

BRAC/DFID/AusAID STRATEGIC PARTNERSHIP ARRANGEMENT (SPA) – TERMS OF ENGAGEMENT

Preamble:

Bangladesh's progress on human development, since Independence in 1971, has been remarkable and BRAC has made a significant contribution towards this overall positive development trajectory. BRAC has a clear focus on the poor, and its key strengths include its emphasis on support to women and girls allied with its scale, broad coverage and value for money in delivering development results.

From its founding in 1972, BRAC has evolved to become an established and highly respected development organisation that effectively contributes to poverty reduction, making a difference in the lives of individuals and communities across Bangladesh. BRAC's development programs have been supported, in large part, by donor countries. The Strategic Partnership Arrangement (SPA) represents the maturing of a relationship between BRAC and Australia and the United Kingdom to a partnership based on mutual trust, information sharing, and common development objectives.

The SPA will continue to support the implementation of highly effective development activities and aims to accelerate the achievement of the Millennium Development Goals in Bangladesh. Australia and the United Kingdom have a strong focus on primary education, basic health care and poverty alleviation: areas where BRAC has large and successful programs that complement service delivery by the Government of Bangladesh. The Strategic Partnership involving BRAC, Australia and the United Kingdom will strongly focus on achieving results in reducing poverty in order to change the lives of poor women and men, boys and girls.

The SPA will also support BRAC organizational development through becoming more strategic, more holistic in its programming, more sustainable and better able to report on the impact of its programs. BRAC is already an effective organisation and the SPA offers an opportunity to make it even better – it is designed to support its maturing as a development institution.

Purpose of this document:

This document sets out the definitions, principles, objectives and governance arrangements under which BRAC and contributing development partners agree to enter into a Strategic Partnership Arrangement (SPA). All parties voluntarily agree to abide by these Terms of Engagement. The Terms of Engagement provides the principles-level guidance for how the SPA will be implemented.

The Terms of Engagement may be varied with the agreement of all partners, in which case the partners will sign an addendum to this document.

The Strategic Partnership Arrangement is:

A relationship between BRAC and a number of development partners¹, built on a common purpose and a shared commitment to deliver mutually agreed long-term development goals in Bangladesh.

¹ The initial contributing development partners are the UK (DFID) and Australia (AusAID), although others may join later.

The Common Purpose:

That BRAC continues to grow as an organisation, with a clear strategy for achieving its vision², and makes an increased contribution to the achievement of the MDGs in Bangladesh.

Principles underpinning the Strategic Partnership Arrangement:

The SPA is based on the following principles.

- BRAC will lead in delivering partnership outputs, with contributing development partners supporting. All parties will strive to streamline administrative requirements
- Mutual respect for the contribution each agency can make to the partnership in pursuit of the common purpose, whilst recognising that each agency has different skills, attributes and strengths;
- Professionalism, honesty, trust, cooperation, the sharing of ideas and open and transparent communication between all partners.
- Funding provided to BRAC under the SPA will not be tied to particular projects or programmes, but can be used flexibly to support BRAC's development activities in support of Government of Bangladesh's efforts to achieve internationally agreed development goals.

Partnership Objectives:

Shared Partnership Objectives

Objective 1: to deliver faster progress towards the achievement of internationally agreed development goals³ in Bangladesh, with a particular focus on off-track targets, lagging geographical regions and improving the status of women and girls.

Objective 2: to support BRAC's institutional change and development plans, focusing particularly on:

- Building synergies and strengthening linkages between different BRAC sectors/programmes, for example by piloting holistic development approaches in under-served districts;
- Supporting BRAC's internal change management and decision making processes; and
- Enhancing BRAC's sustainability (including its ability to finance an increasing share of its programmes from internally generated resources; having in place a succession plan for senior management positions etc).

Objective 3: to increase strategic engagement between BRAC, contributing development partners and government, ensuring knowledge sharing and lesson learning.

² BRAC's organisational vision is "A world free from all forms of exploitation and discrimination where everyone has the opportunity to realise her/his potential.

³ The Millennium Development Goals (MDGs) initially, and any internationally agreed targets that replace the MDGs after 2015.

Objective 4: to improve BRAC and contributing development partners' use of evidence and results in future programme decisions.

Additional partnership objectives for BRAC

- Build greater creativity and innovation in to BRAC's programming based on more reliable resourcing
- Improve institutional development and sustainability, including improved governance arrangements, stronger monitoring and evaluation, improved relationships internally and externally, value driven participatory management, and strengthened community engagement.
- Develop more opportunities for knowledge sharing and learning, and international engagement on development discourse between BRAC and its donors.

