LOCAL PARTNER STRATEGY
FY14 – FY20

October 2013
BACKGROUND

ChildFund’s ability to be an international force for greater development effectiveness and accountability is intimately tied to our relationship with Local Partners. Our shared history and future trajectories are inextricably bound. As even a superficial tour of our history shows, it is deep in our organizational roots to support local actors, whether orphanages, Family Helper Projects, parent boards of community-based organizations, or local NGOs. We believe that by acting in partnership we have a multiplier effect on society—reaching marginalized and vulnerable children directly, but also involving parents and other civil society actors who are responsible for upholding child rights. Working with one or a combination of Local Partners, communities are able to respond in locally relevant ways to the challenges of growing up poor, and this contextualization of ChildFund’s programming maximizes our impact.

Since 2009, ChildFund’s Global Strategy has focused on building a strong core program. Experience has shown us that in order to achieve a strong core program, Local Partner intentions must be aligned with ChildFund’s core intent & core outcomes, and Local Partners must be able to design and implement programs that meet an acceptable standard of program quality. At the same time, ChildFund needs to be nimble and responsive to a variety of types of Local Partners, and to be clear about what value it brings to its relationships. In FY13, a series of internal staff interviews and consultations with partners confirmed that Childfund has work to do to resolve long-held tensions internally, recalibrate and improve our external relationships, build synergies across the two, and leverage knowledge in new ways.

Together, ChildFund and its Local Partners must be able to navigate the changing development landscape, building on existing strengths while also anticipating and positioning around shared insights about the future. Our ability to transform the lives of children and the societies in which they live, as well as ChildFund’s legitimacy as an international NGO, is tied to the quality of our relationship with Local Partners.

The Local Partner Strategy is a deliberate effort to further align, strengthen and evolve our partnerships. This is a necessity, both to make more progress toward our core intent & core outcomes and to sharpen our evolving identity as an INGO in the current international development landscape. The Strategy puts forth a vision of partnership as a driving and defining force that makes ChildFund more impactful and compelling, with greater clarity of purpose for when, how, with whom, and to what end we partner. It helps us make a shift from our current one-partner-at-a-time focus toward the building of a Local Partner network based on mutually defined and shared aspirations, and rooted in ChildFund’s core intent & core outcomes. The Strategy covers the end of this strategic planning period, and also gives us direction for the new five-year plan. Through it, we aim to walk in step with a larger global movement of our peers, government, and donors in support of greater development effectiveness and accountability.

INTERNAL AND EXTERNAL DRIVERS FOR CHANGE

We have chosen to work through Local Partners, and plan to continue to do so, because we believe it is fundamental to the social change process. To date, however, we for the most part do this Local Partner-by-Local Partner, through 500 individual relationships and 500 Annual Operating Plans and Budgets, seeking results one organization at a time — a half-thousand flowers blooming. Yet there is a cost to this individualized, one-to-one support approach, including ChildFund program ambitions that often seem to outstrip available technical support, mutual concerns and tensions about uneven and often dependent relationships, and distribution of ChildFund’s financial resources in ways that seem to dilute rather than enhance impact as they flow downward to Local Partners.

Questioning of this one-to-one support approach comes in the internal context of a slow and persistent decline in our sponsorship funding base. In order to cover emerging gaps, rising costs, and more comprehensive program ambitions for children, we have already begun to tweak our business model in modest ways. For example, the Partner Effectiveness Fund (PEF) has modified our sponsorship flow-thru funding model to provide National Offices with more flexibility in how they work with Local Partners to improve program quality. We have also built new muscle around directly acquiring and delivering grants. In addition, we have heightened our scrutiny of long-standing partners who operate either in communities that no longer include the poorest children, or communities in which there are marginalized and vulnerable children who should be participating in programs in higher numbers.
It remains to be seen whether these modest adjustments to our business model will be enough to preserve our organizational relevancy into the future. Since our partner support approach is vital to our future credibility and viability, internal changes will likely need to be more comprehensive, more purposeful, and more aligned if ChildFund is to thrive as an organization for another 75 years.

