

**STRATEGIC POLICY FRAMEWORK FOR RELATIONS  
BETWEEN NZAID AND NEW ZEALAND NGOS**



Endorsed by consensus at NZAID/NGO meeting, 10 October 2003, Wellington

*Updated October 2009*

## INTRODUCTION

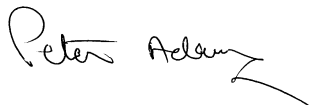
Dear Friends

The Prime Minister launched the first Strategic Policy Framework on 27 March 2000, following some 18 months of dialogue between the then Development Cooperation Division (DEV) and New Zealand NGOs working in international development. The framework set out the basic rationale and guiding principles for relations between NGOs and DEV and both parties undertook to further develop guidelines for funding, policy dialogue, and programme cooperation.

This revised framework includes detailed annexes on policy and practice relating to funding, and consultation and participation in policy and strategy development. Work on incorporating Treaty of Waitangi principles is underway and we look forward to further discussions. As was the case for the base document, the additions are the result of joint development and active consultation at NGO/ NZAID regional and annual meetings.

Effective relations between NGOs and NZAID will depend on the framework's implementation in everyday practice in all areas of interaction. An annual joint review is planned to evaluate the framework's impact and to identify areas for further work. Continuous reflection and review is expected to retain the 'living document' quality of the framework, and we look forward to working with you under this shared agreement

Yours sincerely



Peter Adams  
Executive Director  
NZAID



Rae Julian  
Executive Director  
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April 2004

## FOREWORD

The development of this framework represents a significant step forward in the development of relationships between NZODA and New Zealand NGOs.

As well as setting out a rationale for the relationship, based on common goals and interests, the framework outlines shared principles and respective undertakings by NZODA and NGOs. Three areas are identified for ongoing work. These are funding practices, processes for policy dialogue and the Treaty of Waitangi.

The framework states that "its authority is derived from its endorsement by NZODA and the NGO sector through a process of active consultation and joint development". This process included:

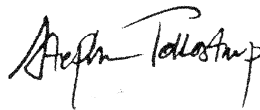
- jointly drafted discussion papers and draft frameworks
- national and regional meetings of NGOs and NZODA representatives
- a national working group of the Council for International Development (CID)
- discussion within NGO boards and NZODA
- final endorsement by NGOs at a national NGO/MFAT meeting, NZODA and the Associate Minister of Foreign Affairs and Trade.

The final document draws on international examples and good practice, as well as the experience of NZODA and NGOs over the last 30 years.

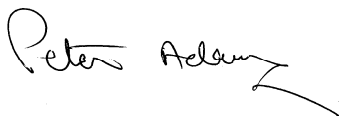
The framework is both a foundation and guide for the ongoing development of effective relations between NZODA and NGOs. Key to this role is the way it is embedded into the everyday work of all concerned, making it a living document. It is intended that the framework be jointly reviewed every year and further developed as necessary.



Hon Matt Robson  
Associate Minister of  
Foreign Affairs and Trade



Steve Tollestrup  
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## **PREAMBLE**

Governments around the world are increasingly recognising the vital role that civil society plays in promoting sustainable development, democratic processes, human rights, good governance, citizenship and a stronger sense of community and interdependence. Collective community activity is an important counter to the individualisation, which dominates our age, frequently providing a voice and a sense of place and identity in society for individuals.

Non-Government Organisations (NGOs) and community organisations as organised forms of voluntary sector activity have emerged as a key element in civil society. They frequently play a key role in strengthening civil society, and in enhancing its interaction with governments.

Recognising the role and potential of NGOs and community organisations in addressing poverty and promoting sustainable development worldwide, governments have sought to harness them to meet their own policy objectives.

Since the 1970s, OECD governments have funded international development NGOs in their own countries as part of their effort to address poverty internationally. As a result of accumulated experience over the past three decades, government and voluntary organisations are increasingly recognising that the two sectors can play complementary roles with many goals and interests in common, especially in areas that focus on people and their needs.

As a result, relationships based on collaboration and recognition of respective areas of comparative advantage, have begun to emerge in both domestic and international arenas. In some countries, governments are working together with the local voluntary sector to develop beneficial relationships that build and enhance the socio-economic development process.

