

**TERMS OF REFERENCE as at August 2015**  
**Design of a successor mechanism to the Humanitarian Partnership Agreement (2011-2016)**

**1. Background**

The existing Humanitarian Partnership Agreement (HPA) was established in 2011 as a partnership between six pre-selected NGOs (CARE Australia, Caritas Australia, Oxfam Australia, Plan International Australia, Save the Children Australia and World Vision Australia) and the Australian Government. The vision of the HPA is:

*That DFAT (then AusAID) humanitarian partners will deliver better outcomes for people affected by disasters around the world by enhancing inter-agency collaboration, upholding the highest standards of accountability and ensuring rapid release of funds during crises.*

In relation to emergencies, partners agreed a 72-hour turn-around from activation to approval of funding to enable a rapid response. This has enabled timely mobilisation of life-saving assistance. To complement this, the HPA also provides a mechanism for collaboration on programmed Disaster Risk Reduction (DRR) and Disaster Risk Management (DRM) capacity building initiatives. As a partnership the HPA was also developed with a view to improve strategic dialogue on policy issues of mutual interest between DFAT (then AusAID) and NGOs.

Through the HPA the six NGO partners have received a total of AU\$41.5 million in emergency funding (via 12 activations). This is in addition to AU\$13.5 million in DRR and DRM funding.<sup>1</sup> The current HPA mechanism has been extended and is now set to expire on 30 June 2016.

Humanitarian response is an important responsibility of DFAT as part of the Australian aid program. It is reflected in the Government's aid policy under the investment priority 'Building Resilience: Humanitarian Assistance, Disaster Risk Reduction and Social Protection'. The HPA is an important part of the Government's humanitarian response options and has provided timely and streamlined funding for humanitarian emergencies. The NGOs under HPA have added value to Australian humanitarian responses, through effective and well-targeted emergency assistance.

A review of the HPA was completed on 6 July 2015. Both DFAT and the Australian Council for International Development (ACFID) have provided management responses to this Review.

**2. Overview**

- a) Design of a mechanism to enable the delivery of effective, efficient and accountable support to crisis affected people, that contributes to more resilient communities.

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<sup>1</sup> According to the Schedule 2 Head Agreement, the objective of this funding was to reduce community vulnerability and enhance resilience to disasters, and to strengthen DRM capacities and systems of HPA NGOs and their in-country NGO partners.

The design will be informed by the review and associated ACFID Humanitarian Reference Group (HRG) and DFAT responses to the review, consultation with stakeholders, experience of other donors and DFAT policies. An indicative process is outlined which will be refined once the review has been completed.

### 3. Coordination and Direction

- The DFAT HPA Manager will be responsible for the direction and supervision of the Design Team.
- The HRG representative will support DFAT in organising meetings with stakeholders during the consultation phases for the design.
- The Investment Concept and Investment Design Document will inform a tender process and to ensure no conflict of interest ACFID HRG representative/members will not be provided copies of these documents in advance of their release to the market.

### 4. Scope and Methodology

*Note: The process below is indicative, and may be subject to change based on the outcomes of the review process.*

Guided by the key questions (Annex 1), review recommendations, and DFAT and ACFID HRG responses to the review, the Design Team will produce a **Design Approach Report** which will detail methodology to obtain additional information and inform further consultations with stakeholders, as required.

On DFAT approval of the Design Approach Report, the Design Team will conduct desk review of further papers and consultations to inform an Investment Concept detailing the broad approach of the new mechanism

The Investment Concept will:

- consider the need for and rationale for the new mechanism (investment);
- propose outcomes and the program logic underpinning these outcomes;
- propose the aid type, partner type, and recommended approach for implementation;
- propose the investment type (for example, a commercial contract, grant agreement or arrangement with another government agency);
- propose a monitoring and evaluation framework;
- consider alternative options for delivering the intended humanitarian outcomes;
- justify the recommended investment as the most effective, efficient, sustainable and accountable way to achieve intended outcomes and
- prepare a risk and value assessment and address safeguard issues.

The Investment Concept will undergo a DFAT peer review process and the Design Team will incorporate changes as a result of this peer review. Once finalised, the Investment Concept will be submitted for DFAT approval.

