

Partnering for Impact

Frequently Asked Questions and Summary

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NEW ZEALAND
FOREIGN AFFAIRS & TRADE
Aid Programme



Contents

Contents.....	2
1. What is Partnering for Impact?	3
What makes Partnering for Impact different?	3
What are the geographic and sectoral focus areas of Partnering for Impact?	4
How has Partnering for Impact been informed by the NZNGO sector?	4
How does Partnering for Impact work with existing Partnerships for International Development Fund (PFID) activities in implementation?	5
What is co-investment and why is it required?	5
What is due diligence and why is it required?	6
2. Negotiated Partnerships	6
What are Negotiated Partnerships?	6
What is the process to agree a Negotiated Partnership?	6
What is capability mapping and why is it required?	7
Where are we now?	7
3. Manaaki	8
What is Manaaki?	8
What are the objectives of Manaaki?	8
How does Manaaki differ from the Partnerships for International Development fund?	8
What are the eligibility criteria for Manaaki?	8
What is the application process for Manaaki?	9
What does MFAT look for in a concept note?	10
What does ‘an established relationship with a local NGO’ mean? What is the length of time that an NGO needs to have worked with a local partner?	10
Why are some organisations who were successful in Round 1 of Manaaki also engaging with MFAT on Negotiated Partnership discussions?	10
Will there be changes made to Manaaki prior to round two in 2020?	10
4. Organisational Strengthening Mechanism.....	11

1. What is Partnering for Impact?

In 2018 the Government announced the Pacific Reset and challenged the Ministry of Foreign Affairs and Trade (MFAT) and the New Zealand international development sector to “do things differently” to deliver improved sustainable development impact in the Pacific and beyond. In response to this challenge, MFAT is rolling out a new approach to partnering with New Zealand non-government organisations (NZNGOs). Called Partnering for Impact, this new way of working is comprised of three separate and complementary funding mechanisms: Negotiated Partnerships with NZNGOs; Manaaki, a small contestable fund for NZNGOs; and an organisational strengthening mechanism, which has not yet been developed. For more information on each of the three mechanisms, please see below.

While it will take time for all the Partnering for Impact mechanisms to be rolled-out and bedded-in, we are excited about the opportunity it presents for MFAT and NGO partners to maximise our development impact.

As we are still in a “pilot” phase we remain committed to engaging and adapting as appropriate. If you have any feedback or questions regarding Partnering for Impact please contact PartneringForImpact@mfat.govt.nz.

What makes Partnering for Impact different?

Partnering for Impact aims to be more strategic, targeted, efficient and effective. It aims to empower and enhance the capacity of local partners, resulting in greater self-reliance. The new approach seeks to address issues identified through the evaluation of the predecessor Partnerships for International Development (PFID) fund, and extensive consultations with civil society, including:

- A one-size fits all approach to partnering was less than optimal;
- There is a need to better harness the particular strengths that different partners can bring to achieve shared, sustainable outcomes; and
- The PFID resulted in a large number of projects requiring significant resourcing for both applicants and MFAT.

The new approach aims to:

- Deliver on the ‘Pacific Reset,’ other New Zealand Aid Programme priorities and the Sustainable Development Goals (SDGs);
- Create deeper, more collaborative and adaptive partnerships between MFAT, NZ NGOs and in-country NGOs that can deliver sustained long-term impact;
- Strengthen in-country civil society to be more self-reliant;
- Deliver efficiencies for partners and MFAT; and
- Address the lessons from the PFID independent evaluation.

In designing Partnering for Impact we have tried to cater to the diverse organisations within the NZNGO sector.

What are the key features of Partnering for Impact?

- Extensive consultations with the NZNGO sector during the design, pilot and early implementation phases of Partnering for Impact;
- MFAT and NZNGOs co-invest in shared outcomes for greater impact;
- Focus on outcomes as opposed to outputs, with efficiencies made in contracting and reporting;
- Longer-term focus measuring long-term change;
- Longer-term, predictable funding, with flexibility to meet changing needs on the ground;
- Concepts of manaakitanga, transparency, courage, trust and open partnerships operationalised;
- Strengthened due diligence requirements for both Negotiated Partnerships and Manaaki and capability mapping (Negotiated Partnerships) to target strengthening of delivery;
- Enabling local partners to lead their programmes and enhance opportunities to bring local partners’ voices into decision-making.

