

**AusAID-The Asia Foundation Partnership in the Philippines**

**PARTNERSHIP OPERATING GUIDELINES**

**Introduction**

1. Through AusAID Grant Agreement 60149, The Asia Foundation (the Foundation) and AusAID in the Philippines have entered into a country partnership to support the development program of the Philippine Government in the context of the two institutions' respective country strategies for the Philippines. The Partnership enables AusAID and the Foundation to collaborate on priority development issues of common interest.
2. As a well-established international non-governmental organization with a strong reputation for conducting high-quality analytical work, the Foundation intends to scale up stakeholder engagement approaches it has successfully used to support positive policy change. The Partnership with AusAID will significantly expand the scope and reach of the Foundation's activities in the Philippines on issues of shared interest.
3. Over the next five years, under its planned new Development Assistance Strategy, AusAID expects to support a development assistance program with priorities in basic education, disaster risk reduction and climate change, local governance, conflict-affected Mindanao and public financial management. To enhance development effectiveness AusAID seeks to strengthen the role and programs of civil society in pursuit of positive policy change and improved responsiveness and accountability of government institutions, as well as to build human resource and organizational development capacity of selected government agencies and other stakeholders.
4. The purpose of these Partnership Operating Guidelines is to articulate the principles and respective motivations and strengths that the Foundation and AusAID bring to the Partnership. The Guidelines also describe the governance arrangements for implementing the Partnership; work planning and budgeting processes; monitoring and reporting arrangements; risk management; and visibility requirements.

**Partnership Principles, Motivations and Strengths**

5. The overall goal of the Partnership is to enhance the impact of evidence-based public policy making and implementation on priority development issues in the Philippines that are jointly determined by AusAID and the Foundation.
6. The objectives of the Partnership are to:
  - better leverage the assistance programs of the Foundation and AusAID to facilitate and develop capacity for more constructive engagement between government, civil society and other stakeholders

- expand networks of both organizations to facilitate locally-driven policy reform
- develop capacity and increase knowledge sharing and collaboration between the Foundation and AusAID, especially tools and approaches to support locally-driven policy reform
- enhance the role of evidence in informing policy reform
- establish more integrated and joined-up approaches in the design and implementation of programs in areas of common interest

7. The goal and objectives of the Partnership are informed by each organization's *motivation* for the Partnership and the *strengths* that each organization brings to the Partnership, reinforced by a set of mutually agreed *guiding* and *coordination principles* for implementing the Partnership:

*(a) Motivation*

The Asia Foundation:

- build on and expand achievements in current programs on conflict management, local governance, law and human rights, electoral reform, economic reform
- pursue a broad range of experimentation and innovation through flexibility in the design and implementation of programs based on a political economy operational framework
- support evidence-based agendas for improving the effectiveness of the Philippine Government and strengthening civil society's role in enhancing the transparency, accountability and responsiveness of government
- further develop the Foundation's network of partners and strengthen its internal capacity to design and implement development programs in the Philippines

AusAID:

- make the most of AusAID's convening authority as a major provider of bi-lateral assistance to the Philippines
- facilitate more constructive engagement between government and civil society partners to enhance transparency, accountability and responsiveness of government
- deepen and expand partnerships with credible civil society organizations to enhance the effectiveness of the Australian Aid Program in the Philippines that is expected to grow during the next five years
- learn and benefit from local and international experience and expertise of the Foundation in pursuing reforms including in highly political and complex environments
- expand the involvement of AusAID in priority development issues based on an efficient administrative arrangement that ensures value for money

*(b) Strengths*

The Asia Foundation:

- a distinctive network of contacts and keen understanding of the local program environment acquired through its nearly 60 years of work in the Philippines and throughout Asia

- collaborative local partnerships developed over decades that form the core of the Foundation's capacity, including key actors from government, religious organizations, women's groups, business and professional associations, media, think tanks, academia, and community organizations
- extensive collaboration with local partners in program design, implementation, and monitoring, which ensures Foundation activities are locally-driven, locally-owned, and meet on-the-ground realities
- a strong regional network of country offices across the Asia-Pacific region