The external context adds another layer of complexity to our current business model. Increased pressure for upward and downward accountability, stronger host government expectations, enhanced specialization among peer organizations, the advent of federated/alliance conglomerates of INGOs, mergers of existing INGOs, tightened scrutiny over the use of financial resources, and the potential of double bottom line partnerships demand that ChildFund becomes more agile, more thoughtful, and more deliberate about why and how partnering adds value to our work, enhances impact, and contributes to a vibrant civil society in the contexts where we operate.

As the rest of the world has caught up to the value we have always placed in developing local civil society, donors are increasingly investing directly in national NGOs to deliver community level solutions — leaving ChildFund and its Local Partners too often feeling excluded, due to our weaker than desired promotion of linkages and synergies between the local, national, and global levels. We have become impatient or frustrated by low-performing partnerships, and feel like they are holding us back from participating in high profile initiatives on an equal footing with peer INGOs. We want higher functioning partnerships — and we are anxious to define new policies and management options that will get us there quickly — so that we can take advantage of the sea of opportunity that surrounds us.

THE VISION: A GLOBAL NETWORK

To respond to this changing landscape, the Local Partner Strategy puts forward a vision for the future. Our aspiration is that ChildFund becomes an INGO surrounded by a global network of Local Partners, a network that is a visible and powerful force, capable of delivering a core set of child-focused programs at the very local level, while also putting each and every member of the network in a position to contribute to broader efforts to exert influence with and on behalf of children at national and global levels. This network will be built on the foundation of ChildFund’s core intent & core outcomes and in line with industry efforts to enhance solidarity among civil society organizations, promote knowledge and innovation, deliver solutions at scale, and cooperate toward joint development progress.

ChildFund’s Local Partners will be the backbone of this network, which will include partners with whom we have a direct and active funding relationship, partners with whom we collaborate for third-party funding, partners that we funded in the past and who are now our peers and allies within the network, and partners with whom we have no funding relationship but shared advocacy or knowledge generation and learning goals. This network will also include other types of technical support organizations that share our focus on children and have joined to offer their skills or services to the membership because they want to be part of the effort to influence government and donor policies that affect children.

The Value of Local Partnership

Population Access and Influence: Through Local Partners, we have a more direct relationship with children and communities that are experiencing deprivation, exclusion and vulnerability, as well as the governments who serve them.

Program Relevancy/Adaptation/Leverage: When well-selected, Local Partners understand their communities and facilitate the identification of priority issues to address through programs.

Community Ownership: Local Partners can promote stronger local decision making and have a more powerful effect on the local power base, given their roots in the community.

Sustainability: Local Partners can more ably sustain efforts to support the well-being of children over successive generations, long after ChildFund’s financial commitments end.

Efficiency: Working through Local Partners leverages other resources.
The networking of Local Partners will, in turn, leverage a key asset of ChildFund — that we work through Local Partners in long-term relationships—into a credible external reputation. Members of the network will be able to meet program, management, and governance standards that make them strong and legitimate civil society actors. “Partner of ChildFund” will become a seal of approval that elevates ChildFund’s brand and raises the profile of our Local Partners.

**GOAL & OBJECTIVES OF LOCAL PARTNER STRATEGY**

In order to achieve this desired future state, ChildFund must find a way to more effectively leverage our vast partner base. This brings us to the goal of our strategy: *To develop and evolve a global network of Local Partners that supports our desired program impact.* By focusing on a global network as our goal, ChildFund supports better knowledge management and development of solutions that can be provided at scale. Importantly, it will link families and communities that are already-networked at the local level to a broader constituency of supporters of children — including current and new types of partners, current and new types of donors, and advocates who can help advance a shared agenda — and this is critical to achieving our core intent & core outcomes.

Such shifts to our ways of operating require a measured approach to organizational change. For this reason, the Local Partner Strategy contains four objectives, each with two distinct phases of work. The first phase lays the foundations for the future within our current global strategy, and the next phase embeds these partnership lines of work into ChildFund’s coming global strategy (see Table 1). More detailed illustrative milestones have been created to give a sense of the specific proposed actions that will be sharpened during annual planning processes (see Annex A).