Pacific and Development Group now has a dedicated communications team which gives us the opportunity to tell the story of our collective development outcomes and impact and establish more in-depth public understanding.

What are the geographic and sectoral focus areas of Partnering for Impact?

Partnering for Impact seeks to achieve development outcomes in the areas of highest need where New Zealand funding and influence can have the greatest impact. Aligned with the Pacific Reset, at least 60% of Negotiated Partnerships and Manaaki funding will target the Pacific region.

Geographic region	Eligible Countries	Eligible Sectors
Focus – Pacific	Cook Islands, Federated States of Micronesia, Fiji, Kiribati, Marshall Islands, Nauru, Niue, Palau, Papua New Guinea, Samoa, Solomon Islands, Tokelau, Tonga, Tuvalu, Vanuatu and Wallis and Futuna.	Economic Resilience, Climate Change, Inclusive Development (e.g. youth, women’s political and economic empowerment), Human Development (especially health and education), Human Rights (e.g. disability), Democracy
Secondary focus (Least Developed Countries in South East Asia)	Cambodia, Lao PDR, Myanmar and Timor Leste	Economic Resilience, Climate Change, Inclusive Development (e.g. youth, women’s political and economic empowerment), Human Development (Timor Leste only)
Other countries	Indonesia, Philippines, Sri Lanka and Viet Nam	Economic Resilience, Climate Change, Inclusive Development (e.g. youth, women’s political and economic empowerment)

How has Partnering for Impact been informed by the NZNGO sector?

The three mechanisms are being designed to respond to significant learnings drawn from the PFID evaluation, extensive consultations with the NZNGO sector since early 2018. MFAT appreciates the high-level of engagement with the sector thus far. Since March 2018 to mid August 2019, this has included:

- 15 briefing sessions/workshops with the NZNGO sector;
- In-country civil society partner consultations in Timor Leste and Vanuatu;
- A survey of NZNGO partners;
- Five meetings with the NGO Reference Group;
- Regular sector emails and website updates; and
- One on one engagements with partners.

What is the NZNGO Reference Group?

Early in the design of Partnering for Impact a reference group was established through an open expression of interest process. Phase one, including the design and implementation of the pilots, was supported by the NZNGO reference group comprised of CID member organisations: Oxfam New Zealand, UNICEF New Zealand, Tearfund New Zealand, ADRA New Zealand, and Circuit International.

Reference group members provided constructive feedback on the concepts, processes and documentation and have genuinely shaped the Partnering for Impact programme. We are thankful for time and energy the reference group members invested in the process, and for their valuable contribution. We are considering establishing a reconstituted reference group, and will be in touch with an update soon.

What are some examples of how NGOs have contributed to Partnering for Impact?

- Eight options for funding NGOs were proposed by the NGO sector during consultations with MFAT. These ideas were analysed and NGOs were surveyed on which approaches would enable organisations to best deliver sustained development impact. The two ideas that rated the highest were 1) access to multi-year programme-based MFAT funding for accredited organisations and 2) access to a contestable fund for small and/or innovative ideas. This feedback formed the basis of the design of the Negotiated Partnerships and Manaaki mechanisms;
- The organisational strengthening mechanism was conceived as a result of in-country consultations in Vanuatu and Timor Leste;

- The NZNGO reference group helped in shaping the design through online and face-to-face consultations;
- NGOs had opportunities to input into the Negotiated Partnership and Manaaki guidelines and processes through several sector workshops;
- Learning from the 3 pilot organisations has informed the design process and contributed to significant streamlining of process, including the partnership workshops and capability mapping process; and
- An open invitation for feedback allows NZNGOs to contribute any time.

How does Partnering for Impact work with existing Partnerships for International Development Fund (PFID) activities in implementation?

The six years of the PFID saw important development achievements across the Pacific, Asia and further afield. All current PFID activities will continue as per existing contracts.

