



1. Statement of Government Intent and The Treasury Guidelines – What is the importance of these documents for NGOs, government and communities.
2. The NGO set of principles.

Presentation to NGO Forum April 2006

Gill Greer, Chair

Statement of Government Intentions for an Improved Community - Government Relationship

Government is committed to creating a genuine partnership with community, voluntary and iwi/Maori organisations. Building strong and respectful relationships with the community sector will take time and will require hard work, reflection and active engagement.

Government sees a future where the state performs its role as a facilitator of a strong civil society based on respectful relationships between government and community, voluntary and iwi/Maori organisations.

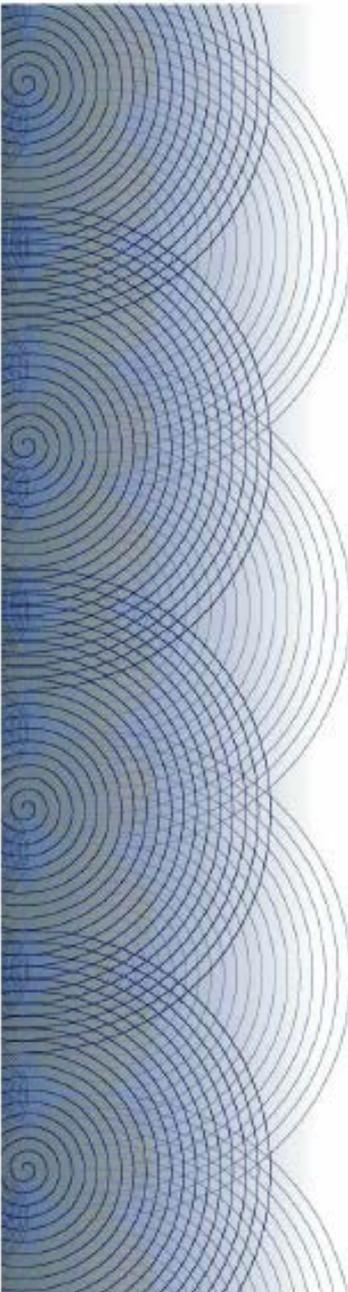
Rt Hon Helen Clark
Prime Minister

Hon Steve Maharey
Minister Responsible for the Community and Voluntary Sector

Key Government Goals to Guide the Public Sector in Achieving Sustainable Development

- **Maintain Trust in Government and Provide Strong Social Services** Maintain trust in government by working in partnerships with communities, providing strong social services for all, building safe communities and promoting community development, keeping faith with the electorate, working constructively in Parliament and promoting a strong and effective public service.
- **Reduce Inequalities in Health, Education, Employment and Housing** Reduce the inequalities that currently divide our society and offer a good future for all by better co-ordination of strategies across sectors and by supporting and strengthening the capacity of Māori and Pacific Island communities. Ensure that all groups in society are able to participate fully and to enjoy the benefits of improved production.

<http://www.treasury.govt.nz/publicsector/ngo/tsyngoguide03.pdf>



**Guidelines for
Contracting with
Non-Government
Organisations for
Services Sought
by the Crown**

December 2003
Prepared by the Treasury



- The guidelines are to apply to contracting relationships with for-profit organisations as well as not-for-profit organisations, but with a particular emphasis on relationships with not-for-profit organisations.
- The government has expressed a clear wish for good working relationships with the community and voluntary sector. These guidelines are intended, among other things, to assist building this good relationship.

Contracting or funding arrangements can take a number of forms:

- Either full or partial funding of the agreed services;
- Entitlements attached to the user of a service;
- Funding on the basis of outcomes achieved;
- Grants (funding provided so long as certain conditions are met); or
- Full or partial devolution of decision on the allocation and use of funds to a community organisation

Principles of Good Contract Management

A number of principles underpin the guidelines:

- Services purchased through contracts and other types of funding relationships should contribute to the achievement of Government outcomes and objectives.

Contracting should reflect the needs of the ultimate users or recipients of the service.

- Contracts should provide appropriate accountability for public money.
- Contracts should represent value for the public money.
- The quality of service delivery will usually be of central importance.
- The Crown and its organisations should act in good faith
- Crown agencies should understand that nature of the organisation they and the Crown contract with.

Relationships

Contracting and funding relationships with the community organisations should be consistent with the relationships Government seeks to have with the community and voluntary sector. This implies:

- Recognising the objectives of both parties
- Respecting the autonomy of the voluntary sector
- Communicating in an open and timely manner
- Working constructively together
- Recognising the responsibilities of each party to its stakeholders

Contract Planning

Contracting should take place within a structured contract management system. A key part of this is planning. Government agencies need to be clear about:

- Their overall objectives
- The means they are using to achieve those objectives
- The nature of the organisation they are likely to be dealing with, and the relationship they expect or wish to have with the organisation
- Their own contracting policies and capability
- How they will secure accountability for public money
- The budget constraint they operate under
- Risk Management

Selecting a Provider

Government agencies can identify potential providers in a number of ways:

- Asking other Government agencies, local Government, or other bodies
- Asking other NGOs, particularly umbrella groups who will have information about NGO providers
- From published information such as accreditation or registration
- Advertising for expressions of interest
- From and existing provided they have a relationship with
- Contract managers should be aware of suitable NGOs in their area
- NGOs may take the initiative to suggest services
- Information about potential providers may be available from needs assessment or service planning

‘A contract will often be one part of an ongoing relationship between a Government agency and an NGO. NGOs are not simply an extension of Government. They have their own objectives and interests. The contractual relationship should not be used to prevent the NGO commenting on public policy matters’

Negotiating the Terms of the Contract

‘Negotiations will usually focus on the quality and quantity aspects of the specifications for service delivery and price. The price set needs to be realistic, given the quality requirements, and the likely need for ongoing delivery’.

Managing the Contract and Monitoring

‘Signing the contract is only part of the Government agency’s responsibilities for contract management. They are also responsible for the ongoing management of the contract once it has been signed, and the relationship’.

Managing and Monitoring

This will involve:

- Monitoring (including verifying) delivery against the contract
- Assessing the effectiveness of the services delivered
- Approval of payment, and making payment according to the contract
- Ongoing relationship management
- Dealing with any differences of view with the NGO
- Negotiating changes to the contract
- In extreme cases, taking action to enforce compliance with the contract, including exercising any right to terminate the contract

Managing and Monitoring

This provides the basis for:

- Assessing whether the NGO has delivered what was contracted for
- Accountability for public money
- Paying money to the NGO
- Making decisions about how to proceed at the expiry of the contract

Review and Evaluation

Overlaps monitoring but merits separate treatment:

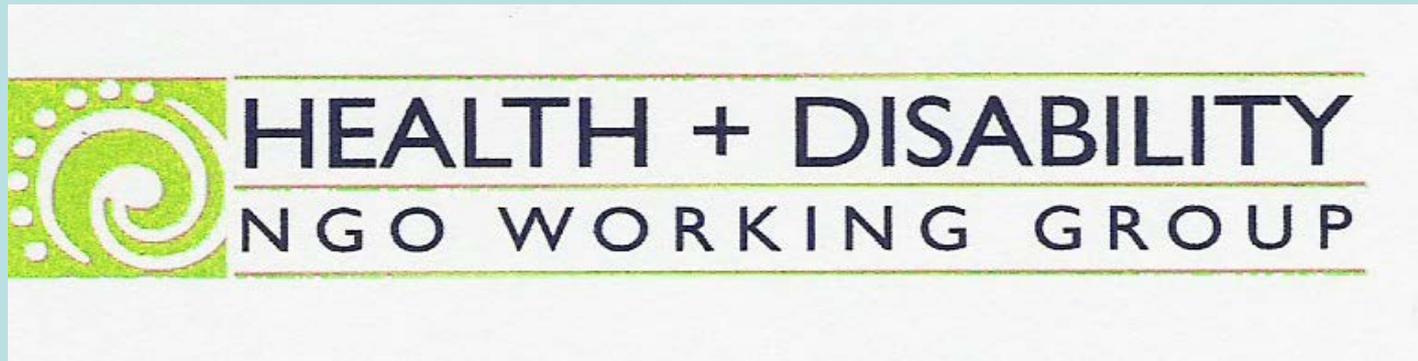
Government agencies must build a reflective capacity into their contract management system. They should consider the following questions:

- Is the programme or policy being delivered by way of contracting effective?
- Does it represent value for money?
- What improvements can be made?
- How effective has the NGO's contract management been?
- How have individual NGOs performed against our assessment of risk?
- How has the agency performed in respect of individual contracts?
- How effective is the agency's relationship management?

Starting Over

The end of a contract is an important part of the contract management cycle. Government agencies need to consider with to do in the future well before the end of a contract and consult with the NGO. There are a number of possible approaches:

- Renegotiate the contract with the supplier or rolling it over
- Selecting another supplier or tendering
- Altering the scope of the service
- Discontinuing the service



2. The proposed NGO set of principles.

In committing to a contract with the Ministry of Health, and in recognition of the Ministry's obligations under the concept of 'political neutrality', and NGOs' responsibilities to their mission and stakeholders, (name of NGO) commits to the following principles:

- **Non-partisanship.** In relation to political parties. Policy advice and advocacy, including submission to select committees, will be developed and expressed on the basis of the issue, and the related evidence, regardless of the views of a policy held by a member of parliament or a political party.
- **Independence** Each organisation respects the complementary but different roles, obligations and responsibilities. This includes the right of the NGO to comment on government policy and work for change in that policy, irrespective of any funding relationship that may exist. The NGO will acknowledge, when providing policy advice, that the views expressed, reflect those of their NGO stakeholders, not the Ministry.
- **Treaty of Waitangi.** A commitment to the Treaty of Waitangi and, as a consequence, the improvement of Maori health.

Note: These principles are supported by the Principles of Good Contract Management, and the Section 2.2, Relationships with the Community and Voluntary Sector, of the Treasury's Guidelines for Contracting with NGOs for Services Sought by the Crown.