Table 1: Success Measures and Principle Efforts

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<tr>
<th>Objectives</th>
<th>Success Measures</th>
<th>Principle Efforts</th>
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<tr>
<td><strong>Alignment &amp; Climate</strong></td>
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| Current Strategy (FY14-FY15) | Mutual accountabilities and purpose are clear for ChildFund and its Local Partners | • Annual Partnership Reviews
|                           |                                                                                  | • Revised Letter of Agreement
|                           |                                                                                  | • Learning Agenda                                                               |
| Coming Strategy (FY16-FY20) | ChildFund and its Local Partners have shared sense of direction                  | • Improved joint planning                                                        |
|                           |                                                                                  | • Strengthened feedback loops                                                     |
|                           |                                                                                  | • Shared governance                                                              |
| **Network Building**     |                                                                                  |                                                                                  |
| Current Strategy (FY14-FY15) | Road Map created for Local Partner network management                           | • Review of networks started by other organizations                              |
|                          |                                                                                  | • Attitudes and inclinations of Local Partners about a network explored           |
| Coming Strategy (FY16-FY20) | Membership of Local Partners in a network secured and participation recognized  | • Network cultivation and member development                                      |
|                          | Knowledge transfer within the network evident in programs being brought to scale and sharing of innovations | • Knowledge sharing infrastructure put in place                                  |
### Success Measures vs Principle Efforts

<table>
<thead>
<tr>
<th>Execution Capability</th>
<th>Current Strategy (FY14-FY15)</th>
<th>Coming Strategy (FY16-FY20)</th>
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<tbody>
<tr>
<td></td>
<td>ChildFund’s core support to Local Partner capacity development defined</td>
<td>Strategy for Local Partner capacity development defined and implemented in each National Office context</td>
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<tr>
<th>Partner Performance</th>
<th>Current Strategy (FY14-FY15)</th>
<th>Coming Strategy (FY16-FY20)</th>
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<tr>
<td></td>
<td>Local Partners monitor progress against accountability and program standards</td>
<td>Incentives reward high performing partners. Network structure and processes support higher performance</td>
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### Objective 1: To foster a healthy partnering climate, in which ChildFund and Local Partners are strongly aligned around shared purpose and direction.

Both alignment and a collaborative climate are necessary pre-conditions for being able to shift from a transactional, compliance-driven culture to one of mutual respect and accountability. Evidence from internal interviews, partner consultations, and an independent survey of partners suggests a need to refresh and recalibrate our relationships, making the tone of our collaborations less about compliance and more about shared goals, joint achievements, and mutual accountability. More work is required to define our respective organizational roles and to clarify what are sometimes fuzzy boundaries between ChildFund and a Local Partner (where “they” think they are part of “us,” and “we” work with “them” as if they were an extension of “us”).

Taking a phased approach, the foundational activities of Objective 1 are around valuing our collective achievements in an Annual Partnership Review, soliciting input and participation during our next strategy development, and signing new letters of agreement that can catalyze conversations about accountability and purpose. These activities gain momentum in the next phase, in which we expect to explore greater mutual accountability in our own governance mechanisms. Key to both phases is a robust joint learning agenda that allows ChildFund to reflect on how well we are doing with our partnerships and what we can share.

Through this objective, we seek to linger on why we are partnering and what we plan to achieve together — and to do so with a style that is open, mutually influencing, and respectful. If we do this slowly and authentically, we will create a climate that excites both ChildFund and Local Partners about the concept and power of working toward common goals and objectives.