AusAID:

- a significant bi-lateral aid program in the Philippines that is expected to grow over the next 4 to 5 years
- a respected and influential donor with ability to convene a wide range of stakeholders
- major sectoral programs in basic education, disaster risk reduction and climate change, local governance, conflict-affected Mindanao and public financial management
- a large pool of technical staff with considerable experience and expertise
- well-established relationships with key government agencies, civil society organizations and other international donor agencies

*(c) Guiding Principles*

The Partnership is grounded in the following set of guiding principles:

- a professional relationship characterized by honesty, trust, cooperation and open and effective communication at all levels
- mutual respect for the contribution that each organization can make to the partnership recognizing each organization's different interests, priorities, skills, attributes and strengths
- a focus on achieving results and outcomes that have potential to bring about transformative change
- a strong commitment to share ideas and lessons learned to strengthen the internal capacity of each organization
- a shared motivation for enhancing aid effectiveness and each organization's capacity to understand how this is achieved

*(d) Coordination Principles*

Effective coordination of the Partnership is a shared responsibility. The Foundation and AusAID each have their own programs and networks of partners that can be harnessed towards achieving overall partnership goals. Effective coordination will also serve to maximize the leverage that can be realized through these programs and networks by working together.

To facilitate effective partnership coordination the Foundation and AusAID will:

- establish a working relationship based on regular consultation and communication on matters of common interest relating to the design, implementation and monitoring of partnership activities
- agree inter-organizational working arrangements that recognize different organizational cultures and other differences that may prove challenging at the outset of the Partnership and to provide guidance to staff in translating

the partnership principles and aspirations into effective operational procedures

- develop a shared understanding of key issues and reach agreements on appropriate approaches to be taken for supporting positive change
- make explicit choices about the extent, form and level of engagement that each organization would take on, recognizing that the range of issues the Partnership would support implies the need for a variety of engagements ranging from full, joint engagement to a more independent, arm's length arrangement
- provide regular updates (informal and formal) on the status of partnership activities, highlighting specific opportunities and risks

### **Governance Arrangements**

8. Oversight of the Partnership will be carried out by a Joint Steering Committee (JSC) supported by a Secretariat. Management of specific activities supported by the Partnership will be implemented by the Foundation in close coordination with AusAID.

#### *Joint Steering Committee*

9. AusAID and the Foundation will establish a JSC comprised of two representatives from each organization and jointly chaired by The Asia Foundations Philippines Country Representative and the AusAID-Manila Minister Counsellor, or their delegated representatives. The JSC will make decisions based on consensus.

10. The main functions of the JSC are to:

- (a) approve all key policies relating to the Partnership
- (b) approve operational guidelines and manuals related to activities implemented under the Partnership
- (c) consider, review and approve proposals for funding contained in an annual work plan and budget and, on an exceptional basis, off-cycle proposals that may emerge in response to specific opportunities
- (d) review the implementation performance of partnership activities
- (e) provide guidance, advice and instruction to the Foundation and AusAID team responsible for implementing the Partnership
- (f) act as the final arbiter in the event of any disagreements that cannot be resolved at an operational level.

11. The JSC will convene at least twice a year in June and November.

#### *Secretariat*

12. The Foundation will establish a Secretariat headed by a senior staff designated by the Foundation to support the work of the JSC. The Secretariat will manage and coordinate the processes related to the Partnership as follows:

- (a) prepare and propose the agenda for the JSC based, among others, from solicited agenda from the different projects subject to the JSC approval
- (b) provide logistical support for JSC meetings

- (c) review project reports from Coalitions for Change (CfC), Philippine Australia Community Assistance Program (PACAP) and other Partnership projects and prepare and present consolidated, reports to the JSC covering all partnership activities, including the consolidated annual work plan and budget and regular monitoring reports
- (d) facilitate coordination between and among the different program teams responsible for implementing activities under the Partnership
- (e) coordinate with the AusAID team responsible for managing the Partnership for matters related to the broader Partnership
- (f) ensure adequate and timely communication of JSC decisions and actions to all relevant parties and in turn, facilitate communication between project managers/implementors and partners and the JSC as the needs arise
- (g) set up and maintain the resource base of all JSC and Partnership documents and information
- (h) develop and propose to the JSC activities that would be desirable and necessary to prosper the Partnership in line with the motivations and guiding principles contained in these Operations Guidelines
- (i) Perform such other functions as the JSC may delegate from time to time