One important point in the development of interaction between the government and voluntary sector in New Zealand was the Commonwealth NGO Forum “Paths out of Poverty”, held in Wellington in 1995. This produced a communiqué to Commonwealth Heads of Government, which called for governments to establish participatory governance processes and recognise and promote the legitimate role of NGOs and other civil society actors. The Forum produced a set of guidelines, which were designed to strengthen the relationship between NGOs and governments as well as other organisations.

In 1998, the evaluation of the Voluntary Agency Support Scheme (VASS) recommended that a Strategic Policy Framework be developed within New Zealand’s Official Development Assistance Programme (NZODA) to provide a rationale and guidelines for the growing and varied relationships between the Ministry of Foreign Affairs and Trade (MFAT) and international development NGOs in New Zealand (hereafter referred to as NGOs).<sup>1</sup>

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<sup>1</sup> In 2006 VASS was revised and renamed Kaihono hei Oranga Hapori o te Ao – Partnerships for International Community Development (KOHA-PICD)

In July 2001, the New Zealand Agency for International Development (NZAID) was established as a semi-autonomous body within MFAT to administer all NZODA and the primary relationship is now between NZAID and New Zealand NGOs.

Collaboration can only be effective with meaningful input and advice from those directly affected by policies and their implementation. Where this has not happened, the results have often been weakening of voluntary sector initiative and the disillusionment of one or both parties to the process. The challenge for both voluntary organisations and the government is to develop a relationship that ensures the continuing independence of the voluntary sector while maximising the opportunity for collaboration in addressing common goals and priorities.

This policy framework has emerged directly from the findings of the 1998 VASS Evaluation and is a memorandum about the relations between NZAID and New Zealand NGOs. It is not a legally binding document. Its authority is derived from its endorsement by NZAID and the NGO sector through a process of active consultation and joint development.

## **RATIONALE FOR COLLABORATION BETWEEN INTERNATIONAL DEVELOPMENT NGOS AND GOVERNMENT**

Voluntary and community activity is fundamental to the development of any democratic, socially inclusive society. NGOs and community organisations, as independent not-for-profit organisations, bring distinctive value to society and fulfil a role within broader civil society that is distinct from both the state and the private sector.

The knowledge, skills and experience that New Zealanders bring to international development cooperation exists in many sectors of society. In diverse ways, New Zealand contributes resources and expertise to international development efforts to eradicate poverty and promote sustainable development and social justice. This builds linkages with overseas counterparts, promotes international understanding and contributes to positive relationships between New Zealanders and the people of other countries.

The magnitude of development challenges requires effective aid programmes to improve the lives of those in greatest need.

The government and NGOs share several common goals and interests, including the reduction of poverty and the promotion of sustainable development. However, the methods and priorities of governments and NGOs are not always the same. The harnessing of different approaches to development and cooperation in pursuit of common goals are key ingredients of a productive and mutually beneficial relationship.

The nature of the role of NGOs in aid and development is such that relationships with governments, or action by them, can have a positive or negative impact on NGO activity. This policy framework will help to ensure that the impact is a positive one.

## **DEVELOPMENT PRINCIPLES**

The following development principles are held in common by NZAID and New Zealand NGOs and underpin the relationship between them:

### **Development**

Development encompasses the social, economic, cultural and spiritual well-being of people. The development process aims to promote dignity and self-reliance and involves enlarging choices for both men and women. It encourages and enables men and women to take an active part in decisions affecting their lives and to make the most of opportunities to realise their own potential and the potential of their communities. Issues of justice, peace and human rights cannot be considered separately from development issues. The ultimate test of development policies and programmes is their long-term effect on the lives of the poorest sectors of society, especially women and children

## **Treaty of Waitangi**

The Treaty is core to development processes within our own country and to our perspectives of development issues internationally. It provides a basis from which understanding and applications of principles of partnership can be drawn and against which they can be assessed.

## **Reducing poverty**

Poverty reduction is at the core of NZAID and NGO policies and programmes that perceive poverty as one of the major constraints on development. NZAID and NGOs aim to address the causes of poverty and to enhance social cohesion by enlarging the economic and social choices of men and women. This includes efforts to increase the self-reliance and standard of living of disadvantaged groups through improving their access to and control over resources.

## **Partner responsibility and self-reliance**

NZAID and NGOs recognise that development will be achieved primarily through the policies and efforts of the governments and citizens of other countries. The achievement of self-reliance is a primary goal of NZAID and NGO development efforts. It is vital that the people concerned are involved in decisions that directly affect them.