For those organisations which enter Negotiated Partnerships, existing PFID commitments will be included within the total MFAT funding available for the partnership. However, it is expected that the programme design will scope alignment of existing PFID projects with the proposed Negotiated Partnership programme logic. This process will determine whether PFID projects are incorporated into the Negotiated Partnership Programme or will continue to be stand-alone projects until the contract is concluded.

What is co-investment and why is it required?

Co-investment is the term used in Partnering for Impact to represent the financial contribution by both MFAT and the NZ NGO to collectively invest in agreed development outcomes. It is understood to be a crucial value add for both NZNGOs and MFAT to leverage their respective resources. The ability of NZNGOs to engage the public and leverage additional funds was a key part of the rationale for a dedicated NZ NGO funding pool and is consistent with the approach taken over the past six years of the Partnerships for International Development Fund.

Why co-invest?

- It increases the total funding for the Pacific Reset and other aid priorities by at least 20%;
- It increases joint commitment to delivery of outcomes;
- It leverages community support to extend the reach and impact of MFAT funding;
- It provides tangible engagement with the New Zealand public supporting those activities; and
- It strengthens accountability as NGOs report back to their New Zealand supporters.

NGO co-investment guidelines

- At least 60% of NZNGO co-investment funding should come from New Zealand sources (this can include funding raised from: the public in New Zealand; New Zealand citizens based offshore; New Zealand based philanthropic organisations; income from New Zealand based services and New Zealand based private sector);
- Up to 40% of NZNGO co-investment funding can come from other funding sources, where additionality can be demonstrated; and
- In-kind contributions can be considered, including up to 30% of the total co-investment, however this should be discussed with MFAT at the earliest possible opportunity.

NGO-MFAT co-investment ratios

Geographic region	NZ NGO co-investment	MFAT co-investment
Focus – Pacific	20% total costs (minimum)	up to 80% of total costs
Secondary focus (Cambodia, Lao PDR, Myanmar and Timor Leste)	25% total costs (minimum)	up to 75% of total costs
Other countries (Indonesia, Philippines, Sri Lanka and Viet Nam)	33% costs (minimum)	up to 67% of total costs

Please see the Manaaki Guidelines for further guidance on co-investment.

What is due diligence and why is it required?

Due diligence enables MFAT to ensure we are spending tax-payer money in the most responsible way with the highest chances of success. It is required so that we can ensure we are supporting, on behalf of the New Zealand public, a high-performing, legally compliant and registered NZNGO, which can demonstrate international development good practice. An independent company contracted by MFAT works with our NZNGO partners to confirm they have the necessary policies and processes in place so there is the assurance our partners are working to an appropriate standard.

Drawing on international good practice, due diligence frameworks for NZNGOs seeking funding under Negotiated Partnerships and Manaaki has 20 and 15 standards respectively. We have sought to ensure that the due diligence process is concise, streamlined and targeted.

How long is the due diligence assessment valid for?

Due diligence assessments will generally be valid for five years. However, MFAT will seek annual updates from NZNGOs to inform it of any changes that may impact the assessment. MFAT reserves the right to review a NZNGO's due diligence assessment validity at any time in the five-year period (including asking additional questions) if there is evidence, for example, that major environmental, personnel, organisational and/or financial changes have occurred or risks emerged, that could inhibit the NZNGO's ability to effectively manage MFAT funds to deliver the agreed outcomes.

For NGOs that pass the Manaaki due diligence and later enter into discussions to agree a Negotiated Partnership, standards that have already been met for Manaaki will be taken into account for the Negotiated Partnership's due diligence assessment.

While in-country partners are not required to complete the due diligence assessment, the process does look at how NZNGOs complete due diligence assessments for the partners they work with in-country.

2. Negotiated Partnerships

What are Negotiated Partnerships?

Negotiated Partnerships are fit-for-purpose co-investment arrangements with long-standing NZNGO partners through which we will seek to increase our shared development impact. They are multi-year, multi-country and multi-sector arrangements, which will be agreed with those (generally larger) NZNGOs with relevant expertise, established relationships, resources and the capability to manage an outcomes-focused programmatic approach to delivering development cooperation.