### Objective 2: To facilitate the infrastructure of a network of Local Partners.

We seek to build a network because it can exponentially grow our impact. A network that allows different partners to work with one another on a global scale will be a cultural shift for ChildFund and for most of our Local Partners — and it will require new competencies and business processes. For this reason, the purpose of the network, the participatory processes that we will use to facilitate it, the roles that various actors will need to play to nurture and incubate it, and its governance structure all require concentrated attention. Creating these guideposts is the emphasis of Objective 2.
Our phased approach includes a foundational effort to articulate a comprehensive vision for the network and to develop a Road Map for building it, including defining its parameters and infrastructure supports. This work has strong roots in the participatory planning processes that ChildFund currently uses, and it will define how ChildFund engages Local Partners in the creation of the network, as well as framing up the choices we must make to give it vibrancy (including what will drive a global network collaboration — sharing of technical knowledge, joint advocacy, pursuit of stronger civil society, etc.). As we move toward the next phase, milestones reflect shared purpose, convergence on the initial objectives and issues that the network will tackle, and support for modest collaborations. Ultimately, we aspire to a network architecture that can support raising the voices of civil society through the transfer of knowledge and aggregation of influence.

Once we have a network that shares common goals and programs, we will accelerate our learning curve and be in a position to deliver program solutions at scale. The network is likely to be built off of high performing partnerships, at least initially, and therefore puts the onus on ChildFund to be able to segment our portfolio of Local Partners in order to leverage what is already working well.

**Objective 3: To improve ChildFund’s capability to manage a diverse portfolio of partnerships.**

To realize the potential of diversity in type, location, expertise and reach of our Local Partners, we must begin to think of them collectively as part of a portfolio of investments. Currently, ChildFund has only a sense of the return on the investment in each partner, and the overall goal for our portfolio of partnerships is not much different than that of our individual partnerships. We are not yet strategically managing a mix of investments in partners as part of an explicit, and contextually appropriate, long-term impact goal for local civil society.

Even if our overall portfolio goals were clear in each National Office context, we lack data to inform us about how our partners are doing relative to the investments we make in them, and only dispersed skills and tools for the analysis of portfolios and the types of support Local Partners would need. Moreover, internal staff consultations point toward institutional policies and skill gaps that need to be addressed before we could innovate around new types of partnering arrangements. Objective 3 addresses these challenges, and acknowledges that portfolio management is necessary to nurture and incubate a network. It calls out the changes needed in us to realize our new vision for local partnerships.

During the foundational stage of this objective, activities help us segment the types of partnership arrangements we will need in the future, and examine how our business rules and processes, technology investments, and people need to be crafted to support partners. Policy changes are expected, in order to enable new types of institutional relationships. ChildFund will also identify the IT system requirements needed to support the finance, sponsorship, and program standards that are embodied in the new Letter of Agreement. This line of work will determine what effort ChildFund extends to support Local Partner success (including around M&E reporting, financial and sponsorship accountability, and project management training), and what effort can be sourced from other technical support organizations that join the network. Application of Local Partner assessments will also gain momentum, so that National Offices can begin to articulate the strategic direction to which they are evolving and managing their portfolio of partners.

As we move into the next phase, attention turns more toward the talent and change management aspects of our execution capability — helping us answer what kinds of competencies are needed to administer systems with Local Partners, analyze and learn from new types of data, manage portfolios, and strengthen Local Partner capacities. In this phase, transformation of our portfolio takes on a more active approach, as we try out new types of partnering arrangements - with an aim to achieve systems, tools, talent and the change management ability to sustain a diverse, high-performing, and cost effective portfolio of partners.
Objective 4: To inspire and incentivize Local Partners to meet program, management, and governance standards expected of legitimate and credible civil society organizations.

To build a strong network, we recognize that we need strong members. These members must feel independence from us (i.e., they are in the driver’s seat), and that their resource seeking behavior will be rewarded within the network. This is where the fourth objective of the strategy focuses. It is designed to help give Local Partners the tools they need to be agents of change — enabled by ChildFund, but also independent of us.

Local Partners are beginning to apply the conceptual tools and program practices (theories of change, pathways, standards, indicators, program principles, etc.) that are leading to a common approach to programming. With increased Local Partner alignment around core programs, we have a basis for tracking individual and aggregated results for partners. In this environment, there are consequences to poor performance, and Local Partners need to be responsive to the standards, measurement systems, IT platforms, and “rules” set up by the organization. At the same time, the previous objectives describe how Local Partners will be rewarded for stronger performance, including through membership in the network or being prioritized for funding opportunities. In Objective 4, we seek to give Local Partners the tools that they will need to meet stronger performance expectations.

