



Business Partners for Development

1998–2001 | Tri-sector Partnership Results and Recommendations

Putting
Partnering to
Work

In 1998, in response to a changing global environment, development agencies, non-governmental organisations, and the private sector came together to form a time-bound initiative called Business Partners for Development, or BPD. Designed as a three-year programme, BPD was established to study, support, and promote strategic examples of tri-sector partnerships—involving business, government, and civil society. These partnerships were intended to put communities at the centre of their own sustainable development.

The proposition that there is a need for tri-sector partnerships is almost a platitude today, heard at myriad conferences and workshops. BPD aimed to go further, to put the idea to the test, and to take a systematic approach across thirty projects in order to extract core lessons. Now, at the end of three years, BPD has evidence, lessons, and tools that can help to ensure a more efficient allocation of resources and improved synergies across different actors' resources. This experience has also shown that the approach can be scaled up.

A growing number of business leaders share unease about any form of global economic development that fails to emphasise the human dimension or that creates a globalisation of opportunity without a corresponding globalisation of responsibility. Companies have more of a role than ever to play in reducing poverty and social exclusion that widens the gap between the haves and the have-nots. BPD adds to the growing evidence that companies can play this role in ways that can enhance their productivity, and underlying profitability—not by themselves, but in new forms of partnership with the public sector and civil society.

BPD has focused on these new forms of partnership. **This publication** is an analytical compilation of the lessons learned across BPD's thirty partnerships, involving more than 120 different organisations in 20 different countries. Its purpose is to:

- demonstrate the potential benefits of tri-sector partnerships for both communities and business, based on the evidence emerging from BPD, and
- provide organisations—particularly those with limited experience of partnering—with the lessons and tools on how to develop successful partnerships amongst government, business, and civil society.

The publication has five sections. Part **one** presents Business Partners for Development and introduces the concept of tri-sector partnering. A brief analysis is given of the generic development benefits to be gained from tri-sector partnering. Part **two** provides a checklist of the preconditions of partnership and guidance on when partnering is not the best approach. In part **three**, the partnering process is considered in more detail, setting out the stages of the process and information on partnership building. Part **four** illustrates the management tools now available through BPD online. Part **five** of the report is split into four separately printed sections, each written for specific audiences. These are designed to be stand-alone sections that can be read before or after the main report¹. Each examines the benefits and opportunities of tri-sector partnership. It concludes with recommendations for that audience with regard to policy and operational practice.

The sections relate to the following audiences:

- Businesses
- Developing country governments
- Non-governmental organisations (NGO)
- Multilateral and bilateral development agencies

KEY MESSAGES

Tri-sector partnerships that engage the strengths of corporations alongside those of civil society and government can, in certain circumstances, yield better results for communities and for business than alternative approaches.

BPD partnerships have been challenging but have provided significant benefits to all partners. Communities have realised development outcomes that are better (in varying ways in different projects) than would otherwise have been the case. Governments have gained an increased ability to fulfil their development objectives. Business benefits included more cost-effective compliance with the social and environmental requirements of regulators and investors, improved access to new markets, risk mitigation, competitive advantage, and global reputation enhancement.

Effective tri-sector partnerships are often built on core complementary competencies.

Participants need to understand their core competencies in relation to tackling social issues, how they might complement those of others, and what motivates other participants in the partnership. As a general rule, the closer participants' activities and benefits align with their core activities, the more likely the partnership's overall chance of success.

The public sector in developing countries has a vital role to play both in partnering and in establishing an environment that encourages partnership.

BPD has attempted to identify and test the added value of these public sector roles. These roles can significantly enhance the effect of partnerships that may have otherwise only involved the private sector and civil society.

Partnering may not always be the best approach.

Experience shows that partnering should not be attempted when the potential costs—or risks—

outweigh the anticipated benefits. Organisations should take into consideration the time and resources needed to develop a successful partnership and weigh these against the potential gains.

Organisations entering into a tri-sector partnership often need to build their capacity to work with other sectors.

Tri-sector partnerships are complex and take time to build. Different skills are needed at the different stages of partnership. While partners can develop these skills, organisations that are risk or change averse may find the demands on operational culture to be more challenging than other approaches. Tools developed by the BPD initiative can be used to help manage this process.

Partnerships are likely to fail unless there are internal champions and sufficient institutional buy-in.

Champions within partner organisations have played a critical role in all the BPD partnerships. Such individuals carry the cause and sell the idea and process of partnering. However, because individuals typically move at a different rate than the institutions they represent, partnerships must ensure that the commitment is also at the institutional level—if not, changes in personnel can be a destabilising factor for the partnership.

Partnering is most successful when partners negotiate and agree on their governance structure.

A shared governance structure is a key distinguishing characteristic of a partnership. Experience in BPD underlines the importance of agreements that clearly set out the structure and operation of a tri-sector partnership. Depending on the specific projects or programmes in question, such agreements might incorporate shared visions, joint work plans, decision-making rules, grievance mechanisms, progress reporting channels, and performance measurement systems. These should take account of communications strategies and decision-making processes.

¹Reading all the sections is strongly recommended

Partnerships should be considered ‘flexible task forces’.

BPD partnerships have shown that, far from being members of permanent institutions, partners need to be able to enter and leave as their capacities, needs, and strategies dictate. Early discussion and agreement between partners on when and how individual and collective involvement begins and ends are essential.

Initiators, convenors, and facilitators are all important.

Partnering can be initiated by any sector or by more than one organisation at the same time. Multilateral and bilateral organisations can sometimes make an important contribution in convening partnerships. Facilitators can help build consensus and are fundamental to the partnership brokering process; their role can be performed by third parties or by one of the partners. These distinctions are explored in more detail in the report.

Tri-sector partnerships must deliver results that are timely and that respond to the relative schedules and operating needs of each partner.

Each partner organisation will have a different time frame against which results will need to be delivered. The partners need to incorporate these separate schedules and deliver results in line with them.

A set of tools for tri-sector partnering is now available.

Based on practical experience, BPD has developed and tested a suite of tools to help explore, develop, and maintain successful tri-sector partnerships. These include guidance notes, frameworks, draft memorandums of understanding, and training modules. All can be found on the BPD website (www.bpdweb.org).



Eric Tranchant/Vivendi

Tri-sector partnering: the concepts and results

Disappearing boundaries

The social, economic, and political environment around the world is changing dramatically, causing fundamental shifts in the ways societies work and are governed. Boundaries amongst business, civil society, and the public sector are blurring. The three sectors are increasingly acknowledged to be interdependent, and the objectives of one sector can often only be achieved in partnership with participants from the other sectors.