After the Investment Concept is approved, the Design Team will produce an Investment Design, detailing the governance and management arrangements of the proposed response mechanism. A draft template for the Investment Design document will be provided by DFAT. Among other things, the Investment Design document will include:

- a detailed scope of service and payment structure which will include detail on roles and responsibilities of implementing partners and DFAT (governance arrangements) and administration arrangements, such as reporting requirements and meeting structures;
- a full risk assessment using the DFAT aid risk register template and risk management strategy, including risks to children, the identification of all personnel positions to be working with or in contact with children, displacement and resettlement risks, and environmental protection requirements in accordance with Australian and national laws;
- a monitoring and evaluation framework; and
- how cross-cutting issues such as gender, protection, disability inclusiveness, anti-corruption, child protection, partnerships, innovation and private sector will be integrated.

## **5. Existing Reports**

The Design Team will review existing DFAT policies, HPA review and other documentation, including but not limited to:

- a) DFAT's Humanitarian Action Policy\*
- b) DFAT's Investing in a Safer Future: A Disaster Risk Reduction Policy for the Australian Aid Program\*
- c) DFAT's Protection in Humanitarian Action Framework
- d) Relevant sector standards: ACFID Code of Conduct, Red Cross and NGO Code of Conduct for humanitarian action, the Sphere Standards
- e) Relevant documents and evaluations of following donors mechanisms, at a minimum:
  - Consortium of British Humanitarian Agencies (CBHA)
  - DFID Rapid Response Fund
  - ECHO Primary Emergency Decision mechanism
  - UN Central Emergency Response Fund (CERF)
- f) Good Humanitarian Donorship Principles
- g) IASC guidance, including the Gender Handbook in Humanitarian Action
- h) ACFID HRG Policy Paper – Humanitarian Action for Results (HAFR)

- i) The Future of Non-Governmental Organisations in the Humanitarian Sector – Humanitarian Futures Programme Discussion Paper
- j) HPA Private Sector Engagement Discussion Paper

\* DFAT will have finalised a new Humanitarian Strategy by mid-2015, once a draft of the document has been approved by DFAT this will be shared with the Design Team. Relevant DFAT staff involved in the strategy development process will be available to talk with the Design Team during the consultation phase of the design process.

## **6. Key Stakeholders**

The Design Team will meet with representatives from the following DFAT sections to draw on their relevant experience. Where possible, roundtable meetings will be held with the areas listed.

Internal DFAT stakeholders:

- a) Humanitarian Division, to discuss emergency responses, disaster risk reduction, protracted crises, early recovery, gender and protection
- b) Desk & Post of at least 5 countries – 3 within the Indo-Pacific region and 2 global to discuss their needs to facilitate effective and efficient humanitarian response.
- c) NGOs and Volunteers Branch, to discuss existing arrangements with NGOs
- d) Development Policy Division, to discuss cross-cutting issues such as fragility, gender, child protection, disability inclusiveness
- e) Contracting and Aid Management Division, to discuss scope of service requirements
- f) Private Sector Development Section, to discuss options for partnership and private sector linkages
- g) Innovation Hub, to discuss innovation in the context of humanitarian response
- h) Geographic/Thematic sections that have developed new partnerships, for example the BRAC/DFID/DFAT Strategic Partnership Arrangement.

External stakeholders will include but not be limited to:

- a) ACFID Humanitarian Reference Group members
- b) ACFID staff, including the Humanitarian Advisor and Head of Policy
- c) Other donors and multilateral organisations, at a minimum:
  - a. Department for International Development (DFID)
  - b. UN Office for the Coordination of Humanitarian Affairs (OCHA)
  - c. European Commission
  - d. Irish Aid
- d) Relevant private sector organisations, such as Aspen Medical, HK Logistics and International Development Contractors Group Australia and the Australian Trade Commission.

- e) Other relevant non-government clubs, foundations and bodies, such as Rotary.
- f) Research groups who have undertaken work on humanitarian financing, such as the Oversea Development Institute (ODI) and Humanitarian Futures Programme.
- g) ACFID technical expertise, such as the DRR Working Group.