## **Building capacity**

NZAID and NGOs aim to enhance the capacity of countries and local counterparts with limited resources or opportunities, and in particular, to enhance the capacity of people to participate fully in their societies and address their own needs. Policies and programmes aimed at local capacity should be based on the priorities and needs identified by the counterpart governments, organisations and communities themselves.

## **Sustainability**

Sustainable development involves the use of all resources for the benefit of the future as well as of the present generations. NZAID and NGOs support activities that contribute to lasting improvements in the quality of life of men, women and children in developing countries. Sustainability is understood to encompass economic and financial viability, gender equality, cultural and political acceptability, institutional capability and protection of the natural environment.

## **Gender**

NZAID and NGOs uphold the central importance of gender equality in the effective promotion of sustainable development and social justice. NZAID and NGO policies and programmes aim to address gender issues in order to ensure that the key role of women as equal partners with men in achieving sustainable development is recognised and promoted.

### **Participation and good governance**

NZAID and NGOs are committed to increased participation of all people, especially disadvantaged groups, in economic, social and political life. Active participation by citizens in processes that affect them is a crucial element in good governance and the development process. Participation should occur through the organisational forms appropriately established and owned by the people themselves.

### **Involving the New Zealand community**

Through their respective programmes and constituencies, NZAID and NGOs encourage the involvement of all sectors of New Zealand society in this country's international development cooperation efforts. As the indigenous people of this country, Maori have a special contribution to make. Other key sectors include suppliers of goods and services in the private sector, educational institutions, NGOs, ethnic communities and government agencies.

### **Development education**

NZAID and NGOs have a role in informing and educating New Zealanders about development issues. Development education includes all activities that enhance understanding and critical analysis of the theory and reality of development, interdependence and global issues, as well as the cultures and ways of life of other people. In all promotional activity, both NZAID and NGOs should ensure that the dignity of aid recipients is recognised and advanced.

## **RELATIONSHIP PRINCIPLES**

The following principles are central to the everyday relationships in all spheres between NZAID and international development NGOs in New Zealand.

### **Mutual respect**

Mutual respect for the distinctive and diverse but often-complementary roles of NZAID and NGOs includes: recognition by NZAID of the role of NGOs in formulating and implementing programmes together with developing country partners; mobilising the New Zealand public; working globally to address global issues; and engaging in dialogue on policy issues. NGO activities supported by NZAID complement other programmes serving the mandate and priorities of the official development programme. NZAID recognises that the role of NGOs in society is broader than those aspects that are funded by the New Zealand Government.

### **Independence**

Recognition of and support for the independence of the NGO sector, including its right within law to comment on government policy and work for change in that policy, irrespective of any funding relationship that might exist, and to determine and manage its own affairs. Recognition that independent voluntary and community groups are important factors in socio-economic development.

### **Accountability**

Recognition that the respective accountability requirements and processes of NZAID and NGOs differ. NZAID is accountable to Parliament and the New Zealand public for expenditure of public funds and the implementation of the official aid programme. NZAID requires similar accountability from NGOs for funding provided through its various programmes. NGOs have multiple accountabilities to partners, donors, memberships and constituencies that must be addressed through sound management practices and governance structures. Together NZAID and NGOs recognise that they are accountable to the New Zealand public for reporting on initiatives on which they collaborate.

### **Participation**

Participation by the wider New Zealand public is a key element in New Zealand's international development efforts. NZAID seeks to collaborate with NGOs from all parts of the country and all sectors of society in delivering effective development and engaging the public in New Zealand's international development efforts.

### **Dialogue**

NZAID and NGOs are committed to open transparent and ongoing dialogue on development policy and practice. Drawing widely on available experience and expertise and encouraging mutual learning is important for the efforts of all parties to improve the development impacts of the policy and programme work they are engaged in. The approach to dialogue by both parties will be based on mutual respect, good faith,

shared responsibility, a desire for productive outcomes, constructive engagement, recognition of respective roles and constraints and addressing differences through direct communication in the first instance

### **Simplification**

The processes, procedures and mechanisms by which NZAID and NGOs interact should be transparent, consistent, accessible and accountable. NZAID seeks to streamline the processes and requirements on which decisions relating to the NGO sector are based, and to support cost-effective approaches which meet accountability requirements without unnecessary layers of administration and decision-making in New Zealand.