In this new climate, should businesses be carrying out community development activities? Are they being asked to take on responsibilities that should be those of the public sector? How do we avoid the old ‘company town’ model? How can government hold the private sector accountable, particularly where it is providing public services? How can business and civil society hold government accountable? Are civil society organisations performing roles/delivering services that should be performed by business or government? How can they be systematically held more accountable? How should investors be held accountable for their part in the social/ethical/environmental impacts of projects they invest in?



Eric Tranchant/Vivendi

What was Business Partners for Development?

“Companies have more of a role than ever to play in reducing the poverty and social exclusion that widens the gap between the haves and have nots. The chance for concerted action has perhaps never been greater than it is today. Poverty is our greatest long-term challenge. We already have a vision of what we need to do, through the Millennium Development Goals. To achieve these goals, we need to develop a partnership for development. BPD gives us a few more of the practical tools for this partnership to deliver the results on the ground that we all need.”

James D. Wolfensohn, President,
The World Bank Group, Macrh 2002

Business Partners for Development was a global network made up of more than 120 organisations. It was established in 1998 to study, support, and promote strategic examples of partnership involving business, government, and civil society working together for the development of communities around the world.

BPD was created as a three-year programme, combining practical action on the ground with decentralised learning, testing the hypotheses that:

- partnerships involving business working alongside civil society and the public sector can deliver better social development results than parties from any of the three sectors attempting the same interventions alone, and
- tri-sector partnerships deliver strong and measurable business benefits.

The programme was designed with two ‘Clusters’ from specific industries—extractive industries and water and sanitation companies—and two Clusters

focused on themes around which a number of different industries had social interests—youth development and road safety. The intention was to explore ways in which these two models could achieve development and business results.

BPD's four Clusters are:



Natural Resources Cluster (NRC)²: Partners work to develop approaches that optimise development benefits to local communities, while they mitigate investment risk to oil, gas, and mining companies.



Water and Sanitation Cluster (WSC)³: Partners develop sustainable mechanisms to provide responsive and affordable water and sanitation services in poor communities.



Global Partnership for Youth Development (GPYD)⁴: Partners come together to strengthen best practices in youth development.



Global Road Safety Partnership (GRSP)⁵: Partners work to reduce deaths, injuries, disabilities, and associated social costs of road accidents.

BPD has operated with a decentralised governance structure to encourage creativity and maximise learning from the four clusters. Members of each sector made up its steering group—the key governance body of each cluster. The activities have then been managed and driven forward by the secretariat staff of that cluster.

In addition to the four Clusters, BPD established a Knowledge Resource Group (KRG). The KRG has had the task of building consensus on emerging lessons across the four clusters and then disseminating these lessons to wider audiences. It was made up of one representative from each of the following organisations—CIVICUS: World Alliance for Citizen Participation (civil society), the Prince of Wales International Business Leaders Forum (private sector), and the World Bank Group (public sector), plus the coordinators (staff) from all four Clusters. The activities of the KRG have been managed and driven forward by a staff member, who in the final year was a civil servant on secondment from the U.K. governments' Department for International Development.

All participating organisations faced risks from their involvement in BPD. NGOs knew they might be criticised by some of their peers for getting too close to big business. Companies knew that their involvement might be seen as a distraction from their key business activities or an attempt to whitewash them. Public sector officials knew that tri-sector partnering might be viewed as diluting core responsibilities of the state.

While some organisations declined the invitation to explore the potential of tri-sector partnerships in the BPD framework, others believed that the potential benefits made this risk worth taking. Those that

joined the initiative were excited by its emphasis on the practical application of partnership theory.

BPD as a whole came to an end in December 2001, as scheduled. The BPD Clusters have considered separately whether or not to continue their work together:

- The Global Road Safety Partnership is continuing.
- The Water and Sanitation Cluster will continue with a changed mandate.
- The Natural Resources Cluster extended its life by some months to complete its work programme.
- Activities of the Global Partnership for Youth Development will be folded into the ongoing tri-sector partnership development activities of the International Youth Foundation.

An independent evaluation of the initiative is currently being conducted, and will be made available in July 2002.

Partnership projects and partnership platforms

BPD was designed to move beyond the *theory* of partnering and to explore its *practical application*. The four Clusters were tasked with identifying 'focus projects'. Each Cluster developed a set of criteria for its focus projects that fall into two types: partnership projects and partnership platforms.

The first type was when partners came together to focus on a specific local-level, usually time-bound **project**. These projects included the provision of clean water and safe sanitation, development of health-care centres, education of out-of-school youths, extension of basic infrastructure, and the mitigation of social and environmental impacts. The projects were typically at the local level, addressing local issues. In such examples, once the project goals are achieved and the partnership's work done, the partnership may end. In some BPD cases, however, the partners have gone on to form new partnerships that address other issues.

The second type can be described as a **partnership platform**. These platforms, involving civil society, business, and government, worked together to identify priorities, projects, and partners for a range of subsequent local-level activities. The platform approach provided expertise and other support to local projects as well as helping to identify and connect potential partners. Partnership platforms at the national or

regional level have also provided services and support such as third-party facilitation to the brokering of project-level partnering agreements. The importance of partnership platforms at the national and regional level is likely to increase as the interest in tri-sector partnerships grows and activities are scaled up. The Global Road Safety Partnership, for example, has operated as a partnership platform from the outset, and there is also evidence from the Natural Resources Cluster and Water and Sanitation Cluster of a demand for this approach. For example, a regional steering committee convened by BP in Casanare, Colombia, is essentially a partnership platform, with the aim of initiating local community development projects that adopt tri-sector partnering principles. Similarly, the Grupo Alianzas in Venezuela is a recently formed national-level tri-sector partnership platform emerging from the successes of the Las Cristinas focus project. The aim of this latter group is to use consensus-building techniques (partnering and dispute resolution) to solve problems and exploit opportunities relating to the extractive industries across Venezuela.

What is a tri-sector partnership?

Rather than imposing a rigid definition of tri-sector partnership at the outset, the BPD programme offered a framework definition: 'partnerships involving business, government, and civil society that may present a successful new approach for the development of communities around the world'. The intention was to allow more definitions to emerge from the work of the four Clusters on the ground. Two definitions are emerging:

- A **voluntary collaboration** to promote sustainable development based on the more efficient allocation of complementary resources across corporate business, civil society and government
- A **management tool** to deliver business and social and environmental development outcomes by optimising the effectiveness of different partners' resources and core competencies

Experience has demonstrated the following typical attributes of a tri-sector partnership:

- Tri-sector partnerships are usually formed through a **process** that builds mutual understanding, fosters mutual respect, and



²<http://www.bpd-naturalresources.org> ³<http://www.bpd-waterandsanitation.org> ⁴<http://www.bpdweb.org/gpyd/index.htm> ⁵<http://www.GRSProadsafety.org>

focuses on joint problem solving and relationship management amongst company, government, and civil society. The process can be divided into four stages: partnership exploration, partnership building, partnership maintenance, and partnership completion. Each of these steps has been tested in detail over the three years of the BPD initiative and will be discussed further in the report.

