other's mandates, obligations and independence and recognize each other's strengths, constraints and commitments. Mutual respect must not preclude organizations from engaging in constructive dissent.

Shared interests: This enables solidarity between parties and is critical to any form

of collaboration. The degree of mutuality may differ with different types of collaborations from a shared interest or mission, to fully negotiated and mutually agreed objectives and outputs.

Mutual benefit: This is linked to shared interests. While benefits for the various parties may differ, all parties should benefit in some way if they are contributing to the collaboration. Neither party should be just serving the purpose or interests of the other party.

Autonomy and independence: All parties should be able to determine their own

identity and manage their own governance. These principles are linked to mutual respect. Be aware of power imbalances that might undermine autonomy and independence.

Clarity of roles and responsibilities: Trust and transparency come from understanding the expectations, roles and responsibilities of all parties. These may differ depending on the relationship and the parties involved but it is important to have shared and clear understandings of expectations and accountability

Elements of Collaboration

Regardless of the form or structure of a collaboration, intentional and systematic planning, development and management will enhance its effectiveness and sustainability. The following section outlines some of the steps or processes to consider when embarking on a collaboration. Some of these are required to ensure compliance with the Code of Conduct and the others would meet the Code's good practice indicators. Further detail is provided in parts 2 & 3 of this Guidance.

Governance/strategy/policy level

a. Develop a policy, statement or guidance note outlining your organisation's position and philosophy or approach to collaboration. This is a compliance requirement of the Code of Conduct. Ideally this document would have Board level support and approval providing high level leadership to the organisation. Depending on the size or scale of your organisation, this may be a detailed policy document or it may be a

simpler statement of intent or guidance note. Whatever form it takes, it would ideally outline:

- 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.
- b. Include reference to collaboration in your organisation's strategic plan or equivalent. This could include defining what effective collaborations would entail and associated performance indicators. This would provide your organisation with a framework or platform to assess the performance of its collaborations and enable accountability to stakeholders in regard to your commitment to collaboration.

External Communications

c. Acknowledge and ensure fair and accurate attribution amongst partners in all communications materials. This could include newsletters, your website, formal reports etc.

Operational level

d. Develop a set of documented partnership management procedures to inform all of your collaboration and partnership management. These are often included as part of a programs manual or equivalent. Having this in place would meet the Code's good practice standard.

e. Outline a process for the identification of partners. This could include:

- a description of the common methods of identifying new partners. For example, your organisation may only collaborate with other members within your organisation's network or it may only collaborate with government structures.
- a list of criteria or characteristics to guide choices.

f. Outline a process for the assessment of partners. This is a compliance requirement of the Code of Conduct. It does not infer that you should only collaborate with partners of a certain capacity, but it does ensure you will understand a partners' values, structures, capacities and strengths. To meet the compliance requirement of the Code, this must include undertaking a due diligence and capacity assessment.

This must be a documented process and cover an assessment of the following:

- Alignment with members' values and objectives
- Governance and legal registration
- Financial systems
- Reference checks of partners against prohibited entities listings
- Capacity assessment for implementation of key safeguarding and risk policies (e.g. child protection and prevention of sexual exploitation, abuse and harassment).

Undertaking this type of process in a manner which supports the joint assessment of each other and covering a more comprehensive range of organisational approaches and capacities, would meet the Code's good practice standard. This could include a structured process that enables equal participation by your organisation and your partner which allows each party to jointly assess the other, fostering mutual understanding and trust. A comprehensive assessment could consider additional aspects including: human resources, project cycle management systems, risk management, broader financial management and general policy compliance including safeguarding.

g. Develop a process to support the capacity strengthening of partners. **This is a compliance requirement of the Code of Conduct.** This could be a relatively informal process of working with partners to enable them to identify areas of strengthening, it could be integrated within project designs, or it could be a structured and documented process undertaken jointly with partners. Implementing a systematic process, negotiated jointly with partners and outlining areas for capacity building in a documented plan would meet the Code's good practice standard.

Reflection and learning

h. Develop a process to periodically review the performance and effectiveness of collaborations and partnerships. **This is a compliance requirement of the Code of Conduct.** This might first involve working with partners to jointly articulate what the intended outcomes of the collaboration are and what an effective collaboration would look like. Undertaking this process in manner which supports the joint assessment of each other and enables mutual feedback would meet the Code's good practice standard. This could also include the joint assessment and mechanism for mutual feedback of capacity building initiatives and the documented arrangements such as MOU's or agreements.