### **Learning**

Continuous learning and understanding are important aspects of effective development.

## **UNDERTAKINGS BY NZAID**

### **Independence**

To recognise and support the independence of the members of NGO sector, including their right within law to comment on government policy and work for change in that policy, irrespective of any funding relationship that might exist, and to determine and manage its own affairs.

### **Funding**

To apply the following general operational principles to all funding relationships between NZAID and NZ NGOs. These are elaborated in Appendix II.

- The allocation of resources against clear and consistent criteria such as those which have been developed in the Kaihono hei Oranga Hapori o te Ao – Partnerships for International Development (KOHA-PICD) and Humanitarian Action Fund (HAF), including value for money.
- Funding policies which take account of the role and objectives of NGOs and community organisations, and their need to operate efficiently and effectively.
- Consistent and transparent arrangements and requirements for assessing applications; accounting for expenditure and reporting on outcomes; agreeing and evaluating objectives, performance indicators and their associated targets; facilitating prompt payment; reviewing financial support; consulting upon changes to funding arrangements; and informing NGOs and community organisations about future funding as early as possible, normally before the end of the current grant period
- Recognition of the value of long-term, multi-year funding where appropriate, to assist longer term planning and stability

- Recognition of the importance of sound organisational infrastructure to NGO effectiveness and efficiency, and, where appropriate, the provision of capacity building support to enhance its development at national, regional and local levels.

### **Policy development and participation**

To apply the following general operational principles as elaborated in Appendix III.

- The Statement of Government Intentions for an Improved Community-Government Relationship, issued in December 2001:  
*Government values the contribution of community, voluntary and iwi and Maori organizations to good policy making and delivery of effective services.*
- The spectrum of participatory processes, from information exchange, to one-off consultation, to collaborative processes, through to community-driven decision making<sup>2</sup>
- Recognition of the variety of policies and procedures that NZAID may develop, and the relevance of different levels of NGO participation in these processes
- The appraisal of new policies and procedures, particularly at the development stage, in order to consider any implications for the NGO sector
- Subject to considerations of urgency, sensitivity or confidentiality, participation of NGOs in issues that are likely to affect them or sectors in which particular NGOs have special expertise and experience to contribute, especially where the government is proposing new roles and responsibilities for the sector.
- The timescales for participation by NGOs, taking into account the need of organizations to engage with their constituencies and stakeholders
- Recognition of the Council for International Development (CID) as the primary interface for the sectorwide participation of NGOs and community organisations
- Recognition of the specific needs, interests and contributions of those parts of the sector which represent women and minority groups
- A commitment to appropriately apply principles and requirements arising out of the Treaty of Waitangi in the development of policy and participation processes
- Respect for the confidentiality of information provided by the sector, within the constraints of the law and the proper performance of public duties, when given access to it on that basis.

### **Good governance**

- To promote effective working relationships, consistency of approach and good practice between NZAID and the NGO and community sector

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<sup>2</sup> He Waka Kotuia: joining Together on a Shared Journey. Report of the Community-Government Relations Steering Group. August 2002

- To adhere to the principles of open government (which seeks to ensure that whenever possible decisions and findings are made public)
- To review the operation of this Policy Framework annually in conjunction with the sector, to make changes that are jointly agreed and to constructively address issues and concerns which may have arisen
- Where relevant, to promote the adoption of jointly developed policy frameworks for relationships between governments, NGOs and the community sector in partner countries.

### **Interacting with partners or affiliates of New Zealand NGOs**

NZAID recognises that regular contact between NZAID staff and individual NGOs whether NZ or 'in-country' is an important feature of a positive working relationship. As NZAID strengthens its presence in developing countries, NZAID staff will have more contact with in-country partners or international affiliates of NZ NGOs. Good communication will contribute to effective relationships.

- NZAID will communicate with the New Zealand affiliate of a network (when one exists) before entering onto negotiations for a funding agreement with another member of the network
- When NZAID is at an early stage of developing a programme or activity with an in-country NGO that has an NZ NGO partner NZAID will communicate with the NZ NGO
- NZAID will share key programme information with New Zealand NGOs on a regular basis.