- Often the partnership will be defined by a **set of agreements** designed to deliver on shared expectations and a joint action programme. These agreements, or charters, may vary in their nature from voluntary arrangements to formal contracts between equal parties.
- The collaboration amongst company, government, and civil society is significant because it **pools resources and risk** and builds on core complementary competencies. The result is ‘added value’ to what each party could achieve alone.

BPD experience also showed that the link between the main ‘competencies’ of each partner and their ‘core’ organisational objectives is critical to success. Building partnerships around each party’s core complementary competencies is about bringing together three distinct elements:

- **Competencies:** Resources, roles, responsibilities, or behaviour **that are the true (sometimes hidden) strengths** of the partner in contributing to the social and environmental objectives of the partnership.
- **Complementary:** Resources, roles, responsibilities, and behaviour **that add value** to the resources, roles, responsibilities, or behaviour of other partners in the context of achieving the social and environmental objectives of the partnership.
- **Core:** Contributions by each partner **that assist the contributing partner to meet its own organisational objectives**, for example, competitiveness, poverty reduction, or governance.

BPD experience suggests that fusing the core complementary competencies of each partner yields a pattern of roles most likely to meet both the self-interest of each partner and the wider social and environmental objectives of the partnership. While this may seem obvious, it can sometimes be challenging during the implementation phase because of competition, confusion, or lack of awareness

amongst partners as to who can do what best. In some cases, partners may have overlapping competencies, for example, in their interaction and relationship with the community.

As a general rule, the closer the participants’ activities and benefits align with their key business strategy, the more likely the partnership’s overall chance of success. This is because:

- building tri-sector partnerships on core complementary competencies means that the outcomes of the partnership are more likely to have direct relevance to the core objectives of each partner organisation;
- revealing and deploying core complementary competencies exposes to each partner the potential value of the other partners;
- deploying core competencies tends to involve less investment in new capital, processes and mechanisms, relying instead on fluctuations in existing capital, processes and systems—that is, incurring only incremental costs; and
- the approaches of companies to social investment often tends to be a duplication of the activities of NGOs, local government, donor agencies, or community-based organisations rather than contributing what is unique about the presence of a private sector operation in a poor region of the world.

Tri-sector partnerships are **complex and take time to build**. Organisations entering into a tri-sector partnership often need to build their capacity to work with other sectors. Different skills are needed at the different stages of partnership. Partners can develop these skills, but organisations that are risk or change averse may find the demands of partnership on operational culture to be more challenging than other approaches. Tools developed by the BPD project can be used to manage this process.

Traditionally narrow definitions for the terms, civil society, private sector, and public sector, presented a challenge to the Cluster’s work. To be effective, many focus projects needed to **unbundle the deeper stakeholder communities** within each sector, ensuring proper recognition for the legitimate roles of trade unions, small-scale private providers, community-based organisations, political parties, donors, and any number of other groups affected by or influencing partnership projects.

This explains the complexity of the relationship amongst partners and why in some focus projects multiple partners came from each sector. Any attempt to extract a single partnership model from this multilayered environment would be questionable, but important recommendations can be made about the partnership-building process. These are laid out in part three of the report.

Tri-sector partnerships can provide better results for sustainable development than alternatives

“All the best examples of the application of principles of sustainable development involve partnership”.

Sir Mark Moody-Stuart, Chair, Business Action for Sustainable Development, speaking at a development agency roundtable on CSR, London, 28 January 2002.

There is clear evidence from a range of BPD projects that using a tri-sector partnership approach can deliver significant improvements in sustainable development benefits over what would otherwise have occurred. The diagram on the right highlights the enhanced sustainability of benefits achieved in BPD focus projects. These are not the only benefits of taking a tri-sector partnership approach—a more detailed examination of the benefits specific to different sectors can be found in the stand-alone sections of this publication. It should be noted that some of the identified benefits (increased awareness, greater community empowerment, and increased social cohesion) cannot be demonstrated quantitatively, but they are widely recognised as important for long-term development and were a key benefit of many of the focus projects.



Access to basic services

Tri-sector partnerships in BPD have enhanced sustainable access to basic services such as health, education, and water and sanitation for communities. Many of the projects also provided improvements to local infrastructure that would otherwise not take place, or would take a longer time to be implemented.

For example, the water and sanitation focus project in Senegal involved the upgrade and expansion of the local water networks in the capital city, Dakar. The result of the project has been that safe and clean water has been provided to 200,000 people in poor communities through the installation of standpipes. Before the project, 70 percent of targeted households accessed water from wells that were often polluted. There has been a drop in waterborne illness amongst children and the creation of several hundred jobs.

CASE STUDY: ACCESS TO BASIC SERVICES

Global Alliance for Workers and Communities (GA)

The GA, a partnership incorporating the World Bank, Nike, The Gap and the International Youth Foundation (IYF), aims to improve the workplace experience and life opportunities of workers in global supply chains. This alliance generates a blend of resources, credibility, and infrastructure to address contentious workplace issues.

Mostly young, largely female, and/or entering the formal economy for the first time, the workers determine the GA's programmatic agenda through extensive worker consultation and involvement. The GA's worker development programmes comprise a two-stage process.

- In an initial assessment phase, workers are confidentially consulted about such issues as their current jobs and workplace conditions, education and aspirations, health and nutritional concerns, and community services.
- The GA subsequently delivers worker-development programmes that develop life skills and address critical health and finance issues.

In Indonesia, Thailand, and Vietnam, over 9,000 workers expressed their views on workplace issues, personal aspirations, and needs in confidential one-on-one interviews. Over 7,100 workers now directly benefit from development programmes, mostly in health and life skills, in thirty-three factories across Thailand, Vietnam, Indonesia, and China. Thousands more indirectly benefit through peer-to-peer education and health-related materials. Management training programmes in communications, team building, and problem solving reach over 740 factory managers and supervisors in Indonesia and Thailand.

One of the clearest messages from the worker surveys in Nike supplier factories in Thailand was the top priority that workers gave to their health and the health of their families. The health and education programme implemented in response to this focuses on four interrelated areas:

- Access to quality, affordable health-care services and information
- Improved factory-based clinics and standards
- Effective peer health educators
- Training factory-based trainers in health education and promotion.