### **Partnership Activities**

13. The Partnership will initially comprise of two main activities:

- (a) The *Coalitions for Change Program* which will use stakeholder engagement approaches, successfully pioneered by the Foundation, to support the establishment and facilitation of networks and coalitions among civil society organizations, government, private sector, academe, and other stakeholders in the pursuit of specific reforms in priority areas of the respective country strategies of AusAID and the Foundation. CfC incorporates management by the Foundation of the PACAP. Activities under CfC will be governed by an Operations Manual that will be formally approved by the JSC.
- (b) Specific research, analysis, capacity development, and other activities that may be proposed either by the Foundation to or AusAID to advance identified development outcomes. Proposed activities will be reviewed and approved for funding by the JSC based on an assessment of a submitted concept paper (Annex A). In line with the Partnership's broad objective of expanding opportunities for civil society to support and influence public policy, AusAID may request the Foundation to take on the management of specific civil society initiatives that are consistent with the Foundation's and AusAID's country strategies. Likewise the Foundation may propose to initiate or expand an existing civil society partnership of its own. The terms and arrangements for managing such initiatives will be discussed and agreed on a case-by-case basis between the two organizations. A specific agreement describing the activities covered by any such initiatives and budget requirements will be jointly signed by the Foundation and AusAID.

14. In the development of any of proposed program ideas, the relevant sectoral teams in the Foundation and AusAID shall be consulted and their inputs considered in the final drafting of any proposals. In the case where there is no relevant team for new program areas, the Partnership Management Team shall be consulted during the development and design of the program proposal.

### **Work Planning Process**

15. An annual work plan and budget will be jointly developed by the Foundation and AusAID and presented by the Secretariat to the JSC for its consideration and approval. The work plan and budget will include the following:

- a description of specific activities or interventions to be undertaken under each component of the Partnership
- detailed description of the outputs, potential outcomes, and budgetary requirements for each activity consistent with the Partnership's overall funding allocation

16. The first work plan will be accompanied by a short note articulating a long-term, joint strategy for addressing identified key development challenges in the Philippines within the implementation timeframe of the Partnership. This note will be revised and developed further during the implementation of the Partnership.

17. Annual work plans for CfC will be prepared by the Foundation in consultation and coordination with the AusAID team responsible for managing the Partnership and relevant AusAID program teams. Proposals under the research, analytical work and capacity development component may be initiated by teams from either the Foundation or AusAID. The initiating party will coordinate and discuss the concept note with the relevant team of the partner organization prior to consideration by the JSC.

18. The JSC will be guided by the following criteria in evaluating the annual work plan and any new project concepts or proposals:

- extent of alignment to the respective country assistance strategies of the Foundation and AusAID, and the Government's Philippine Development Plan
- consistency with the Foundation's program areas and AusAID's delivery strategies
- strategic relevance in contributing to the goals and objectives of the Partnership
- relevance to any new program areas that both partners agree will significantly address the Partnership's evolving strategic interests
- the potential to achieve the desired development outcomes that the Partnership has initially identified in the areas of basic education, disaster risk reduction and climate change, local governance, conflict-affected Mindanao; with the exception of projects under the CfC, this may also include justice and human rights and public financial management

- the level of implementation risk
- value for money

19. A start-up work plan covering activities for the period November 2011 to June 2012 (extended to December 2012) will be presented by the Secretariat for approval at the first JSC. Subsequently the Secretariat will submit to the JSC on or before 30 November and every year thereafter of the partnership, an annual work plan for the succeeding calendar year.

