



DEVELOPMENT CO-OPERATION TIPS TOOLS INSIGHTS PRACTICES

In practice

PARTNERING FOR IMPACT: HOW NEW ZEALAND CO-DESIGNED NEW CIVIL SOCIETY FUNDING MECHANISMS

Key messages

New Zealand's Partnering for Impact (P4I) programme significantly refreshes its approach to funding and partnering with New Zealand development civil society organisations (CSOs). These new funding mechanisms boost CSOs' flexibility and ownership, while maintaining a focus on empowering and strengthening local organisations in partner countries.

Keywords

Civil society | Partnerships

Key partner

New Zealand

Challenge

New Zealand's Partnership Fund for International Development used to be the Ministry of Foreign Affairs and Trade's (MFAT) main mechanism for funding New Zealand's civil society organisations (CSOs) working on development. However, a [2018 independent evaluation](#) of the fund found that MFAT was missing opportunities to use its relationships in partner countries to achieve better outcomes; it recommended putting relationships more at the core of partnerships. It also found that partnership processes were heavy and restrictive, limiting partners' flexibility and ownership and encouraging competition among partners rather than collaboration.

Approach

MFAT decided to significantly reshape its support to and relationships with New Zealand CSOs. It embarked on an iterative, participatory process of consultation and design with civil society partners, drawing on the results of the evaluation. This led to the Partnership Fund for International Development being replaced with a new tailored approach – [Partnering for Impact](#) (P4I) – in 2019. This involves:

- **A framework arrangement (Negotiated Partnerships) that provides larger New Zealand CSOs with longer-term financing and greater flexibility.** These five-year, multi-country and multi-sector arrangements are agreed with CSOs which have the expertise, established relationships, resources and capability to manage an outcomes-focused programme approach to development co-operation. Negotiated Partnerships are managed by MFAT as a “whole-of-CSO” relationship, rather than as several funded projects.
- **Manaaki, a smaller (NZD 6 million) competitive fund.** Run through calls for proposals, Manaaki targets registered New Zealand CSOs seeking co-investment for smaller-scale development activities with in-country partners that support vulnerable and/or marginalised people and groups. A third, regional capability strengthening component that targets local CSOs in the Pacific and Timor-Leste was paused by the pandemic.
- **A requirement under the Negotiated Partnerships that New Zealand CSOs pass on at least 50% of the funding for management support costs to a local partner.** The aim is to enhance local partner involvement in the design, delivery and monitoring of programmes delivered through New Zealand CSOs. This helps to draw on their knowledge of the context and builds their capacity.
- **Annual partnership health checks** of each Negotiated Partnership (externally facilitated) provide an opportunity for MFAT and each CSO partner to identify challenges.

Results

- **A total financial allocation in 2021 of NZD 103 million for five years for 10 New Zealand-based CSOs** under the first group of Negotiated Partnerships.
- **A greater focus on outcomes and impact, and more attention to partnerships.** Longer-term agreements are enabling programmes to respond to changing contexts with limited transactional costs and have given MFAT greater insight into risks, opportunities and challenges. Partners appreciate MFAT’s iterative approach and willingness to learn, which is helping to re-build relationships.
- **Continued partnerships between New Zealand-based and local CSOs, ensuring support is locally owned and responsive to local needs.** For example, the [Tearfund](#) ‘SAFE’ programme is working with local partners in Solomon Islands, Fiji, Vanuatu and Sri Lanka to support sustainable livelihoods and protect people from trafficking and exploitation. [Habitat for Humanity](#) works with local CSOs in Samoa, Tonga and Fiji to support housing resilience.
- **More flexible and participatory approaches to programme monitoring and reporting.** For example, local partners have been able to contribute more directly through video conferencing as opposed to solely written inputs.
- **Better collaboration between CSOs** following the removal of competitive funding. They are also more able to draw on their own strengths and in-country partnerships.

Lessons learnt

- **Implementing the recommendations of evaluations can substantially reshape a programme, given the political will.** The results of an independent evaluation informed MFAT's approach to designing a process with civil society partners.
- **A consultative, open and iterative design approach results in a better programme.** New Zealand's CSO partners were able to bring local voices into the co-design process. An iterative process of participatory design and redesign saw learning from one round feed back into more streamlined processes in later rounds. While partners felt initial due diligence processes were heavy, subsequent processes were seen as more straightforward.
- **Trust takes time and resources to build, but upfront investment pays substantial dividends.** Processes of exchange and dialogue with CSOs require the right human resources within MFAT. Attention to transparency in funding decisions and lessening the burden of initial applications can strengthen CSO support further. Framework agreements with CSOs take time to set up, are difficult to negotiate and often need refining.
- **A variety of models exist to support local partners.** There is a spectrum of local support that can be enabled – even through framework agreements – as long as the incentives are set in the right way and there is shared understanding.
- **Taking a “whole-of-CSO” programme approach** with CSO partners, as opposed to piecemeal projects, brings greater trust, visibility of risks and challenges, and co-ownership.

Further information

McGillivray, M. et al. (2018), *Evaluation of MFAT's Partnerships Fund*, MFAT New Zealand, Wellington, www.mfat.govt.nz/assets/Aid-Prog-docs/Evaluations/2018/Partnership-for-International-Development-PFID-Fund-Evaluation-report.pdf.

MFAT (2022), *Partnering for Impact* (website), www.mfat.govt.nz/en/aid-and-development/working-with-the-aid-programme/funding-opportunities/partnering-for-impact.

OECD resources

OECD (2023), *OECD Development Co-operation Peer Reviews: New Zealand 2023*, OECD Development Co-operation Peer Reviews, OECD Publishing, Paris, <https://doi.org/10.1787/10883ac5-en>.

OECD (2022), *DAC Recommendation on Enabling Civil Society in Development Co-operation and Humanitarian Assistance*, <https://legalinstruments.oecd.org/en/instruments/OECD-LEGAL-5021>.

To learn more about New Zealand's development co-operation see:

OECD, "New Zealand", in *Development Co-operation Profiles*, <https://doi.org/10.1787/138471d6-en>.

Find more *In Practice* examples from New Zealand here: <https://www.oecd.org/development-cooperation-learning?submodel=in+practice&tag-key+partner=new+zealand#search>.

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