To reach more workers and increase the capacity of the factories to provide sustainable health services to workers, the GA has launched a peer education programme in partnership with the Thai Red Cross. By the end of 2001, approximately 1,300 workers had been trained to reach out to their co-workers and provide useful information about common nutrition concerns such as anaemia prevention, diet for growing children, and hygiene.

Global Alliance factory programmes of life skills, health care, personal development, and management training produce better working conditions and improved health services. These directly benefit workers by enhancing the quality of working life and individual prospects but also positively affect business performance by improving employee retention, motivation, and commitment.

Poverty mitigation

Using a tri-sector partnership approach can contribute to poverty mitigation as it allows the resources and the skills of different actors to focus simultaneously on the core needs of the poor.

In the natural resources focus project in Zambia, a need for local business development in the vicinity of the Konkola Copper Mines plc's (KCM) operations was identified. Retrenchment packages—a feature of the privatisation process before KCM involvement—are rapidly being exhausted, and most of those affected have no obvious alternative sources of income, leading them to become increasingly dependent on family support and subsistence farming. One way of lessening the effects of retrenchment has been to encourage people to establish their own commercial enterprises. Another is to enhance the capacity of established small and medium-sized businesses so that they can expand their number of employees. The importance of local business development was recognised by all the parties involved in the negotiations surrounding the privatisation of the operations that now belong to KCM. The agreed Social Management Plan for the company includes the enhancement of existing capabilities and development of existing skills of locally owned businesses, in partnership with local communities and local government.

Growing human capital

Tri-sector partnerships have enhanced the growth of human capital in a range of focus projects in different clusters. As human capital represents an individual's knowledge, experience, and potential, its advancement represents an opportunity for personal and community development.

In the Río Desaguadero area in Bolivia, a partnership was established in response to the need to compensate people in the area affected by an oil spill. CARE-Bolivia agreed to work in partnership with Transredes SA—the Bolivian oil and gas transportation company—to transform the act of compensation into a process of sustainable community development. A total of 122 community projects have been, or are being, implemented. CARE worked closely with the company and the local authorities to design and deliver technical training to support all of these projects. This included forty courses in participatory assessment

methodologies that have helped communities to identify their development priorities. CARE also helped communities to establish 109 administrative committees that are responsible for the transparent use of compensation funds.

The Partnership for Careers in Agriculture for Thai Youth project offers a variety of alternative approaches to agricultural career development and creates self-employment opportunities for youths during the difficult economic crisis. In the long term, the project aims to enhance agricultural community development and the role of youths in a national economic revival. It involves three sectors working in partnership to implement activities designed to fill the gaps and weaknesses that had been identified in the traditional career development programme. Forty-nine young people from seven provinces in north and northeast Thailand participated. Participating youths in two of those provinces are now resource persons for the government's Non-Formal Education Department, training other young people in agricultural careers.

Community participation

The participatory and negotiation mechanisms used in tri-sector partnerships have enabled communities to become involved in the focus projects, thereby making project activities more relevant to community development needs and the benefits more sustainable.

Several of the water and sanitation projects incorporate the community directly in the entire project cycle (from design to evaluations). In the BoTT (Build, operate, Train, and Transfer) water and sanitation project in South Africa, for example, community involvement is regarded as the key to ownership and to cost recovery, and thus to sustainability. At the community level, stakeholder involvement is typically via the Project Steering Committee, which ultimately evolves into a water committee that bears the primary responsibility for operating and maintaining the system. This also involves training of plumbers, operators, water bailiffs, and revenue collection officers. In the KwaZulu-Natal project in South Africa, communities have become involved in the monitoring and evaluating of the project, determining their own indicators of success.

CASE STUDY: GROWING HUMAN CAPITAL

The Partnership for Out of School Children and Youth Development (POSCYD)

There is a tremendous need to provide opportunities to the large number of disadvantaged and out-of-school youths in the Philippines. Therefore, the government of the Philippines entered into a partnership with the Children and Youth Foundation of the Philippines, Ayala Corporation, IYF, Cisco Systems, Inc., the Cisco Learning Institute, and the World Bank.

The POSCYD in the Philippines, through proponent organisations, provides competency-building opportunities to out-of-school children and youths who have not finished high school. They are assisted in going back to formal school for their basic education. Those who cannot attend regular classes in basic education or have no access to schools may undertake an alternative learning programme that is home-based. Those fifteen years of age or older may undertake integrated technical education courses that are tied to industries for curriculum development, apprenticeship, and eventual employment. One example of such a programme is the Cisco Networking Academy Program, which consists of 280 hours of curriculum designed to teach students to design, build, and maintain computer networks. A key component of this initiative entails a 'bridging programme' to provide basic computer literacy, maths, and English skills required for students who have dropped out of high school but who, through the POSCYD, are planning to enrol in the Cisco Networking Academy Program. Together with skills training, the students are also provided with the alternative learning system in basic education to help them achieve high school equivalency and/or prepare them for higher levels of technical courses.

Out-of-school children and youths are usually faced with special challenges in interpersonal skills, self-esteem, mathematics, and science, which puts them in the category of special learners. To address the situation, they are provided with life skills training and mentoring/tutoring and counselling services. To develop leadership, they are also encouraged to participate in classroom and school activities and/or act as mentors/tutors to those who are having academic difficulties. Some of them are involved in outreach or community programmes.

About 2,300 of these children and youths have graduated from basic (formal or alternative) or integrated technical schools. An estimated 1,750 are still enrolled. The total enrolment exceeds the project's original target of 3,000 beneficiaries by more than 50 percent. Almost 17 percent, or about 800, of those who were assisted discontinued their education, mostly as a result of extreme poverty. Few of them failed to meet school requirements. An evaluation done in September showed that the employment rate of programme graduates of integrated technical education is 70 percent, which is high relative to the national average of 44 percent.

In the road safety project in Bangalore, India, communities have been mobilised to create 'safe zones' as a way of increasing the demand for safer roads. In the WSC project in Dakar, Senegal, communities are heavily involved in planning, construction, and maintenance, leading to strong ownership and a more sustainable project outcome.

Environmental benefits

In BPD experience, tri-sector partnering has also been convened to mitigate the negative social and local environmental impact of projects more effectively, particularly in the extractive industries.

