**ANNEX 2: PARTNER ASSESSMENT**

The result of Denmark’s development cooperation is dependent on our ability and willingness to enter into the right strategic partnerships. MFA is funding project and programs that are negotiated and implemented by partners. These can be individual partners, group of partners or “partners of partners” Understanding the dynamics of partners, partnerships and partner-relations in the context in which they operate is the core of good aid management.

This annex starts with a presentation of the criteria for selection of implementing partners and a description of the partner assessments, which need to be conducted. Based on the analysis the matrix with a summary of key features of the selected partners needs to be filled out (Template at the end of this section).

***Selecting partners*** rarely starts from scratch. Previous experience and history of development cooperation relations matter, as well as broader political, governance, and gender equality concerns. A genuine partnership should build on trust and transparency between partners, fostered through longer-term collaboration and relation building, while also recognising that partnerships may eventually run out of energy or relevance and should consequently be abolished. Partnerships can be formed with multiple types of actors including public, private, civil society, academia, and with support and collaboration from multiple development agencies.

Ensuring that there is a match between the partners and the ambitions and delivery modalities and the intervention is essential for ensuring that the programs and projects achieve the expected results. In order to facilitate this match making, an assessment of the partner’s capacity must be made and documented. The relevance of the partners and match between the program/project and the partner(s) have to be justified, including reflections on previous experience with the partner (if any), added value, capacity and exit strategies:

**The assessment of partners’ relevance and capacities include**:

* **Lessons identified** what have been the results of previous engagement with the partner- if any? What is the experience of other donors collaborating with this partner? What are particular strengths and what are major weaknesses?
* **Their relevance** for achieving the objectives and outcomes of the program/project;
* **Their change readiness and ownership-** history oftangible and longer-term prioritization of the issues to be addressed (vis-à-vis other options) or public declarations of endorsement and active participation in the formulation of reforms; e.g. through investment of political capital;
* The likely **effectiveness and efficiency** of the partners and their engagements for achieving results and impact;
* Likelihood of ensuring the **longer-term sustainability** of the results;
* Their **ability to drive learning, innovation, change and transformation,** which can be achieved by entering into engagements with more types of partners, including private sector, civil society and academia.
* **Gender equality** - what is the gender division in boards, leadership roles and more broadly in the organisation? Do organizational policies and procedures promote gender equality?
* **Prevention of Sexual Exploitation and Abuse and Sexual Harassment** (SEAH) – what is the organisations’ approach to addressing SEAH? Are adequate prevention and complaints mechanisms in place and are cases followed up satisfactorily?

***Partners’ capacity*** should be assessed to define choice of modality, management structure and the need for supporting capacity development as part of the development engagement. Often, development projects have a significant element of capacity development support. Experience shows, however, that steep increases in partner capacity are unlikely to materialize over short period of times in a sustainable manner.

The **scope and depth of the partner capacity assessment** will depend on the size of the grant, the complexity of the activities and prior history of cooperation with Denmark or other international development partners. The capacity assessment should, as far as possible, make use of existing information and documentation. The capacity assessment should include both the partner’s technical, administrative and managerial capacity, and its capacity to network both vertically and horizontally. The assessment may be carried out by the MFA unit itself, by the partner or in collaboration with the partner, through external consultants, or a combination there of. Especially if external assistance is needed, the partner should be included in the elaboration of terms of reference and other relevant parts of the process, and actively endorse that the process is taken place.

The capacity of the partner shall as a minimum be assessed using a SWOT (Strengths, Weaknesses, Opportunities, and Threats) analysis. A SWOT is a simple, yet powerful tool to help understand the capacity of a partner, including internal strengths and weaknesses as well as external opportunities and threats. The latter should be linked to the political economy and gender analysis. The potential partner should ideally provide inputs to the SWOT analysis, including understanding of the partner’s weaknesses and strength. The summary of the SWOT analysis should be presented in matrix below.

With regards to **financial and administrative management capacity**, the responsible MFA unit must ensure that an assessment of possible partners’ financial and administrative capacity is carried out as an integral part of the capacity assessment. If proposed activities include transfer of funds to sub-partners, the capacity of these sub-partners should also be assessed. Assessments should as far as possible build on existing available information, such as procedure manuals, previous audits and assessments, but can be supplemented by further assessments. If external assistance is needed, the partner should be included in the elaboration of terms of reference and other relevant parts of the process. The scope and depth of the assessment will depend on the size and complexity of the activity, the nature of the partner and its history of prior cooperation with MFA or other donors. Guidance on what the assessment should cover can be found in [the General Guidelines for Financial Management](https://amg.um.dk/en/tools/financial-management/accounting-and-auditing/).

**TEMPLATE: Partner Assessment**

**[Instruction: once filled in, the highlighted text should be deleted.]**

1. **Brief presentation of partners**

(Provide a brief presentation of each partner and the justification for selecting the partner. Present relations between partners and potential synergies that will be pursued during the project/programme. Reference can be made to the details provided in Annex 1: Context Analysis.)

1. **Summary of partner capacity assessment**

*(*Summarize the key findings and conclusions from the political economic analysis. Avoid too many details. Refer instead to the stakeholder analysis presented in the Context Analysis (ANNEX 1). For the bilateral programme at country level, each project can be presented in separate sub-sections under each strategic objective.]

1. **Summary of key partner features**

[Provide a brief presentation of key features of each partner by using the table below. Reference can be made to ANNEX 1 and to other analyses, including the financial capacity assessment.

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| Name of Partner | Core business | Importance | Influence | Contribution | Capacity | Exit strategy |
|  | *What is the main business, interest and goal of the partner?* | *How important is the project/programme for the partner’s activity-level (Low, medium high)?* | *How much influence does the partner have over the projectprogramme (low, medium, high)?* | *What will be the partner’s main contribution?* | *What are the main issues emerging from the assessment of the partner’s capacity?* | *What is the strategy for exiting the partnership?* |
| Examples |  |  |  |  |  |  |
| *AIM* | *Delivery of training and degree courses within the field of management and organizational development*  *Wants to demonstrate that their courses are of a high standard at reasonable cost; and thereby to attract students.* | *Low.*  *AIM has an annual turnover of USD 236 million. The* | *Low.*  *The outputs to be delivered by AIM have been specified in the agreement.* | *Specific tailor-made training courses targeting public sector managers. Sharing of recent research findings on PSM* | *Strength: capable of tailoring training courses to specific needs and learning style. Capable of upscaling very fast f necessary*  *Weaknesses: Based in Manila with limited knowledge of the specific local context issues, such as culture and traditions in Bangladesh.*  *Opportunities: Can provide on-line follow-up training and coaching to help participants translate theory into practice.*  *Threats: Uncertain whether the Board will continue to accept lower overheads on activities in development projects* | *No special requirements after end of contract* |
| *Aid Coordination Section, MoF* | *Donor coordination and resource mobilization for priority programmes and SDG target monitoring*  *Wants to develop a systematic and transparent approach for the identification and description of national priority programs and the subsequent mobilization of external funding for their implementation* | *Medium to high.*  *Without the program, the ACS will not have financing for the Aid Coordination Database, for the training of sector Policy and Planning Divisions and for mobilizing support for priority programs and monitoring of progress towards SDG targets* | *High.*  *The ACS is part of the Ministry of Finance and an important national stakeholder for the program.* | *Leverage of political support for the programme and the effectiveness agenda; along with programme coordination and oversight during implementation.* |  | *The ACS will need support over an extended period after programme completion, if the improvements in capacity are to be sustained.* |