The foundational stage of this work is well underway, including defining performance management standards in the Letter of Agreement, building out the M&E system, and supporting common solutions to enable Local Partners to monitor their own progress. As the next phase kicks in, innovations that have the potential to reward high performing Local Partners, like the sponsor portal, will be encouraged and enabled. Ultimately, we promote activities that connect each Local Partner to others more proactively, and the power of the network structures that are built into the other objectives come to bear to support Local Partners to achieve high performance.

Changes to the Way We Operate

The objectives presented earlier highlight some changes to the ways that we operate. Among them are:

- **Monitoring and Evaluation** of our standards for Local Partners must be systematized in a reliable way that makes information readily available to different business units within ChildFund and to Local Partners themselves.

- **Program Planning and Implementation** must involve Local Partners in a new way, so that they see not only the goal of their efforts, but how they fit into ChildFund’s network of program partners.

- **Advocacy** will need to be tackled as a part of network activities, and the roles of regional offices should be clarified.

- **People and Positions** in National Offices will have to be dedicated to partnering competencies and relationship development.

- **Policies and Procedures** in Finance, Sponsorship, and Program will have to be reviewed to see how new partner arrangements can be enabled.

- **Philanthropy and Sponsor Care** functions should be open to how we expose donors (sponsors in particular) to a relationship with Local Partners.

- **Sponsorship** should be seeking ways to incentivize Local Partners to improve the level of service to donors (including rewards for an excellent sponsor portal).

- **Our Human Resource Base** must increase our collective power around learning, knowledge management, business analytics, and relationship development.

- **Change Management** will be rapid and constant as we put the strategy in place, so all managers must be prepared for the consequences.

- **Our Information Technology** solutions must connect with Local Partners in a meaningful way (with the appropriate risk appetite) in order to enable better data transfer, analytics, and efficiencies in business processes, and the ability to track Local Partner financial/project management abilities must also be technologically enabled.

- **Our Branding** must be consistent with that of a global network of Local Partners, and our shared ownership and governance of that global network.

- **Alliance** relationships should consider the evolving role of independent National Offices and stronger Local Partners.

- **Organizational Governance** should include Local Partner voices.
BUSINESS IMPLICATIONS

The Local Partner Strategy has business implications for every aspect of the way that we operate, including resource flows and the internal controls environment, our people and culture, direct line management, leadership structures, and our organizational governance. Achieving the vision laid forth in the Strategy will require careful planning within each division, as well as consideration of the linkages across divisions, so that we are all moving in the same direction. Annex B explores initial implications of the Strategy for each division within ChildFund.

We believe that not acting poses the greatest risk to our business model, but there are also risks associated with the proposed actions. Annex C lists the assumptions and risks inherent in the Strategy, as well as how each risk will be mitigated.

The Local Partner Strategy is intended to be cost neutral to our business model for the remainder of the current global strategy (FY14-FY15), including a continuing investment from strategic funds, PEF, and working fund in FY15. Yet implementing the foundational activities required by the Strategy will need dedicated resources - particularly time and level of effort. Further, we will need to ensure that we maintain our existing sound internal control environment, even as we break new ground in terms of our expectations of Local Partners and expanding their access to information within already emerging project and portfolio management systems and the to-be-built global network. Investment requirements associated with future plans will have to be assessed and allocated as the new global strategy (FY16-FY20) takes shape, and the Local Partner Strategy is expected to inform this global strategy.

CONCLUSION

The Local Partner Strategy is focused on strengthening and evolving our alignment with partners toward the achievement of our core intent & core outcomes, and in anticipation of a continued trend toward greater development effectiveness and accountability. This implies not only that ChildFund will provide increased value to our Local Partners, and Local Partners to ChildFund, but that together we will reach shared goals and objectives for children, families, communities, and civil society in ever more efficient and effective ways.

Central to the Local Partner Strategy is the building of a global network of child-focused organizations that will enable ChildFund to elevate the impact of our work on the lives of children to a greater scale, acting as a magnet that leverages, combines, and powers forward what are now more individualized efforts and pockets of influence. This will require an organizational shift in culture.