Through its engagement with the Natural Resources Cluster, Shell Petroleum Development Company of Nigeria Ltd. (SPDC) has explored ways in which a tri-sector partnership model—between SPDC, government agencies, and civil society organisations—might play a part in improving the quality of the social and health elements of the Environmental Impact Assessment (EIA) process. A partnership approach to undertaking the EIA studies of an oil and gas redevelopment is now under way. Two tri-sector working groups are in the early stages of being established, one to determine the effects of the proposed development on 'community issues', the other on 'local natural resources'. The objective is to use the partnering ethos to begin to transform the EIA process into a tool that delivers both the formal environmental permit for the company and its informal social licence to operate. In the Niger Delta, a general lack of trust between communities and oil companies still runs deep. From the community perspective, the EIA studies are often the first point of contact between companies and communities following a decision by a company to begin to develop a new oil or gas field. Rather than the EIA becoming simply an act to obtain environmental clearance from government regulators, 'partnering' provides an opportunity to adapt the EIA process to the task of developing new working relationships and building trust. Once developed, these relationships—new 'social capital'—can be applied to increase the effectiveness of other, more adventurous, activities, such as community development programmes.

Increased awareness

A key element of the partnership approach relates to an increased awareness across all stakeholder

groups. If properly applied during the project, good education and awareness strategies promote shared knowledge amongst partners as well as externally with wider stakeholder groups. Shared knowledge forms the linchpin to innovation. Internal education and awareness thus becomes the glue of the partnership, because good communication between partners makes for strong and mutually beneficial partnerships. The learning process can also generate a feel-good factor, which can lead to higher levels of buy-in and enthusiasm among participants. BPD experience has shown that influencing partners is as important as influencing 'beneficiaries'—yet this is not often seen as an explicit objective of education and awareness strategies.

In the Water and Sanitation Cluster's KwaZulu-Natal project in South Africa, strong governance mechanisms within the partnership have bolstered communication flows between partners. This has served to educate the different partners while also contributing to the awareness-raising process that takes place between the community and the other project implementers. The learning is thus circular, influencing all that get involved.

GRSP's experience shows that awareness has been raised in the community by creating or strengthening the ties amongst organisations. For example, the proposed road improvements under the Third National Highways Project in India, funded by the World Bank, are now linked to a village community road safety project supported by the Institute of Road Traffic Engineering (an NGO), in partnership with Shell, Infosys, and others. In another instance, an urban safety management proposal supported by the UK governments' Department for International Development (DFID) will now comprise a GRSP initiative on safe traffic zones, with stronger education and citizen involvement.

Increased social cohesion

Social capital has been defined as the ability of people to work together for common purposes in groups and organisations. Social capital influences a community's ability to benefit from revenue streams and economic development and may contribute to the success or failure of community development initiatives. Tri-sector partnering may have a role to play in increasing social capital, even in difficult contexts.

In the water and sanitation project in Haiti, the presumption of the partnership was that building social infrastructure would serve broader purposes than solely meeting the water needs of the communities; it would also improve social and political stability (and thereafter social and environmental development). At its beginning, the social infrastructure in the shantytowns was weak and fractured. Violence was the primary mechanism for resolving conflict, and social and political tensions were overwhelming. The issue of water, however, was one that everyone perceived as central to the community's development. The creation of the water committees was nonetheless a complex process, requiring intensive intervention and training. The original pilot encompassed projects in fourteen communities. The success of this experience in building effective community institutions able to resolve internal disputes without violence and negotiate with 'outside' parties, and its expansion to twenty-one additional communities, suggests enormous potential for the model to be scaled up more widely in Port-au-Prince and further afield.

In the right context, tri-sector partnerships appear to produce better results for each partner than the alternatives

Experience from BPD Cluster projects demonstrates that better results appear to flow from tri-sector partnering:

- **For business:** As companies seek to fulfil their social responsibilities, or learn how to address the needs of the poor, they need access to a wider range of skills. Partnership allows them to achieve what would otherwise be impossible working in isolation. There is evidence from some BPD projects that using a tri-sector partnership approach delivered clear business benefits, alongside the enhanced sustainability of development results. One set of business benefits from partnering related to companies' social responsibility beyond legal or contractual requirements (such as with the oil, gas and mining companies' community develop-

ment activities). A second set of business benefits from partnering related to more successful provision of contractually required services (such as with the water companies' provision of water and sanitation services to poor households within urban concessions). Other business benefits look likely to accrue beyond the three-year time frame of the BPD initiative.

- **For civil society and civil society organisations:** BPD experience has demonstrated that partnering with the corporate and public sectors can deliver both social and environmental development and organisational benefits. In the projects undertaken to date, benefits in all of the following areas have been identified: community development, people empowerment, poverty eradication, infrastructure, social and environmental objectives, income restoration, employment opportunity, and community participation.

- **For multilateral and bilateral organisations:** The World Bank Group and the UK Department for International Development have been, respectively, the most active multilateral and bilateral institutions in the BPD programme. For these, and other similar institutions, the overall objective behind involvement in any project is to maximise sustainable development benefit. Partnership provides an opportunity to establish a formal mechanism for dialogue amongst sectors and to encourage collective action. In addition, partnership encourages ownership of the development activities by the project stakeholder, rather than reliance on the donor or development agency.

- **For governments:** Governments can use partnership as a mechanism for both improving the effect of its own activities and for promoting greater accountabilities across the board. Developing country governments have been involved in BPD projects at national, regional, and local levels and have demonstrated a number of key roles that governments must play to enhance the value of private sector investment.

- **For investors:** The focus for investors is value-driven. Do partnerships boost shareholder value or the value of a project investment? As stakeholders begin to look towards long-term value creation, tri-sector partnering should be seen as a means by which companies can align their

profitability and strategic development with reputational and corporate social responsibility related activities. And because BPD has shown that partnering delivers value-creating benefits to single projects as well as to key corporate functions, there is also a potential impact on financial performance. These twin benefits satisfy the interests of shareholders (including socially responsible investors) and project-based investors.



GPYD project in Philippines

Partnering is not a panacea

Partnership rhetoric is ubiquitous today and might lead to the conclusion that this approach is now considered best practice in all circumstances and at all times. BPD has demonstrated that while tri-sector partnerships often yield better results for business and communities than alternative approaches, a partnering approach is not always the most appropriate. BPD attempted projects that either never got off the ground, or began and fell apart. The main challenges in this partnerships came from

- an inadequate understanding of what the other partners could offer;
- an unwillingness to modify or compromise; and
- ineffective attempts to institutionalise the partnership within the participating organisations and insufficient orientation of newcomers.

By analysing common features of those unsuccessful attempts and shared partnering challenges, BPD has been able to identify the conditions where partnering should not even be attempted.

Partnerships should not be attempted when:

- An assessment of the partnering option shows that the costs and the risks are too high compared with the anticipated benefits. Organisations need to take into consideration the additional transaction costs related to exploring, building, and maintaining partnerships. Risks include reputation risk, cost escalation risk, undelivered commitments, as well as potential collapse of the partnership itself. When considering the benefits, would-be partners should understand that, by definition, the partnering process is a pooling of resources, so significant potential exists for leveraging additional resources to the project.