## 7. Specification of Team

The Design Team will be a team of three. DFAT will ensure the team has a mix of expertise including:

- Humanitarian expertise – experience and knowledge of the humanitarian sector, specifically best practice in responding to sudden onset emergencies and protracted crises.
- Partnership expertise – demonstrated knowledge of partnership principles and practical application of these.
- Disaster Risk Reduction and Disaster Risk Management – experience and knowledge of best practice and practical approaches to DRR and DRM.
- Design expertise – demonstrated experience in designing programs, particularly mechanisms designed to respond to requests for assistance and an understanding of DFAT’s Investment Design Quality Standards.
- Monitoring and Evaluation expertise – demonstrated experience in developing robust monitoring and evaluation approaches/systems, ideally in the humanitarian sector.
- Policy experience – an understanding of DFAT’s policies and cross-cutting issues.

The Team members will have specific responsibilities as detailed below:

- Team Leader role – detailed examination and recommendation of potential options for the next mechanism based on a review of the HPA and best practice donor models. Responsible for drafting the design approach report, Investment Concept and Investment Design, in accordance with DFAT’s Investment Design Quality Standards. The Team Leader may be invited to participate in the peer review process of the Investment Concept and Investment Design documents.
- Team Member roles – contribute to the overall design process and support the Team Leader to meet all requirements. This includes providing key inputs (based on the individuals area of expertise) into the design of a new mechanism.

## 8. Summary of Required Reports

The Design Team will prepare and submit the following design documents which will be published on the DFAT website as soon as possible after finalisation:

- **Investment Concept** conforming to DFAT’s Investment Design Quality Standards. Draft Investment Concept due to DFAT on Friday 25 September 2015. The design team will incorporate recommended changes based on DFAT peer review

comments and finalise the Investment Concept for DFAT approval. Final Investment Concept due 5 working days after receipt of DFAT comments.

- **Investment Design** conforming to DFAT's Investment Design Quality Standards. Draft Investment Design due to DFAT on Monday 30 November 2015. The design team will incorporate recommended changes based on DFAT peer review comments and finalise the Investment Design for DFAT approval. Final Investment Design due 5 working days after receipt of DFAT comments.

All documentation shall be written clearly in plain English and shall be as brief as possible, while conveying the key information necessary to design and implement the new mechanism.

## **ANNEX 1**

### **Key Questions for the Design Phase**

Australia is committed to building resilience, including through humanitarian assistance and disaster risk reduction. The HPA successor mechanism will need to ensure Australian humanitarian assistance is timely, flexible, appropriate and contributes to safer, more resilient communities.

Below are several questions for the design of the HPA successor mechanism which need to be considered within the current aid budget context.

<p><b>Model</b></p> <ul style="list-style-type: none"> <li>- What modality and implementation arrangements will best ensure Australian humanitarian assistance is timely, flexible, appropriate and contributes to safer, more resilient communities?</li> </ul>
<p><b>Partners</b></p> <ul style="list-style-type: none"> <li>- Which partners are best placed to deliver humanitarian assistance in a timely, flexible, appropriate manner which contributes to safer, more resilient communities?</li> </ul>
<p><b>Protracted and slow onset crises</b></p> <ul style="list-style-type: none"> <li>- Should the mechanism have the capacity to include responding to protracted and slow onset crises?</li> <li>- If so, which partners are best placed to respond to protracted and slow onset crises?</li> </ul>
<p><b>Disaster Risk Reduction (DRR) and Disaster Risk Management (DRM) –</b></p> <ul style="list-style-type: none"> <li>- Should the mechanism have the capacity to include DRR and DRM?</li> </ul>
<p><b>Innovation</b></p> <ul style="list-style-type: none"> <li>- How will the new mechanism facilitate greater innovation in humanitarian response, in particular in collective work, greater collaboration, partnering with and leveraging private sector expertise and resources?</li> </ul>
<p><b>Gender and Protection</b></p> <ul style="list-style-type: none"> <li>- How will new mechanism ensure effective gender and protection mainstreaming through all responses, and, where necessary, allow for targeted gender equality and protection programs?</li> </ul>
<p><b>Early Recovery</b></p> <ul style="list-style-type: none"> <li>- Should the new mechanism allow for funding to be spent on early recovery as well as emergency response activities? (Noting that we do not wish to impede recovery or establish artificial distinctions)</li> </ul>