Through meeting each of the four objectives in the Local Partner Strategy, the transformations that we will see are:

- A climate that fosters healthy relationships, and in which ChildFund and Local Partners work in ever greater alignment around shared purpose and direction
- A credible and visible global network that is able to deliver program solutions for children at scale
- Enhanced organizational and National Office execution capability in managing an increasingly diverse portfolio of Local Partners within the constraints and opportunities of our business model
- Local Partners that are able to meet standards expected of legitimate and credible civil society actors, and are motivated to engage in their own organizational development
## ANNEX A — ILLUSTRATIVE MILESTONES

<table>
<thead>
<tr>
<th>Objectives</th>
<th><strong>Current Strategy</strong> (FY14-FY15)</th>
<th><strong>Coming Strategy</strong> (FY16-FY20)</th>
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</table>
| **Alignment & Climate** | • New Letter of Agreement used to re-calibrate partnership purpose and direction  
• Annual Partnership Review introduced to improve partnering climate, support change management process  
• Local Partner 360 feedback mechanism established, building on Keystone Survey findings  
• Local Partners invited to participate in developing some elements of next Global Strategy, potentially through Local Partner Advisory Board | • Local Partner 360 feedback on ChildFund as a partner institutionalized as annual measure of alignment, informing our progress and improving our effectiveness as a development organization  
• Successive Annual Partnership Reviews promote alignment, enhance partnering relationships, and improve performance  
• Improved integration and alignment across sponsorship, grants, and advocacy partnerships demonstrated  
• Local Partners develop plan to assume more leadership and influence within network, potentially through Local Partner Advisory Board |
| **Network Building** | • Engagement strategy developed, along with structure and protocols for the network  
• National Office and Local Partner involvement in defining processes and representation in network  
• Theme or issue selected to focus the network  
• Guided reflection process at end of foundations phase | • Concrete results of the network defined  
• Secure donor resources to help anchor the network  
• Invite high-performing partners to become members (incentivize membership)  
• Visibility and credibility plan developed  
• Evidence of being networked and the value of a networked approach documented, including increased knowledge generation, delivery of program solutions at scale, and sharing around the collective achievements of the network  
• Network leads on at least one advocacy effort linked to programmatic accomplishments, and demonstrates responsiveness to global trends |
| **Execution Capability** | • Innovative models of partnership documented and costed (including current National Office innovations)  
• Intent and supporting systems to track portfolio of partners defined  
• Common systems for Local Partner accountability and performance defined  
• Core and job-specific competencies for partnership defined  
• Mechanism for tracking progress on five requirements of execution capability (talent, change management, agile business systems, supportive tools and technologies, and accountability system) established for partnership strategy | • Alternative partnering options tested for cost-effectiveness and program performance  
• Local Partner performance captured accurately, tracked regularly and linked to management response plans  
• National Office segmentation of Local Partners defines long-term operational plan for their support, growth, or phase out  
• Expedited process for exiting low performance partnerships, and graduating or transforming high performing ones, are tested, and results inform changes to policies and procedures  
• Core and job-specific competencies developed and common accountability and performance systems launched  
• Local Partner performance metrics embedded in ChildFund’s Management Dashboard  
• Organizational metrics of execution capability in partnership tracked regularly  
• Processes for diagnosing and supporting Local Partners to improved performance institutionalized  
• Business model implications absorbed, and portfolio management plans advanced  
• National Office’s local footprint adjusted/right-sized for local context |
| **Partner Performance** | • Local Partner performance standards socialized, and partners begin reporting results  
• Local Partner core capacities to meet performance standards defined  
• Sponsor portal launched, enabling Local Partners to regularly share program information with donors | • Local Partners respond to new management environment, begin to meet standards  
• Local Partners educate supporters about the value of their work, leverage their communication strategy as a means to retain sponsors and donors  
• Local Partners shift mindset from only their own sponsored children, or own community, in order to attract and appreciate broader constituencies  
• With enhanced execution capability in ChildFund, Partners supported to assess own execution capability and to seek support from the network — not only ChildFund — to close remaining gaps  
• Partners feel ownership over change management; they don’t view it as ChildFund directed, but as beneficial to their own survival |
**ANNEX B — BUSINESS IMPLICATIONS BY DIVISION**

In the future, each Division within ChildFund will be expected to engage in a reflective process to identify and resource lines of work related to partnership that should be incorporated into our next Global Strategy (FY16-FY20), and this will require time and effort to expand on the initial implications identified in the table below. This table is based on lines of work that are either already built into a specific Division’s FY14 AOP, or are anticipated in FY15.