Additional partnership objectives for DFID

- Invest in results at scale with better value for money
- Develop stronger links between BRAC, AusAID, and other DFID funded programs, and more learning opportunities between the three organisations
- Access BRAC's knowledge and expertise, and develop a deeper understanding of BRAC as an organisation
- Share improved reputation with BRAC and AusAID through participating in a successful, innovative partnership.

Additional partnership objectives for AusAID

- Achieve solid, immediate results with BRAC which will allow Australia to invest through other partners in Bangladesh in programs with longer term results timelines
- Support the Australian government's policy objective of delivering more aid through key partnerships
- Develop a deeper understanding of BRAC as an organisation, and of development issues in Bangladesh, and draw BRAC in to AusAID work in other countries
- Operationalise, in Bangladesh, the global strategic partnership with DFID, and contribute to practical action on donor harmonisation and aid effectiveness

Scope of the Strategic Partnership:

- Funding provided under the Strategic Partnership Agreement can only be used to support BRAC's development programmes in Bangladesh (excluding capital investment or lending).
- The Strategic Partnership Agreement will be the only source of contributing development partner bilateral programme funding for BRAC's work in Bangladesh (except for humanitarian programmes in response to a natural disaster, for which additional funding may be available).

- BRAC can continue to apply for funding from contributing development partners' centrally managed funding schemes and other human resources development programs such as scholarships and volunteers.

Governance Arrangements:

Meetings

- Contributing development partners will have an opportunity to meet BRAC Board members on an annual basis [*these will be high level informal discussions looking at any overarching issues, overall aims and progress of the SPA, and any planned changes in BRAC or contributing development partners' strategies and will take place during "open sessions" held as part of BRAC's December Board Meeting*].
- Contributing development partners and BRAC's senior management will meet every six months [*these will be more operational meetings which would discuss progress against workplans, other operational issues and progress relating to the SPA. A shared agenda will be agreed in advance. These meetings will normally take place in June and December each year, and will be timed to coincide with BRAC's Board Meetings*].
- Contributing development partners encourage BRAC to seek meetings with senior officials and Ministers of their governments during visits to capitals. These meetings will inevitably be on an ad-hoc basis, and dependent on other commitments. DPs undertake to facilitate these meetings.

Access

- Although the SPA is designed as a strategic level partnership, contributing development partners will continue to have access to visit BRAC projects/programmes and where possible, would try to harmonize with planned field visits and other activities.
- All partners in the SPA will share/collaborate/exchange ideas arising from their programmes with other programmes/development partners that are working in similar sectors/geographical areas, in order to build coherence and achieve the best impact on the MDGs in Bangladesh.
- BRAC will continue to have access to technical expertise from contributing development partners.
- Contributing development partners can continue to participate in BRAC's programme level donor consortia, and will participate in BRAC's annual donor consortium meeting.
- Contributing development partners may also participate in BRAC's/donor consortia reviews of individual BRAC programmes/projects (including field visits) to inform the annual SPA review.

Reporting on results

- BRAC is committed to reporting increasingly on the development results it achieves. The SPA results framework is designed to support BRAC in implementing this change. BRAC will report to contributing development partners on progress against the results framework on 6 monthly basis. [One of these reports could be BRAC's Annual Report – based on results framework.]

Review/evaluation

- The SPA will be jointly reviewed by BRAC and contributing development partners on an annual basis. The process, TORs and composition of the review team will be agreed by BRAC and contributing development partners. These reviews will examine progress towards the objectives set out above, and the extent to which the results defined in the results framework are being achieved. These reviews can, by mutual agreement, recommend changes to the results framework.
- A Mid-term Review of the SPA will take place before the end of year 3. In addition to the normal annual review tasks, this review will look at the case for continuing SPA funding beyond the current financing arrangements.
- An independent “Programme Completion Review”, assessing the overall impact of the SPA and the extent to which the partnership achieved its objectives, will be undertaken during the final year of the agreement. This will be completed not more than 3 months before the expiry of the initial (and any subsequent) financing agreement.

New DPs joining the SPA

- New development partners may join the Strategic Partnership Arrangement with the agreement of all existing partners. In doing so, new development partners agree to the Terms of Engagement set out in this document (as amended by any subsequent addendum).