Governance of the partnership

i. Develop a partnership agreement template. This is a compliance requirement of the Code of Conduct that applies where ACFID members have formal partnerships. It could take the form of an MOU, an agreement or a contract. At a minimum the agreement should cover:

- Value and contribution of each party
- shared goals, roles and responsibilities of all parties
- financial and non-financial resources and support offered by and required of each party
- dispute resolution process, and
- mutual accountabilities for reporting, sharing information and communication.
- Specific statements about child protection, prevention of sexual exploitation, abuse and harassment, and incident reporting.

Part 2: ACFID Guide to Developing and Managing Partnerships



Photo: Lucy Horodny/
Department of Foreign
Affairs and Trade

Developing & Managing Partnerships

Introduction

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 Part One ACFID Collaboration Practice Note focuses on why and how NGOs might collaborate with others, Part Two Guide to Developing & Managing Partnerships 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.

We focus 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.

Developing Partnerships

Articulating your organisation's position on partnership

Compliance Indicator 5.1.1

Members work intentionally with others in mutually respectful ways.

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 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.

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.

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 organisations' 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

Compliance Indicator 5.2.2

Members coordinate with and complement the work of others.

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 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.

Compliance Indicator 5.1.2

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

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

Compliance Indicator 8.2.5

Members undertake due diligence assessments of partners who manage funds on behalf of the

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 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 and anti-money laundering 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, financial wrongdoing, 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.

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

Compliance Indicator 5.2.1

Members negotiate shared goals and respective contributions with partners and those they collaborate with.

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, 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 Part C - *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.

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 adaption. 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 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

Compliance Indicator 5.3.1 Members support mutually identified capacity-strengthening strategies with their partners.

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 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 revision the roles in a partnership where new skills have been developed.

Reflection and Adaptation

Compliance Indicator 5.3.2

Members assess their collaborations and partnerships.

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 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.

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.

Part 3: Partnership Agreement Template



Photo: Debra
Plueckhahn, AVI /
Department of Foreign
Affairs and Trade

Partnership Agreement Template

Introduction

The purpose of a partnership agreement is to express the shared intent of the partnership and the roles and responsibilities of different parties. The formality and nature of the partnership will determine how prescriptive the agreement between the parties needs to be.

It is an ACFID Code of Conduct requirement to have partnership agreements in place to govern formal partnerships. **The Compliance Indicators which members must extend to partners through MoUs or similar are listed below.** The verifier for each of these requirements in the Quality Assurance Framework provides further advice on how ACFID members can demonstrate compliance.

1.4.1 Members demonstrate their organisational commitment to the safeguarding of children.
1.4.2 Members have a code of conduct that advances child safeguarding behaviours and applies to all personnel, partners and project visitors.
1.4.3 Members have a documented child safeguarding incident reporting procedure and complaints handling procedures that aligns with principles of privacy and promotes safety and dignity.
1.5.1 Members demonstrate their organisational commitment to the prevention of sexual exploitation and abuse, through a survivor-centred approach.
7.3.1 Members demonstrate an organisational commitment to operating transparently with all stakeholders.
7.3.2 Members development initiatives consistently demonstrate the separation of development activities from non-development activities.
7.3.3 Members enable stakeholders to make complaints to the organisation in a safe and confidential manner.
8.2.1 Members can control and manage their financial resources and risks.

Basic Template

The template below provides a broad structure to help you think about the way that you might structure a partnership agreement and the types of areas that might be useful to address. Those areas of the template which are considered necessary to demonstrate compliance with the ACFID Code of Conduct are marked with a double hash - ## and the associate Compliance Indicator reference. The partnership agreement could cover the broader partnership and the program or initiative being undertaken together, or the initiative could be dealt with in a separate project agreement.

1. PARTNER ORGANISATIONS	<p>Partner A: [Name, Contact details, Contact person]</p> <p>Partner B: [Name, Contact details, Contact person]</p> <p>Partner C: [Name, Contact details, Contact person]</p> <p>Etc.</p>
2. STATEMENT OF INTENT/ PURPOSE OF THE PARTNERHSIP	<p>This Agreement sets out the commitments, responsibilities and contributions of each of the above parties in regards to [name of program or initiative]</p> <p>The goal of this Agreement is: [state shared goal] ## (5.2.1)</p>
3. DURATION	<p>This Agreement will take effect from the date of its signature by the above parties and will be deemed to have commenced from that date and will expire by [insert date]</p>
4. BACKGROUND	<p>PARTNER A – [when it was established, what is its vision and focus, and where does it work.]</p> <p>PARTNER B – [as above]</p> <p>PARTNER C – [as above]</p> <p>[If relevant, also provide brief overview on program/initiative that the partners are working on together]</p>
5. PARTNERSHIP PRINCIPLES	<p>This Agreement is based on the following principles of partnership:</p> <p>[List and define agreed principles].</p> <p>For example:</p> <ul style="list-style-type: none"> • mutual respect: • equity • transparency
6. PARTNER ROLES NB: Governance of the partnership could be a separate clause if required.	<p>[Describe any governance structures that help to govern or advise the partnership]</p> <p>Each partner will contribute to the partnership in the following way(s): [List and detail financial and non-financial contributions] ## (5.2.1)</p> <p>Partner A...</p> <p>Partner B...</p> <p>Partner C...</p> <p>All partners...</p>