*Initial implications are identified as follows:*

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<thead>
<tr>
<th><strong>Division</strong></th>
<th><strong>Implications</strong></th>
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<tbody>
<tr>
<td><strong>Program</strong></td>
<td>• Guidelines for engaging other divisions and Local Partners in partnership elements of next Global Strategy (FY16-FY20) and tracking implementation over seven years  &lt;br&gt;• Local Partner performance measured regularly, results aggregated, and information on health of the portfolio disseminated (“fit for journey” analysis)  &lt;br&gt;• Leadership in setting foundations for the network, and in global advocacy efforts  &lt;br&gt;• Need for increased resources, through grants, to fund partnership innovations; creation of synergies across a variety partners (sponsorship, grants, advocacy)  &lt;br&gt;• Local Partners incorporated into ChildFund National Office governance structure in advisory or decision-making roles  &lt;br&gt;• While expanding our overall global footprint, our local footprint will start to look different across National Office contexts  &lt;br&gt;• Potential for restructured or new positions dedicated to partnership development, capacity, and support  &lt;br&gt;• Incentivize Local Partners’ meeting of program standards and performance criteria</td>
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<tr>
<td><strong>Finance &amp; Operations</strong></td>
<td>• Monitor legal risk associated with the new Letter of Agreement (LOA), respond to challenges requiring legal counsel, and adjust Branch Office LOA to our other registration contexts  &lt;br&gt;• Increased options, including through Partner Effectiveness Fund (PEF), to improve and enhance management of partners  &lt;br&gt;• Incentivize Local Partners’ meeting of finance standards and performance criteria</td>
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<td><strong>Sponsorship</strong></td>
<td>• Minimize revenue loss and expedite partnership exit, when ChildFund wants to terminate and/or if partners are unwilling or unable to align with the Strategy  &lt;br&gt;• ChildFund has option of administering sponsorship operation directly  &lt;br&gt;• Sponsor Portal populated with content by and about Local Partners  &lt;br&gt;• Educate sponsors about role, importance &amp; risk of working with Local Partners  &lt;br&gt;• Incentivize Local Partners’ meeting of sponsorship standards and performance criteria</td>
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<tr>
<td><strong>Global Human Resources</strong></td>
<td>• Define, and help to build, core &amp; job-specific skills and competencies for healthy partnering relationships  &lt;br&gt;• Change management, including determining with business holders the type and quality of support needed to realize the Strategy  &lt;br&gt;• Provide options and capacity building &amp; learning tools for staff to engage with those Local Partners deemed to be “fit for the journey” with respect to their own organizational development</td>
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<tr>
<td><strong>Information Systems</strong></td>
<td>• Define the business requirements for internal monitoring and data management needs with respect to portfolio management of partners  &lt;br&gt;• Define the business requirements for common systems to which Local Partners will have access  &lt;br&gt;• Define the technical requirements of both internal data management systems and common systems for partners  &lt;br&gt;• Develop application, deployment, and support strategy</td>
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<tr>
<td><strong>Global Philanthropy &amp; Communications</strong></td>
<td>• Local Partner communication strategy, with partners sometimes as direct audience and other times as subject  &lt;br&gt;• Educate sponsors and donors about role, importance, and risks of working with Local Partners  &lt;br&gt;• Branding incorporates and propels Local Partners forward, as individual organizations and as a global network</td>
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<tr>
<td><strong>Alliance Relations</strong></td>
<td>• Explore implications of Local Partner Strategy, and future alliance/federation options</td>
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<td><strong>Leadership</strong></td>
<td>• Support execution capability at portfolio, program, and project management levels, as well as across the five critical requirements (talent, change management, agile business systems, supportive tools and technologies, and accountability system)  &lt;br&gt;• Define governance rules of global network across multiple divisions, and reflect on how to leverage the network for influence/advocacy</td>
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## ANNEX C — ASSUMPTIONS & RISKS