### **NGO activity at the global level**

- NZAID will, where possible and appropriate, facilitate interaction between NZ NGOs, their partners and multilateral institutions, particularly in areas of dialogue on policy matters of common interest and concern. NZAID recognises that NGOs play an important role at the international level, at UN conferences, in other inter-governmental fora and through their non-governmental networks. By advocating for development issues, good governance and better accountability, and by working with developing country partners to promote community-level development, they contribute to effective development. NZAID will work to enhance the global presence and role of NZ NGOs and their partners within the limits of available resources by means such as the provision of funding within agreed guidelines for NGO travel to international meetings and conferences.

## **UNDERTAKINGS BY THE NGO SECTOR**

### **Funding and accountability**

- To maintain high standards of governance and conduct, and to meet reporting and accountability obligations to funders and users. Where appropriate to observe appropriate accounting frameworks and the obligations set out in the Council for International Development's (CID) Code of Ethics
- To respect and be accountable to the law, particularly those regulating charitable organisations
- To develop quality standards appropriate to the organisation.

### **Policy development and consultation**

- To ensure that service users, volunteers, members and supporters are informed and consulted where appropriate about activities and policy positions when presenting a case to government or responding to government consultations, and to communicate accurately the views put to them in the course of such representations
- To respect the confidentiality of government information when given access to it on that basis.

### **Good organisational practice**

- To promote effective working relationships with government and other agencies, and within the NGO and community sector
- To ensure that participatory decision-making is practiced at all practicable levels in the development and management of policies and activities and the implementation of projects and programmes
- To put in place policies for promoting best practice and equality of opportunity in activities, employment, involvement of volunteers and in the implementation of projects and programmes
- To review the operation of this Policy Framework annually in conjunction with NZAID, to make changes which are jointly agreed and to constructively address issues and concerns which may have arisen.

### **Communication and information sharing**

- To share relevant programme and project information and updates with Wellington and post based NZAID staff on a regular basis
- To meet or make contact with NZAID Wellington staff on a regular basis and post-based staff as part of field visits. NZ NGOs will brief/debrief NZAID post

and Wellington staff on their field visits. Opportunities for NZAID staff to visit NZ NGO programmes/projects will be made available

- To include, where appropriate, Wellington and post-based staff in relevant and significant programme/project communications
- To take the opportunity to participate in relevant NZAID strategic discussions and consultations.

## **COMMON UNDERTAKINGS**

### **Treaty of Waitangi**

NZAID and NGOs affirm that they will carry their respective commitments to the Treaty of Waitangi through into organisational policy and practice in ways that are appropriate to their circumstances. As part of the commitment to the Treaty of Waitangi our international development practice is informed by that commitment.

### **Development education**

NZAID and the NGO sector have a common interest in engaging the public of New Zealand in international development activities. NZAID and NGOs will work together to better engage the New Zealand public in international development by:

- building public awareness of New Zealand's international development efforts, both governmental and non-governmental
- developing increased understanding of global and development issues and New Zealand's role in the world
- seeking to involve a broad cross section of the New Zealand community in international development programmes
- encouraging the efforts of NGOs and other relevant organisations to inform the public about their activities and the development results achieved. NZAID and NGOs will collaborate to develop public information strategies.

## **ONGOING DEVELOPMENT OF THE POLICY FRAMEWORK**

This policy framework is a living document that needs to be adapted and developed in line with changes of policy, approach and thinking in both the governmental and NGO sectors. The framework covers all aspects of the diverse relationship between NZAID and New Zealand NGOs. The key aspects of this relationship that are covered by the framework are set out in Appendix I.

## **APPENDIX I**

### **SUMMARY OF KEY CURRENT NZAID NGO PROGRAMMES AND ACTIVITIES COVERED BY THIS FRAMEWORK**

#### **Programme activities**

- NZ NGO-specific programmes such as KOHA-PICD, HAF and NZ NGO windows established within the bilateral and other programmes
- strategic relationship agreements with CID, VSA, the DRC and Trade Aid
- non-windows-based funding for NZ NGO activity through bilateral and regional programmes as well as sector-based programmes (such as the Pacific Governance Programme)
- consultancy relationships by which NZ NGOs tender for and are awarded contracts for the implementation of NZAID programmes
- NZ NGO training and capacity building programmes.