7. PARTNER OBLIGATIONS AND ACCOUNTABILITIES	<p>Each partner commits to the following obligations and accountabilities:</p> <p>[List and detail as appropriate].</p> <p>For example:</p> <ul style="list-style-type: none"> • child protection ## (1.4.1) • prevention of sexual exploitation, abuse ## (1.5.1) • counter terrorism ## (8.2.1) • anti-fraud and corruption ## (8.2.1) • anti money-laundering ## (8.2.1) • transparency ## (7.3.1) • separation of development and non-development activities ## (7.3.2) • complaints handling ## (7.3.3) • whistleblowing ## (9.2.2) • ethical procurement ## (8.1.3) • conflict of interest ## (7.4.3) • regular communication ## (5.2.1) • agreed use of funds ## (8.2.1) • financial record keeping and reporting ## (8.2.1) • privacy ## (7.2.2) • confidentiality • copyright • incident reporting • progress reporting <p>[Specify in more detail as appropriate].</p>
8. PARTNERSHIP REVIEW	<p>The parties to this Agreement agree:</p> <ul style="list-style-type: none"> • to review the partnership every [nominate period] ## (5.3.2) • to make available all information relevant to the partnership as necessary • to make adjustments to the partnership should either a review or an audit indicates that this is necessary for the partnership to achieve its objectives
9. DISPUTE RESOLUTION	<p>If the parties to this agreement are in dispute, they shall first endeavour to resolve the documented dispute through direct negotiation. If this is unsuccessful, they may refer the dispute to an independent, qualified mediator, agreed between the parties. [Adapt as appropriate] ## (5.3.2)</p>
10. TERMINATION	<p>Either party may terminate this Agreement by giving [nominate period] written notice to the other party. [Adapt as appropriate]</p>

10. ANNEXES

[Consider including further detail of obligations related to a project in a separate agreement or annex]

For example:

This Agreement is supplemented with a project/program agreement that outlines the goal, objectives, deliverables for each partner, and expected outcomes of that project/program.

References & resources

ACFID's Spotlight on the Code

- a blog "[Seven partnership models that can transform your organisation](#)"
- a blog "[Let's talk about partnerships](#)"
- a blog "[Stronger When We Walk Together: How Diverse Partnerships Deliver Better Outcomes](#)"
- a blog "['Nothing about us without us': Why every organisation should consider partnerships with Disabled People's Organisations](#)"

ACCI Relief's "[Due Diligence Guidelines](#)"

Centre for Development Innovation, "[The MSP Guide: How to Design and Facilitate Multi-Stakeholder Partnerships](#)" (2015)

Centre for Global Development, "[Governance of New Global Partnerships Challenges, Weaknesses, and Lessons, Policy Paper 014](#)" (2012).

Global Humanitarian Platform, "[Principles of Partnership](#)" (2007).

Grant Makers for Effective Organisations, "[What are the different ways to Collaborate?](#)"

International Business Leaders Forum, "[An Essential Guide to Cross Sector Partnering](#)" (2011) (also available through The Partnering Initiative)

International Business Leaders Forum, "[The Brokering Guidebook](#)" (2005) (also available through The Partnering Initiative)

Oxfam International, "[Working Together, Oxfam's Partnership Principles](#)" (2012)

The Partnering Initiative, "[The Partnering Cycle and Partnering Principles](#)"

Photos

Cover: Australian Volunteer Steve Hamlin using his skills as a veterinarian to support Samoa's Ministry of Agriculture and Fisheries. Photo: Austraining International / Department of Foreign Affairs and Trade.

Page 2: Nama Maya Gurung (left) is the owner of a private business that employs and trains women in needlework skills. Sita Sharma (centre) with AYAD volunteer Julia Price (right). Photo: Jim Holmes / Department of Foreign Affairs and Trade.

Page 13: Handicrafts, Ethiopia 2008. Photo: Lucy Horodny / Department of Foreign Affairs and Trade.

Page 24: Volunteer Jim Fortune works as a Public Works Assistant, Honiara, Solomon Islands, 2008. Photo: Debra Plueckhahn, AVI / AusAID

Author

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