- There are no significant complementarities to be gained from pooling competencies, skills, and resources from other sectors, that is, where the objectives or activities do not require skills from another sector.
- The proposed partnership does not have institutional relevance to the organisation's core activities.
- There is a lack of 'real' buy-in at a senior level. Lack of commitment by partners is likely to result in the partners walking away during the partnership-building process or abandoning the partnership when it faces its first obstacles or difficulties.
- One of the partners is likely to require results too fast, because of their organisational time frames. This can reduce the amount of time available to successfully build understanding amongst partners and good governance structures within the partnership.
- Significant pre-existing grievances exist between potential partners that have not been resolved. Some degree of suspicion may continue between the partners if they are not used to working together, but significant conflict must be resolved before partnership exploration.
- The partners do not have the knowledge or the capacity to react flexibly to changing political realities and socio-economic contexts. In some cases, a partnership will be possible in the context of wider societal conflict. In other cases, conflict has made partnerships unworkable, particularly where ethnic and religious tensions exist amongst the would-be partners.
- Alternative approaches have not been considered.

What are the preconditions of partnership?

BPD's focus projects have shown that partnership success depends on a series of preconditions that need to be developed if they do not already exist. These are:

- Activities that, if delivered through tri-sector partnerships, will produce added value for all partners
- Activities that require sets of skills or resources from across business, government, and civil society
- Evidence that alternative mechanisms would be less effective than working through a tri-sector partnership model
- Partners that understand that some modification and compromise is necessary to create a sustainable partnership
- Potential partners with the capacity to negotiate
- At least one internal champion to drive the partnership-building process forward within each of the organisations
- An existing operational or planning process into which partnership building can integrate.



GRSP

Putting partnering to work: the process and the tools

Promoting a rigid structure for tri-sector partnerships is inappropriate, because there are so many different approaches to development that partnership structures need to respond to. However, while there may not be a single partnership model, recommendations can be derived from BPD's experience of the partnership-building process.

This section presents a combination of key lessons on the partnership-building process, as well as tools developed and tested in the BPD focus projects. These tools can help to maximise the effectiveness of the relationships and secure the benefits of pooling knowledge, resources, and skills.

The partnering process—an overview

BPD experience confirms that the most effective partnerships are those with a clear structure, where the partners can collectively provide the skills and resources needed at the partnership's different stages.

The partnering process can be split into four stages. These stages are illustrated in the following diagram, alongside the relevant skills sets and key tasks required. Each stage is then discussed in more detail in the following text⁷.

The Partnering Process at an Operational Project Level⁸

PHASES	SKILL SETS	KEY TASK
Partnership exploration	<ul style="list-style-type: none"> Internal assessment Consultation 	<ul style="list-style-type: none"> Secure an internal 'champion' to drive the process of partnership through all the phases Conduct an internal assessment of the needs, interests, costs, risks, and benefits of partnership Consult with possible partners to identify the social or environmental 'theme' of the partnership and gauge the expectations and roles of potential partners Develop a negotiation strategy that allows flexibility in how to achieve the goals
Partnership building	<ul style="list-style-type: none"> Consensus building Facilitation Action programme 	<ul style="list-style-type: none"> Build consensus amongst partners to develop mutual respect and agree on specific commitments, roles, and responsibilities guided by the mediation of a partner or third party Strengthen the capacity of partners to implement their commitments and roles
Partnership maintenance	<ul style="list-style-type: none"> Management tools 	<ul style="list-style-type: none"> Measure the impact of the partnership Pursue ongoing communication amongst partners Evaluate the terms of the partnership in response to internal and external constraints or opportunities Assess whether each partner's objectives are being achieved
Partnership completion	<ul style="list-style-type: none"> Management tools 	<ul style="list-style-type: none"> Determine when a work plan is completed and decide on an exit strategy from the partnership Assess whether each partner's objectives have been achieved Evaluate the partnership and the sustainability of its results

⁷After only three years of work, BPD has limited experience of the 'partnership completion' phase. Many BPD projects are still in the 'partnership maintenance' phase, but the importance of the completion phase is nonetheless recognised by practitioners. One good example can be seen in the case study of the Las Cristinas Health Care partnership in Venezuela, where the private sector withdrew as a result of cyclical economic factors, but was able to do so without suffering reputational or social cost liabilities. See <http://www.bpd-naturalresources.org>

⁸Adapted from the: Natural Resources Cluster, Working Paper No. 6, 'Guidance Note for Getting Started', <http://www.bpd-naturalresources.org/media/pdf/working/work6.pdf>

The partnering process—the role of initiators, convenors, and facilitators

Initiators, convenors, and facilitators all have important roles to play in the development and ongoing effectiveness of a partnership. As these roles are important in the exploration, building, and maintenance phases, understanding these roles from the outset is a useful starting point when trying to understand the process of partnering.

These roles can be explained as follows:

- **Partnership initiators** are usually those with business-interests close to the social programme underpinning the project. The stereotypical view of tri-sector partnerships is that they tend to be business-initiated and business-led. However, while business was often the initiator in BPD focus projects, any party can perform this role, and the fact that a company played the initiating role has no necessary implications for subsequent shared governance arrangements. Civil society played an important role in a number of cases, identifying corporate partners and initiating the partnership.
- **Partnership convenors/brokers** help bring the sectors together at the project level. They can facilitate mutual understanding and the identification of partners, and they can enable partners to recognise each other's roles and complementary needs. Many of the potential partners have never worked together before or are suspicious of the other parties' motivations, and, therefore, the neutrality and convening power of the broker often assisted in bringing the parties around the table to discuss the possibility of partnership.⁹
- **Partnership facilitators** help to build consensus, which is fundamental to the partnership-brokering process. Their role can be performed by third parties or by one of the partners. One of the partners is more likely to play this role when the respective partners have worked together previously in a partnership.

Some of the roles may be played by the same organisation or individual.

CASE STUDY: Road Safety in Poland

The Warsaw office of the World Bank has supported the development of the GRSP programme in Poland in many significant ways. In the initial phase, the Bank provided important contacts in government and within the business community, which helped GRSP Poland to establish a well-rounded group of partners. Most significant, however, has been the Bank's assistance in setting up a working secretariat for the partnership in Poland. A consultant at the Polish Ministry of Infrastructure, working on a project financed by a World Bank loan, acts as a part-time secretary to the local GRSP partnership. The role of the secretariat enables the programme coordination to be 'owned' locally and allows for more responsive, proactive partnership. In the middle and long term, the local secretariat will be a key factor in ensuring the vitality of the GRSP approach to road safety in Poland. Furthermore, World Bank transport sector staff in Poland have learnt a great deal from the partnership approach practiced by GRSP. While the majority of World Bank infrastructure loans in Poland are in advanced stages (that is, they predate GRSP) and do not explicitly advocate a 'partnership' approach, transport sector staff feel that such an approach will become a feature of future World Bank lending in Poland, and not only in the infrastructure sector.