#### **Policy and programme dialogue**

- biannual NGO/NZAID meetings
- regular NGO/NZAID programme and other meetings
- CID/NZAID quarterly meetings
- NGO Disaster Relief Forum (NDRF) meetings
- processes of dialogue and consultation that might be initiated from time-to-time concerning particular policy or programme issues
- where appropriate, relevant and possible, consultation on development of NZAID country strategies and of NZAID links with NGOs at home and abroad
- meetings in New Zealand with international visitors
- development Studies Network meetings and activities
- bilateral interaction between individual NZ NGOs and NZAID Programme Managers
- potentially, NGO interaction with other parts of NZAID as appropriate.

## Appendix II

### PRINCIPLES UNDERPINNING FUNDING AGREEMENTS BETWEEN NZAID AND NEW ZEALAND NGOS<sup>3</sup>

#### NZAID undertakings

1. NZAID will communicate dates and deadlines for formal funding rounds to NZ NGOs at the beginning of each financial year<sup>4</sup>. Where appropriate, NZAID will discuss such dates and deadlines with CID. NZAID will further regularly publish a listing of all types of funding which are available. This will set out clear criteria, application processes and requirements and a timeframe for applications. All such information will be carried on the NZAID website.
2. NZAID will involve NZ NGOs in decision-making about the nature and processes of all funding mechanisms that are specifically established for NZ NGOs (including but not limited to KOHA-PICD and HAF).<sup>5</sup> NZ NGOs will also be consulted on other funding mechanisms for which they are eligible. The consultation process in both cases should start at an early stage of the development of new funds or the formulation of new criteria or processes for existing funds. This will ensure that the complex, diverse and flexible nature of NZ NGO relationships, including those with their partners overseas, is taken into account.
3. NZAID will endeavour to ensure that its operational processes are applied transparently and consistently in all areas, reflecting but not limited to the principles and approaches established under the KOHA-PICD.<sup>6</sup> These areas will include:
  - application and reporting processes
  - core criteria
  - forms

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<sup>3</sup> These principles were endorsed by consensus at the NGO/MFAT Annual Meeting 7 October 2002, Wellington

<sup>4</sup> The particular capacity issues for small organisations should be recognised, especially voluntary organisations that may meet only monthly.

<sup>5</sup> When NGOs are able to participate in decisions about the procedures by which funding is allocated and distributed there is more opportunity for constructive and productive relationships with the sector. Also when the relationships between NZ NGOs and their partners overseas are not well understood, requirements may be placed on both partners which strain relationships and have a detrimental impact on the sustainability of projects.

<sup>6</sup> There are issues and requirements common to all funds. Forms should relate to criteria and should be similar in structure. Guidelines should ensure that funding is transparent and that the criteria for access are explicitly stated and accessible to all potential applicants. Consistency should not imply rigidity and if one fund, such as KOHA-PICD, is used as a model aspects may need to be simplified for others. Documentation for reporting should be consistent - including acknowledgment of receipt of funds; financial acquittal; reporting on activities, issues arising and lessons learned; and provision for feedback.

- minimum allowable levels for project management costs
  - agreed terminology and definitions
  - monitoring and evaluation.
4. NZAID will recognise audited accounts and annual reports, with NZAID funding clearly identified, as valid indications of accountability for use of public funds.
  5. NZAID recognises that monitoring, evaluation and impact assessment should be undertaken primarily for the purpose of improving the effectiveness of the activities in which the NZ NGO and its partner(s) are engaged.

### **NZAID and NZ NGO undertakings**

1. Funding will be commensurate with the nature of the project or programme. Funding practices will allow for innovative approaches to development.<sup>7</sup>
2. Funding should be comprehensive and recognise the long-term nature of development. Criteria will reflect this principle.<sup>8</sup>
3. Capacity building activities will be recognised and clearly stated as a core issue in funding arrangements.<sup>9</sup>
4. Funding will be distributed expeditiously once agreement has been reached and will be appropriately receipted.
5. NZAID and NZ NGOs will share information about their respective support for NGOs in other countries for the purposes of collaboration and co-ordination where appropriate and possible.<sup>10</sup>
6. NZAID and NZ NGOs will draw on the experience of their relationship in contributing to the development and assessment of good donor/NGO relationship practice internationally.

### **NZ NGO undertakings**

1. NGOs will meet funding deadlines on the appropriate forms and in the manner required by the body allocating funding.

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<sup>7</sup> Funding can dictate the type of programme and applying the wrong type of funding may inhibit the type of work that can be done or its effectiveness. New approaches to development often need new funding processes to support them.