20. Off-cycle proposals, assessed relevant and urgent in response to specific opportunities could be deliberated and approved by the JSC through a special meeting or exchange of emails. Proposals will be discussed between the Foundation and AusAID program management teams prior to submission to the JSC.

### **Monitoring and Reporting Arrangements**

21. Overall progress towards achieving partnership outcomes will be reviewed at each JSC based on a joint assessment that will be conducted by the Foundation and AusAID program teams (Annex B).

22. As the recipient of an AusAID grant for the Partnership, the Foundation commits to provide to AusAID:

(a) *Six monthly progress report*: The Secretariat, in consultation with the AusAID program team managing the Partnership, will submit to the JSC a progress report covering the first six months of the calendar year for submission to AusAID and the JSC during its June meeting. The report will provide an update on the status of key activities, major achievements, implementation risks and a summary of funds utilization.

(b) *Annual Report*: Commencing in October 2012, the Secretariat, in consultation with the AusAID program team managing the Partnership, will submit to the JSC a preliminary annual report covering current year of implementation for consideration during its November meeting. A final draft of the report shall be submitted by January of the following year without the necessity of convening the JSC. The report will present a consolidated update on the implementation status of the Partnership, including:

- progress towards achieving the Partnership objectives
- a detailed review of the implementation progress to date, including financial status
- lessons and challenges based on an assessment of the implementation experience of Partnership activities
- recommendations for the JSC to consider in relation to improving implementation of the Partnership activities
- reconciled asset registry

- (c) *Final Report*: Within ninety days of the completion date of the Partnership in consultation with the AusAID program team managing the Partnership, the Secretariat will submit to the JSC a final report that will include:
- an assessment of the overall effectiveness and efficiency of Partnership activities in relation to expected development outcomes
  - a detailed description of lessons learned and recommendations for possible future cooperation between the Foundation and AusAID
  - a final financial acquittal of all funds utilized under the Partnership

23. Specific monitoring and reporting requirements for the CfC program will be contained in the Operations Manual that will be prepared for approval by the JSC.

### **Risk Management**

24. The Partnership is the first of its kind for the Foundation and AusAID. While the Foundation and AusAID have worked successfully together on many previous engagements this will be the first time a country partnership of this scope has been established. Careful management of potential risks is an essential part of the Partnership. Three main types of risks have been identified:

- Reputational risk to the Foundation and/or AusAID due to involvement in high-profile and/or controversial issues. Activities that are likely to have a high reputational risk will be discussed between the Foundation and AusAID and specific risk mitigation activities will be agreed and monitored from time to time.
- Risk to the independence of the Foundation. All activities under the Partnership will be discussed and agreed between the Foundation and AusAID prior to their initiation.
- Risk to established contractual agreements with AusAID's managing contractors. Close coordination of Foundation teams with relevant AusAID teams will ensure that Partnership activities are consistent with pre-existing arrangements between AusAID and its Managing Contractors that operate on the basis of pre-established commercial contractual arrangements

25. While the Foundation and AusAID expect most of these risks will be mitigated by translating the guiding and coordination principles of the Partnership into action, awareness and prompt action will be needed to minimize any potential harm to the Partnership. Operational meetings between the Foundation and AusAID will consider specific, potential risks and agree actions to mitigate their potential impact.

26. At an operational level it is expected that any disagreements that may arise will be settled through dialogue between the program teams of the Foundation and AusAID responsible for implementing the Partnership. The JSC will act as the ultimate arbiter of any disagreements in the event that issues arise that cannot be resolved at an operational level.

27. Specific risks relating to the CfC program and the strategy for mitigating them will be detailed in the Operations Manual that will be approved by the JSC.



## **Publicity**

28. The contribution of the Foundation and the Australian Government to the Partnership will be given due recognition in partnership activities. The level of visibility of the Australian Government will vary depending on the nature of the activities, especially in cases where there may be particular sensitivities. Visibility guidelines covering the Australian Government required as part of AusAID's standard policy with grantees are attached (Annex C).

29. Specific visibility guidelines for the CfC Program, including PACAP, will be contained in separate operations manuals that will be prepared for approval by the JSC.