⁹In many focus projects, BPD staff or consultants played this convening role, as well as that of a partnership facilitator.

The partnering process— partnership exploration

PHASES	SKILL SETS	KEY TASK
Partnership exploration	<ul style="list-style-type: none"> • Internal assessment • Consultation 	<ul style="list-style-type: none"> • Secure an internal ‘champion’ to drive the process of partnership through all the phases • Conduct an internal assessment of the needs, interests, costs, risks, and benefits of partnership • Consult with possible partners to identify the social or environmental ‘theme’ of the partnership and gauge the expectations and roles of potential partners • Develop a negotiation strategy that allows flexibility in how to achieve the goals

Internal champions and institutional buy-in are both necessary

BPD experience shows that internal champions within the partner organisations played a critical role in all focus projects. Partnerships need champions to carry the cause and sell the idea and process within their own organisations, amongst other partners, and to wider stakeholders. However, because individuals typically move at a different rate than

the institutions they represent, partnerships must ensure that support is also present at the institutional level. Unless this is the case, changes in personnel can destabilise the partnership. Planning for succession should be a key part of the partnership development process. Part of institutional buy-in is ensuring that senior management have provided adequate resources (financial and human) and that there is flexibility in their deployment.

CASE STUDY: THE IMPORTANCE OF THE LOCAL CHAMPION

The Travel and Tourism Programme (AVT), Brazil

The programme began in Brazil in 1993 with a grant from the American Express Foundation that established the Instituto de Academias Profissionalizantes (IAP), whose main goal is to improve the quality of Brazilian public education and which today is a federal entity. The IAP and American Express developed the programme to replicate similar programmes funded by American Express in other countries. The AVT is a member of what is now known as the Global Travel and Tourism Partnership (GTTP), an organisation comprised of travel and tourism education programmes in ten countries, founded by American Express and now supported by companies operating worldwide in the travel and tourism industry. Emphasising work and vocational training, and innovative in both content and methodology, the AVT programmes provide teacher training and professional advancement and programme materials such as textbooks, teaching manuals, and kits that introduce secondary school students to the travel and tourism industry at a time when they, their parents, and their teachers are considering career options. Since its first programme in 1994, the AVT has expanded to forty schools reaching over 3,000 students in ten cities. Despite this expansion and a record of achievement, the programme has not achieved its goal of true tri-sector partnerships at the national and local level, and its success to this point is largely attributable to the commitment and energy of the head of the IAP, who has devoted herself to the programme. AVT has been supported since its inception by grants from the American Express Foundation and in the past four years from allocations of the GTTP partners. Because of the determination and organisational skills of the director of the IAP, the demand for the programme continues to grow dramatically.

Effective tri-sector partnerships are built on core complementary competencies

The different participants need to understand what these are, how they fit together, and what motivates their fellow partners.

A key lesson from BPD is that the complementary competencies of each partner should be the starting point. Not all competencies will be used, only those that add value to the partnership aims. BPD experience shows that in assessing the potential added value that each partner brings, care should be taken not to pigeonhole partners into traditional roles based on preconceptions of their competencies. For example, if government and civil society initially see the private sector as a source of funding, its real core competency could be overlooked (for example, having extensive distribution networks in developing countries or contributions to infrastructure development).

Partners may overlook the fact that their NGO partner may have strong managerial and technical capacity as well as access to funding, or that governments may be able to access capital at preferential rates. Care should be taken not only when assessing potential partners’ strengths but also in relation to one’s own organisation—for example, companies themselves sometimes fail to identify their real core competencies.

Partnership Tools:

Internal Assessment Process

Understanding your individual and institutional incentives, negotiables, obstacles, and assets (including reputations) is the primary starting point for partnering. A common error in partnership building is to launch into discussions with potential partners before fully understanding your own organisational needs and interests.

An internal assessment should consider:

- Your organisation’s core competencies and what it may have to offer to the partnership
- The core interests to be served by the partnership
- Integration of the partnering process into ongoing programmes/projects
- Your organisation’s negotiating strategy in advance of consulting with potential partners
- The anticipated costs, risks, and benefits of the partnership.

The Build, operate, Train, and Transfer (BoTT) programme in South Africa, aimed at providing water and sanitation services in poor communities, was designed to draw on the core complementarities of different organisations. A consortium was formed that brought together firms involved in the design, construction, operation, and maintenance of water supply and sanitation systems. An NGO, the Mvula Trust, was also engaged as a consortium member to address the institutional and social development elements of the projects. In some of the other water and sanitation projects, however, agreement over core competencies between the partners was less clear, with, for example, some competition as to which organisation (from the public, private, or civil society sectors) was best placed to conduct the community liaison function.

While partners may agree on a common purpose, they are likely to have varied incentives. A key lesson from BPD was that the articulation of each partner’s incentives and expected benefits is vital. This is important for the internal buy-in of the partner organisation, but it is also meant to enable partners to increase their mutual understanding of their partners’ needs. For example, an NGO may not only be interested in a sustainable development goal but it may also need to respond to its own constituency or members, which may mean that it would face challenges engaging in a partnership.

Partnership Tools:

Consultation Process

Having decided to adopt a partnership approach, the next step is to identify possible stakeholders and partners and engage in a consultation process.

A targeted process of consultation should aim to:

- Identify possible partners and begin dialogue
- Validate current assumptions with external stakeholders
- Establish channels of communication with suitable partners
- Explore possible roles and resource commitments of prospective partners
- Agree on the process by which the partners will come together and negotiate the terms of the partnership.

Partnerships are most successful when they are relevant to key business or key organisation objectives

For all partners, the closer the activity is aligned to the organisations' key business or organisational objectives, the more likely the partnership will be successful. This was demonstrated across all BPD partnerships. From a business perspective, a project seen as purely philanthropic is unlikely to gain the institutional buy-in and commitment necessary to persevere during the ups and downs of the partnership process. Likewise, for civil society, unless the activity helps the organisation achieve its core purpose, there is unlikely to be long-term support from constituents or donors.

Partnerships are best when there is a rigorous and transparent selection process of partners

The ideal is for potential partners to choose each other. If an organisation wishes to initiate a partnership, it should develop a selection process to identify potential partners. Partnership units within multilateral and bilateral institutions may be a resource for assisting in the identification of potential partners. Where there is a wide range of potential partners, selection processes need to be transparent. Aspiring partners who are not selected could be involved in a wider consultative stakeholder group.