The Local Partner Strategy comes with a set of assumptions and risks, which are as follows:

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<thead>
<tr>
<th>Assumptions</th>
<th>Risks</th>
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| Civil society organizations will continue to flourish, enabled by a global movement toward greater development effectiveness and accountability, thereby elevating further the potential role of Local Partners and also setting higher expectations that both INGOs — such as ChildFund — and their Local Partners will be required to meet. | The movement toward greater development effectiveness and accountability is exaggerated. The return on investment will be low.  
*How Mitigated:* Demonstrate that there is a return on investment in a global network. Further, the risks of not acting, such as falling behind our peers, are greater than the risks associated with taking action. |
| ChildFund has a long-term interest in aggregation of the voices of children and communities for advocacy purposes, and our interests are not confined to the transactional fulfillment of a sponsorship commitment, one child at a time or one Local Partner at a time. | Local Partners and/or ChildFund will not have the capacity to carry the weight of program expectations, and therefore the global network won’t fulfill expectations associated with leveraging our size or bringing scale to our impact.  
*How Mitigated:* Invest in the execution capability of frontline staff in order to achieve the goals of the network. |
| ChildFund will be able to inspire, not just require. ChildFund will articulate the vision, and Local Partners will see value in forming and joining a child-focused global network. ChildFund will be perceived as a credible organization to lead such a long-term effort. | ChildFund will be unable to turn our investment in Local Partners into a compelling part of our profile and brand, and without the envisioned boost to our visibility and credibility, momentum will be lost and we will never reap the rewards from the power of a fully realized network.  
*How Mitigated:* Build Program and Global Philanthropy and Communications linkages into our next global strategy. |
| ChildFund and Local Partners will be able to evolve together from largely transactional, one-to-one relationships to relationships that are defined by common goals, and where self-interests are not only satisfied but magnified by our collective results. | The habits of the past are too ingrained for the relationship to evolve—and if the building of a network will not resolve these issues, we will not get any closer to a strong core program.  
*How Mitigated:* Focus early network-building efforts on high capacity partners, and create incentives for other partners to want to bring their own capacity up to the level of the high performers. |
| ChildFund and Local Partners can agree to a set of performance standards that are globally relevant and fair, and will apply the standards in meeting the expectations of communities, strategic partners, and donors. | ChildFund’s business model will not allow for healthy turnover of Local Partners unfit for a long-term journey that requires transparency around setting and meeting performance standards. Revenue loss from partner turnover will consistently outweigh the risk to reputation and profile.  
*How Mitigated:* New policy options that minimize revenue loss (e.g., multiple partners in same community, local sourcing of technical support, or implementing directly). |
| ChildFund will be able to identify and put in place the core and job-specific competencies that it requires in order to support high Local Partner performance, within the constraints of our funding model. | Our change management abilities will not be up to the task; the required delicate balance between relational competencies and stronger performance management of partners will not be achieved, and partner satisfaction with ChildFund will decline.  
*How Mitigated:* Build Program and Global Human Resources linkages into our next global strategy. |
| As ChildFund seeks more cost-effective models to achieve the same level of results for children, we will be able to consistently deliver sustained growth in grants and contributions, combined with relative stability in sponsorship funding, so that we have the required levels of unrestricted money needed to innovate and invest in this transformation. | Due to limited growth or stagnation, ChildFund’s unrestricted funding base will not keep pace with the investments needed to revolutionize our partnering arrangements.  
*How Mitigated:* Continued investment in basic GAM function, but also deliberately pursue institutional grants specifically focused on network building, advocacy, local civil society, etc. |
Exhibit 1.3

State what the process should be to identify standards and criteria at the global and national levels.