<sup>8</sup> It is difficult to develop a programme running over a long period in a regime that emphasises annual funding. Funding will cover all aspects of the project from appraisal to evaluation and impact assessment. It will also include support for relevant core operational costs of both the NZ NGO and NGOs in other countries.

<sup>9</sup> Capacity building can be defined as the development of individual or organisational abilities to work effectively within the organisation's vision and goals. All projects should include, at least, an element of capacity building, which should be clearly stated in the proposal.

<sup>10</sup> A key mechanism for this purpose is the NZAID strategic country review process.

2. NGOs receiving funding will ensure that all such funds are disbursed and accounted for in accordance with relevant criteria and requirements, and are used strictly for the purpose for which the funding was approved.<sup>11</sup>
3. NGOs will apply these agreed funding principles to themselves as funding partners of NGOs overseas.<sup>12</sup>
4. If and when required by NZAID, NGOs receiving funding from NZAID will ensure that an appropriately qualified professional audits their accounts on an annual basis, and that the results of the audit are made publicly available.

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<sup>11</sup> This includes responsibility for completing and sending reports on the appropriate forms.

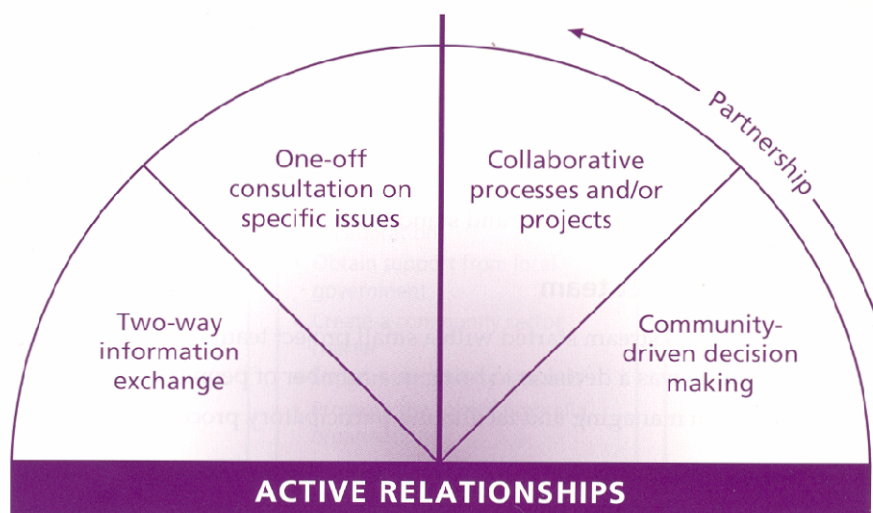
<sup>12</sup> This will include development of Memoranda of Understanding with partners (which include agreement to disburse funds received from NZAID expeditiously and within timeframes agreed between the partners); policy frameworks and agreed criteria; and mutually agreed accounting systems.

## APPENDIX III

### PROCESSES FOR POLICY AND STRATEGY ENGAGEMENT BETWEEN NZAID AND INTERNATIONAL DEVELOPMENT NEW ZEALAND NGOS<sup>13</sup>

#### Overview of participatory processes

According to He Waka Kotuia<sup>14</sup>, current interaction between central government and community organisations and iwi can be represented in the form of a spectrum as reproduced below.



The key principles for effective participatory processes that exemplify partnership reflect the understanding that:

- good thorough participatory processes are much more likely to be the basis of sound decision making
- if communities have a good understanding of the issues, the results of the decisions are likely to have a higher degree of ownership and uptake
- good processes take time, resources and a high level of skill to carry out
- money invested on involving people early on will save money many times over when decisions are implemented.

The key elements of a thorough process are:

<sup>13</sup> These processes were agreed by consensus at the NGO/NZAID Annual Meeting 10 October 2003, Wellington.

<sup>14</sup> *He Waka Kotuia – Joining Together on a Shared Journey*. Report of the Community-Government Relationship Steering Group. Ministry of Social Policy, August 2002

- respecting the contribution of those who take time to enter a process, particularly those who are giving their voluntary time
- having enough time – communities and community organisations need time to digest, think, communicate with each other and come to conclusions, and mostly this is done in their voluntary time
- being open, honest and a good listener
- being genuine about hearing and taking other opinions on board
- having enough resources to carry out effective processes for communication, facilitation, evaluation and feedback
- being clear and transparent about the constraints.