The Negotiated Partnerships programme responds to clear feedback from the sector that NGO partners want predictable, longer-term funding, which reduces uncertainty for them and their local partners and enables them to play to their strengths. MFAT anticipates that these longer-term, outcomes focused and adaptive partnerships will help us increase our development impact, support local empowerment/self-reliance and better enable us to communicate the difference our work is making to the New Zealand public.

What is the process to agree a Negotiated Partnership?

The process for determining whether a Negotiated Partnership is a suitable funding mechanism for a NZNGO and MFAT contains a number of critical steps, which have been streamlined as much as possible during the first pilot phase. Scheduling discussions for a Negotiated Partnership does not mean a Negotiated Partnership will necessarily be agreed and MFAT recognises that some partners may decide that it is not a fit-for-purpose funding mechanism for them. The decision to proceed will be determined bilaterally with each partner following exploratory workshops and due diligence and capability requirements. At this point, a concept note is developed to outline the benefits of partnering, the intended development problems the partnership would seek to address, proposed countries and sectors which would be the focus of the Negotiated Partnership programme and indicative outcomes that could be achieved by co-investing together. If this is supported by MFAT, the NZNGO will embark on the design of the programme that in turn would be appraised against a set of standards shared with the NZNGO in advance. An approved programme design would then lead to the

development of an outcomes-based contract and other operational documents, including a Partnering Arrangement.

What is capability mapping and why is it required?

Capability Mapping is a tool to support discussion between partners about the level of capability necessary to enter into a Negotiated Partnership. The Capability Mapping process is complemented by the Due Diligence assessment that is also undertaken as part of the Negotiated Partnership process. This assists NZNGOs and MFAT to determine whether a Negotiated Partnership is a fit-for-purpose funding mechanism. The process is an important foundation for moving from a transactional NZNGO/MFAT engagement to a more substantive and transformational way of working so as to achieve greater development impact.

Capability Mapping provides an:

1. Improved understanding of a NGO partner's ways of working;
2. Opportunity to see how a partner NGO's policies and systems are applied in practice;
3. Understanding of how a partner NGO engages with and supports local partners and stakeholders throughout the programme cycle;
4. Indication of how NGO partners are operating programmatically; and
5. Assessment of a NGO partner's capability across five domains identifying strengths and strengthening options where appropriate.

The capability mapping exercise involves collecting evidence and presenting information against five capability domains: Contextual Analysis, Design, Programmatic Approach, Partnership and Monitoring, Evaluation and Learning. The process is clearly set out in the Capability Mapping Guidelines shared with NZNGOs with whom MFAT is pursuing negotiated partnerships. MFAT has contracted an independent expert to lead the exercise, which includes a face to face meeting, with MFAT participation. A short report is prepared outlining the NGO's strengths and any recommended strengthening options and timelines. NGOs will have the opportunity to comment on the draft report prior to finalisation.

Where are we now?

Phase One

In February 2019 three NGOs, World Vision New Zealand, Save the Children New Zealand, and ChildFund New Zealand, were invited to participate as pilot organisations. These three partners were identified from expressions of interest from six larger New Zealand NGOs (who had three or more projects approved in the Partnership for International Development (PFID) fund and a total project value of more than NZD\$6 million). MFAT assessed the expressions of interest received using the following criteria: PFID programme size, sectoral focus, geographic focus, PFID funding available/drop-off, and absorptive capacity of funding. New Zealand NGOs on the NGO Reference Group were excluded from the first phase of the pilot.

Phase Two

A second cohort of NGOs previously funded through PFID has been identified for the second phase of the Negotiated Partnership pilot discussions commencing in July 2019. These organisations also met the phase one criteria.

To determine the order of negotiations, MFAT assessed these NGOs on the following criteria: forecasts of PFID funding changes, sectoral focus, geographic focus, internal resourcing considerations, and other related information identified during bilateral discussions.

We have begun initial negotiated partnership discussions with the following NGOs: Oxfam New Zealand; Caritas Aotearoa; Habitat for Humanity New Zealand; ADRA New Zealand; Tearfund New Zealand; UNICEF New Zealand; and The Leprosy Mission New Zealand.