Dispute resolution

- If any changes occur which, in the opinion of BRAC or the contributing DPs, impair significantly the developmental value of the SPA, BRAC and the DPs will normally consult on measures to resolve the problem and possible courses of action.

Withdrawing from the SPA

- All parties enter into the SPA in good faith with a commitment for at least the period covered by the initial financing agreement.
- Withdrawal by any party from the SPA before the expiry of the financing agreement will only take place in exceptional circumstances.

Intellectual property/copyright

- All intellectual property rights created by BRAC, resulting from activities funded under the SPA, will belong to BRAC. BRAC grants contributing development partners a non-exclusive royalty-free licence to use any such material at their discretion, provided BRAC is cited as the source.

Communications, branding and use of DP's logos

- Will be mutually agreed by BRAC and contributing development partners, taking into account the communications and branding guidelines of all parties.

Endorsement:

BRAC and the development partners contributing to the SPA agree to endorse these Terms of Engagement in a spirit of partnership. This endorsement signals mutual intent on the part of BRAC, the United Kingdom and Australia. The Terms of Engagement is not legally binding and does not give rise to any legally enforceable rights or obligations.

**Signed at The Department for International Development, London, United Kingdom
on 13 June 2012 by**



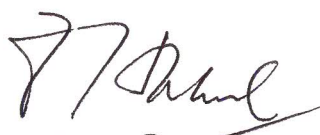
Rt Hon Andrew Mitchell MP

**Secretary of State for
International Development,
United Kingdom**



Senator the Hon Bob Carr

**Australian Minister for
Foreign Affairs**



**Sir Fazle Hasan Abed,
KCMG**

**Founder and
Chairperson of BRAC**

ANNEX: Donor Principles for Cooperation

Definitions

The “core team” is comprised of the key individuals from DFID, AusAID and BRAC who are responsible for the overall management of the SPA. The core team functions as a cohesive unit with responsibilities and accountabilities to the partnership as a whole, as well as to their own organisation.

- All SPA business should be focused on getting the best outcomes for the partnership. This includes streamlining the SPA’s administrative impact on BRAC. All engagement should be adding value for BRAC, rather than adding transactional costs.
- DFID and AusAID should make every effort to harmonise every aspect of their engagement on the SPA. They should also work together to encourage other BRAC donors to accept the business processes being used on the SPA, such as results frame reporting.
- DFID and AusAID have an equal place at the table as partners within the SPA. This is the basis for their participation in the SPA, not their financial stake.
- AusAID and DFID will work to understand and respect the cultural differences at play within each other’s organisations, and also the organisational culture of BRAC.
- DFID and AusAID should have discussions before significant SPA events. Both donors should be clear on each other’s positions, and be aligned where possible. This will contribute to the donors simplifying and streamlining business processes for BRAC.
- Core team contributions should be based on getting the best possible results for the SPA, rather than rigidly enforcing equal representation of each organisation. If AusAID or DFID core team members are not available for a particular event or process, they should consider delegating to a core team member from the other donor, rather than bringing in someone from their own organisation who does not fully understand the SPA.
- Partnership principles should be applied to all business processes. It will not always be possible to amend AusAID and DFID’s business processes to abide by the SPA’s partnership principles, but every attempt should be made to do so. AusAID and DFID core team members should strive to put the partnership first.
- Both donors are committed to open, honest, clear communication. This is particularly important for early, honest communication of problems and issues. A general commitment to transparency is an important part of the SPA’s partnership principles.
- Core team members from DFID and AusAID have a responsibility to protect and promote the SPA within their organisations. They should actively engage and educate their organisations on the partnership approach and its principles.
- DFID and AusAID will seek opportunities to jointly promote the SPA internationally. Different aspects of the SPA should be promoted in different forums. The SPA offers a good working example of donor harmonisation, aid effectiveness, good practice support to civil society, and the use of a partnership approach.
- Minimise separate bi-lateral meetings between each donor and BRAC

- Upcoming issues should be shared with plenty of notice.
- Brief the other donor on organisational changes, new policies and processes etc.
- Internal documentation related to the SPA should be shared, as far as possible.
- AusAID and DFID will share communications strategies and align messages.
- Financial agreements (including payment schedules) and other operating processes (particularly reporting) should be coordinated and aligned.
- When DFID and AusAID have official visits to Bangladesh they will publicise the partnership, and include the other donor in discussions about the partnership.
- In the case of serious disagreement, all efforts will be made to resolve the problem within the core team. If this is not possible, senior members of AusAID and DFID will be brought in to assist.