## **NZ Government input into global fora**

### **Level of engagement**

- For international policy fora and processes, the level of engagement will vary depending on the nature of the event and the priority accorded it by the NZ Government and the NGO community respectively.
- Engagement will range from, but not be limited to:
  - round table discussions
  - circulation of discussion documents and responses via CID
  - working groups (national and/or regional according to time frames).

### **Process**

- As a general rule for global policy fora and processes, the procedures set out in Communities and Government: Potential for Partnership/Whakatapu Whakaaro will be followed in cases where NZAID has the lead role (see Participatory Processes above).
- Wherever possible a minimum of 30 days will be allowed for NGO feedback via CID. It is recognised that frequently very short notice is given by UN agencies to the NZ Government for feedback, and that the lead agency within Government will vary according to the issue.

## **Sector/thematic policies**

### **Level of engagement**

- Informal input on request from NZAID during drafting stage. Full engagement on consultation draft signed-off by Minister(s).

## **Process**

- NZAID prepares consultation draft for sign-off by Minister with informal input from NGO community via CID as appropriate.
- Consultation with NGO community via CID on consultation draft signed-off by Minister. Consultation may involve workshops, or seminars as well as written feedback.

## **Regional and country strategies**

### **Level of engagement**

- NZ NGOs are part of interview/consultation process conducted by NZAID review team. Opportunity for NZ NGO comment on draft report where NZ NGO involvement considered significant.

### **Process**

- NZAID to provide timetable for regional and country strategy review. The timetable will be posted on the NZAID website.
- Terms of reference will provide for consultation with NGOs with significant interest in the region or country, before preparation of draft strategy paper.
- Where appropriate, consultation with NGO community via CID on final draft. In some instances consultation will be on a draft signed-off by Minister.

## **Multilateral strategies**

### **Level of engagement**

- Informal input on request from NZAID during drafting stage
- Full engagement on consultation draft signed-off by Minister(s).

### **Process**

- NZAID prepares consultation draft for sign-off by Minister with informal input from NGO community via CID
- Consultation with NGO community via CID on final draft. In some instances consultation will be on draft signed-off by Minister.

## **Changes to the Strategic Policy Framework for relations between NGOs and NZAID**

### **Level of engagement**

- Joint decision-making by NZAID and NGO community, via CID.

### **Process**

- Review of all or part of the Strategic Policy Framework initiated by NZAID or the NGO community via CID at any time.
- Changes drafted jointly (eg via working group).
- Parallel consultation processes within NGO community via CID and with NZAID.
- Changes agreed at the NGO/NZAID annual meeting.
- Ministerial approval required for significant changes to the original framework.

## **Establishment of new funding opportunities with potential for NZ NGO involvement**

### **Level of engagement**

- Opportunities may be raised by either NGOs or NZAID
- NZAID will engage in early discussion with NGO community via CID
- NGOs will direct opportunities through CID
- Final window/ opportunity to Minister for approval if deemed necessary by NZAID management.

### **Process**

- Where possible, consultation with the NGO community will include discussion at a regional or NGO/ NZAID annual meeting.

## **Changes to existing NZ NGO funding opportunities other than KOHA-PICD and HAF**

### **Level of engagement**

- Early discussion with NGO community via CID

- Final window/ opportunity to Minister for approval if deemed necessary by NZAID management.

#### **Process**

- Where possible, consultation with the NGO community will include discussion at an NGO/NZAID regional or annual meeting.

## **Changes to KOHA-PICD and HAF policies/processes**

#### **Level of engagement**

- Joint decision-making by NZAID and the KOHA-PICD and HAF registered NGO community, via CID.

#### **Process**

- Changes may be initiated by NZAID or NGO community via CID (and in association with the NDRF in the case of HAF) in response to issues raised or review recommendations.
- Draft prepared by the Programme Management Committee (PMC) for consultation with KOHA-PICD and HAF registered agencies.
- Policy finalised at NGO/NZAID annual meeting, with Ministerial approval obtained where necessary.

## **Internal NZAID systems/process changes affecting NZ NGOs**

#### **Level of engagement**

- NZAID to provide draft for comment (eg via CID/NZAID Quarterly Meeting).

#### **Process**

- NZAID to draft internal documents and provide to NGO community via CID for comment.