Phase Three

Subject to the learnings from phase one and phase two of the negotiated partnership pilot process, and availability of additional funding, there may be an opportunity for other NGOs to be considered in 2020. We will continue to keep the sector updated.

3. Manaaki

What is Manaaki?

Manaaki is the New Zealand Aid Programme's contestable fund that was launched in March 2019 for New Zealand non-governmental organisations (NZNGOs). Manaaki has one funding round per year with funding available for registered NZNGOs that have concepts approved for activities with MFAT co-investment of NZ\$100,000 – NZ\$1 million. Up to NZ\$5 million of funding is available to be allocated per year.

The term Manaaki has been used to convey our focus on “uplifting mana through listening to, supporting and empowering” vulnerable, marginalised and hard to reach communities.

Applications for round one have now closed. Applications for Manaaki round two will open early 2020.

Application guidance, templates and assessment criteria can be found on the website: www.mfat.govt.nz.

What are the objectives of Manaaki?

The objectives of Manaaki are to:

- Increase our impact in line with the New Zealand Aid Programme's priorities, including the Pacific Reset and Sustainable Development Goals, with a focus on targeting the most vulnerable and marginalised;
- Enhance the capacity of local partners;
- Ensure MFAT has more effective relationships with NGO partners;
- Increase the engagement of the New Zealand public in the New Zealand Aid Programme; and
- Ensure MFAT's policy and programming reflects local priorities.

How does Manaaki differ from the Partnerships for International Development fund?

Manaaki has built on the lessons learned through the Partnerships for International Development Fund (PFID). Manaaki seeks to improve on the PFID in that it:

- Focuses on the strengths of NGOs;
- Ensures greater local focus and voice (through a deep contextual analysis and participatory design);
- Works with NGOs with demonstrated capability, experience and established partnerships with local NGOs;
- Is more efficient;
- Is more transparent around MFAT's expectations;
- Simplifies and clarifies co-investment requirements; and
- Focuses on the importance of communication, and telling the story with the New Zealand public.

Manaaki has also drawn on external lessons from other contestable funding platforms.

What are the eligibility criteria for Manaaki?

Please see detailed guidance on NGO eligibility criteria in the Manaaki Guidelines, available at www.mfat.govt.nz.

Overview of eligibility criteria

- NZ Charities Registered NGOs;
- Meets due diligence standards;
- Established relationship with a local partner;

- Clear, appropriately resourced approach to understanding and prioritising the needs of communities – especially marginalised and vulnerable populations;
- Alignment or complementarity with New Zealand Aid Programme;
- MFAT co-investment of NZ\$100,000 to \$1 million;
- NZNGO able to confirm co-investment of at least 20/25/33% of total Activity costs – depending on region of focus;
- 60% of NZNGO co-investment must come from NZ;
- Demonstrated links with New Zealand constituency;
- Demonstrated additionality;
- One application per NZNGO per funding round; and
- NZNGOs with a Negotiated Partnership are not able to apply to Manaaki.

What is the application process for Manaaki?

Manaaki has been designed incorporating lessons drawn from the Partnerships for International Development (PFID) evaluation, engagement with the sector and international good practice. In line with this, we have sought to streamline the process to make it as user-friendly and efficient as possible.

Manaaki has a four-stage process. Please note the timeframes below are indicative only.

Application guidance, templates and assessment criteria can be found on the website: www.mfat.govt.nz.