30. For CfC and other research, analytical work and capacity development activities under the Partnership, the level of visibility will vary. The Foundation should consult with relevant AusAID teams on the Australian Government's level of visibility before the start of specific activities. AusAID and the Foundation teams will continuously assess the appropriateness of the level of Australian Government visibility and make adjustments, where needed, in the course of implementation.

## **Duration**

31. The partnership agreement shall remain in force for an initial period of three years. Extension beyond the third year will be subject to the findings of an independent review that will be conducted by AusAID.

### **Attachments:**

Annex A: Concept Note Template

Annex B: Joint Assessment of Partnership Outcomes

Annex C: Visibility and Recognition Guidelines for Non-government Organisations (August 2011)

**AusAID – The Asia Foundation Partnership in the Philippines**

**Concept Note Template**

**1. Basic Information**

- 1.1. Project Name:
- 1.2. Total Grant Amount (in Pesos/A\$):
- 1.3. Focal Person in AusAID:
- 1.4. Focal Person in the Foundation:
- 1.5 Project Type:
- \_\_\_ Analytical Work/Research
  - \_\_\_ Capacity Development
  - \_\_\_ On-grant to other partner institution
  - \_\_\_ Other, please specify:
- 1.6 If on-grant, name of recipient organization:

**2. Results and Relevance**

**2.1. Background**

*Provide a brief statement of the background and rationale to the proposal (2-3 paras)*

**2.2. Development Objective:**

*If the project is successful, what will be its principal outcome/s?*

**2.3. Link to the Foundation's Country Strategic Plan, AusAID's Development Assistance Strategy, and Partnership Objectives:**

*How would the proposed project support the relevant CSP and DAS objective(s)?*

**2.4. If on-grant, relationship to recipient's development program:**

*How would the proposed project support objectives, policies and strategies of the recipient organization?*

**2.5. Description of the proposed activities**

*What are the main components of the activity? (Indicate outcomes attributable to each component/activity if attribution per activity can be defined.)*

### **3. Institutional and Implementation Arrangements**

#### **3.1 Institutional arrangements**

*What activities are to be jointly undertaken by AusAID and The Foundation?  
What roles and responsibilities have been agreed upon by the team members?  
How will any capacity issues be addressed?*

*If on-grant, what is the evidence of institutional capacity on the part of the recipient to handle preparation and implementation of the proposed program and or project?*

#### **3.2. Results Monitoring**

*How will progress towards agreed outcomes be assessed and communicated?*

#### **3.3 Risks**

*What are the potential risks that might prevent the project objectives from being achieved? How will they be mitigated?*

### **4. Indicative Budget**

#### **4.1 Estimated project cost (Pesos/A\$)**

### **Joint Assessment of Partnership Outcomes**

Twice a year, starting in September, 2012, prior to the meeting of the Joint Steering Committee (JSC), a Joint Assessment will be conducted by the head of the JSC Secretariat from the Foundation and the AusAID Program Leader for the Partnership. A Joint Assessment Report of around 5 pages (plus Annexes as needed) will be produced based on inputs provided by and discussions between the Foundation and AusAID teams implementing activities under the Partnership.

The assessment process will provide an opportunity for the Foundation and AusAID teams to step back from the day-to-day implementation of partnership activities and review and assess progress towards achieving the Partnership's overall goal of enhancing the impact of evidence-based public policy making and implementation on priority development issues in the Philippines and the objectives of the Partnership as specified in the Grant Agreement:

- better leverage the assistance programs of AusAID and the Foundation to facilitate and develop capacity for constructive engagement between government and stakeholders of all sorts outside of government
- expand networks of both agencies to facilitate locally-driven policy reform
- increase knowledge sharing and collaboration
- enhance the role of evidence to inform policy reform, based on in-depth analysis
- improve capacity of staff in both organizations to use tools and approaches to better facilitate locally-driven policy reform

The joint assessment report would complement the periodic operational reports that will be provided by the Foundation giving details of the status of activity implementation and funds utilization.

The report will be presented to the JSC for their review, comment and endorsement.