<p>Stage 1: Request for NZNGO applications (6 weeks)</p>	<p>Due diligence self-assessment and submission of concept note</p> <ul style="list-style-type: none"> • NZNGOs complete a self-assessment across 15 standards and submit a form confirming they meet all standards and can make all mandatory documentation available. • If meeting the criteria in the due diligence self-assessment, NZNGOs submit a five-eight page mini-business case called a concept note.
<p>Stage 2: Appraisal and due diligence (2 months)</p>	<p>External independent assessment</p> <ul style="list-style-type: none"> • Review of due-diligence self-assessment. • Assessment of concept note and indicative rating against each assessment area. • Recommendation of Manaaki portfolio. <p>MFAT review</p> <ul style="list-style-type: none"> • Consultation with bilateral teams, posts, partnerships and technical specialists in sector/thematic teams. • Moderation and recommendations: ranking of concepts notes and consideration of the Manaaki geographic portfolio (including 60% funding in the Pacific). • Recommendation of Manaaki portfolio to the Partnerships’ Governance Group. • Governance Group approves portfolio of activities. • NZNGOs informed whether they have been provisionally approved, conditional on meeting the due diligence requirements and asked to send all due diligence documentation to the external auditors. <p>Due diligence</p> <ul style="list-style-type: none"> • NZNGOs provide all due diligence documentation to external assessors. External assessors review all documentation and prepare draft report. • MFAT and external auditors call NZNGOs and inform them of outcome of application, including talking through due diligence report. • NZNGOs provide feedback on report. <p>NZNGOs informed of outcome</p> <ul style="list-style-type: none"> • Formal outcome letters sent, including written feedback, and contribution towards expenses for successful applicants. Partners are provided with a Design Contact and invited to a design workshop.

Stage 3: Activity design, appraisal and contracting <i>(3 months for design, 1 month for appraisal and contracting)</i>	Design appraisal <ul style="list-style-type: none"> • MFAT provides Manaaki Activity Design Document and Appraisal Framework. • MFAT supports the Activity design through facilitating input from the Partnerships Team, bilateral, post and technical expertise as necessary. • MFAT internally appraises design, involving Partnerships Team, bilateral, post and technical experts as necessary. • Work plan and budget confirmed. • Activity contracted.
Stage 4: Implementation	Monitoring, Evaluation and Learning <ul style="list-style-type: none"> • Ongoing throughout life of Activity.

What does MFAT look for in a concept note?

For the concept note, it is important to:

- Describe the long-term objectives and outcomes, their impact on the local constituency and how they align with New Zealand Aid Programme development priorities;
- Describe the relationship between the NZNGO and local CSO, including roles and responsibilities;
- Describe monitoring, evaluation and reporting;
- Describe the indicative total cost and co-investment to be provided; and
- Confirm the timeframe to develop a full proposal, work plan and budget.

The concept notes will be assessed against the following criteria:

- The relevance and effectiveness of the strategic investment;
- The local investment;
- The management feasibility; and
- The financial investment.

Concept note assessment criteria can be found on the website: www.mfat.govt.nz.

What does ‘an established relationship with a local NGO’ mean? What is the length of time that an NGO needs to have worked with a local partner?

Manaaki will fund activities delivered through established relationships between NZNGOs and local CSOs that address local problems, respond to local priorities as articulated by communities and their legitimate representatives, and that deliver on national priorities.

We have purposefully not specified a length of time the NZNGO and local CSO need to have been working ‘in partnership’. Instead, each NZNGO needs to be able to describe/demonstrate that their relationship meets the definition of ‘established’ by providing information on the nature, evolution and length of the relationship. The concept needs to demonstrate that the local CSO is positioned to engage with local communities, ensuring their voice is incorporated in problem definition and activity design.

Why are some organisations who were successful in Round 1 of Manaaki also engaging with MFAT on Negotiated Partnership discussions?

MFAT has communicated to the sector throughout the process that only organisations with a Negotiated Partnership agreement were excluded from applying to Manaaki. At the time of Round 1 applications, no NGOs had such agreements. For Round 2, organisations in the midst of Negotiated Partnership discussions are expected to be excluded from applying.

Will there be changes made to Manaaki prior to round two in 2020?

Applications for Manaaki round two are expected to open early 2020. The Partnerships Team is committed to learning and adapting throughout the pilot phase of Manaaki to ensure the fund is fit for purpose. We will be

reviewing the guidelines, criteria and templates ahead of round two. This will take into account lessons learned from round one, feedback from the sector, and how efficiencies can be gained.

4. Organisational Strengthening Mechanism

The Organisational Strengthening mechanism will support and coordinate self-reliance building of civil society partners in the Pacific and Timor Leste. Scoping work will commence on this mechanism in September 2019, and further information will be provided to the NGO sector soon.