One of the greatest challenges is the selection of civil society organisations, often for a wide range of context-specific reasons. In some cases, there may be a plethora of potential NGO partners that have capacity and are interested in becoming a partner. In this instance, challenges may arise in partnering with only one of the interested parties, and engagement mechanisms may need to be developed to enable other interested organisations to remain part of a consultative process. This may be even more difficult with community-based organisations, where it can be difficult for an outsider to understand who actually represents the community at any given time. Ultimately, the aim is not to elevate or disenfranchise those organisations and individuals that have the most influence in the community but rather to maximise the perspectives and community engagement that are incorporated in decisions and outcomes¹⁰.

For now however, it is more likely that potential NGO partners will be scarce and that relationships between the company and a NGO may be limited to one of sponsorship. BPD partnering experience demonstrates that communities have the opportunity to participate in a meaningful way when their capacity is built, and when there is a structure to allow them to become partners in the process.

Partnership Tools: Possible Criteria for the Selection of NGO Partners¹¹

- Credible in sustainable development practice
- A good track record as an organisation
- Good knowledge of professional organisations, individuals and network in the area, region, or country
- Good facilitation skills
- No 'top down' agenda (that is, a non-prescriptive approach to working with grassroots organisations)
- No political or religious agenda
- A legally registered organisation
- Vision and approach acceptable to other potential partners
- Knowledge of the area and its culture(s)
- Acceptability to government and the political administration
- Professionalism—planning, budget, manpower, accountability
- Capacity to mobilise and do their part of the work on time
- Openness to outside support

The partnering process—considerations for partnership building

PHASES

SKILL SETS

KEY TASK

Partnership building

- Consensus building
- Facilitation
- Action programme

- Build consensus amongst partners to develop mutual respect and agree on specific commitments, roles, and responsibilities guided by the mediation of a partner or third party
- Strengthen the capacity of partners to implement their commitments and roles

Significant time needs to be allocated to building mutual respect and consensus

Time and effort must be dedicated to the building of mutual respect amongst partners; otherwise consensus will be difficult to build. A lack of time and attention allocated to nurturing and maintaining the relationships can be a clear indication of troubles ahead. BPD experience showed that a balance should be reached between the need to prepare and implement adequately and the need to build a common vision and consensus amongst the partners.

Consensus building amongst partners is necessary to build mutual respect

For partners that have not worked in partnership or with each other previously, the building of mutual respect will be a necessary first step. This may be guided by the facilitation of a partner or a third party. This stage of the process may take time and may frustrate partners that seek to move faster than other partners are willing or able to.

Partners need to share an overarching project goal

Achieving this project goal may be the means by which different partners will achieve their own institutional objectives. Partners need to agree on outputs and expected project outcomes.

Effective tri-sector partnerships require negotiated, agreed, and shared governance structures

Focus projects in the BPD programme have consistently underlined the importance of agreements that clearly set out the structure and operation of partnerships amongst non-traditional partners. For a partnership to function effectively, no partner should be allowed to dominate. Negotiated and

agreed governance structures, including decision-making processes, are therefore critical. These conclusions are based on the experience of testing various models, ranging from trust-based informal partnerships to formal partnerships built around common memorandums of understanding (MOUs) and work plans. While the less formal approach did not prevent partnering from being successful, some issues that arose during the project were more difficult to resolve because no process had been laid down for their resolution¹².

Governance structures need to be robust and dynamic

While formal governance structures should be developed, including partnership agreements, experience demonstrates that these must be sufficiently flexible to adapt to changes in context (such as change in government, economic cycles), learning processes, staffing, and degree of success. A partnership's success often depends on its evolution, for example, in its membership and wider relationships, and in some instances, even in its purpose.

Similarly MOUs, or equivalent documents, should not restrict innovation; they should be rigorous, but not rigid. Because the roles are evolving, the text needs to accommodate agreed change, allowing for experimentation (unlike a contractual approach that typically hems parties in to preplanned activity and does not allow for much flexibility). Although some partnerships include contractual obligations, the overall relationship among the organisations can still be defined as a partnership provided they engaged in the process of defining roles and resource contributions voluntarily.

¹⁰See section below on how to differentiate amongst stakeholders and partners.

¹¹Adapted from NRC Sarshatali Case Study, please visit: http://www.bpd-naturalresources.org/html/focus_sarshat.html

¹²Institutionalised partnerships have a greater ease in scaling up their activities or replicating to other areas.

Partnership Tools: What are the Key Elements of a Partnership Agreement?¹³

The following checklist sets out key elements that might be included in any partnering agreement:

- The objectives of the partnership (both shared and individual)
- Joint work plan encompassing activities, schedules and performance indicators, resource commitments, roles, and responsibilities
- Funding arrangements (if applicable)
- Decision-making principles
- A grievance mechanism to resolve differences
- Procedures for communication amongst partners
- Measures to strengthen the capacity of partners to implement their commitments
- Measures to mitigate external risks and threats to the partnership
- Strategies for dealing with staff turnover/succession
- A strategy for communicating to constituents and other interested parties
- Procedures for monitoring and measuring the impact of the partnership
- Exit strategies

Agreed communication channels

In several cases, the absence of clear communications between partners and between different partnership levels (international, national, local) had negative consequences, ranging from lack of information and misunderstandings, to the public relations problem of who claims the successes (or indeed responsibility for any failures) of the project. An indicator of a successful partnership is when all partners feel confident with any partner being a spokesperson for the partnership.

Not all stakeholders are partners

A partnership may have many stakeholders, but there is a clear distinction between stakeholders and partners. Partners contribute resources to the work of the partnership, its projects, and programmes, and they share in the risks as well as the benefits; stakeholders however, are affected by the project, but do not contribute to its work. While partners hold decision-making power, they will also need to be accountable to wider stakeholders. Involvement of wider stakeholders in the partnering process may be formalised through the use of a wider consultative group. The diagram below illustrates the different degrees of involvement stakeholders may have in the partnership project:



Unless capacity is built, participants may not be able to manage the complexity of partnering.

Initially, relevant expertise and support may need to be sourced externally to help build partnerships, and organisations may have to be prepared to make changes to the way they operate. Risks have to be taken, but BPD partnerships have shown how these can be managed. An important part of capacity building will be to understand the different work styles, cultures, and time frames of the other partners.

Each stakeholder group can clearly benefit from capacity building tailored to suit its existing strengths and weaknesses¹⁴. Some key capacities that may need to be strengthened are:

- Understanding how partnerships can create a strategic advantage;
- Defining sectoral objectives, recognising that the partnership depends on each partner meeting its own objectives. Recognising that each organisation has its own agenda, incentives, and internal conflicts, can help in the development of a mutually supportive partnership environment;
- Developing a set of common objectives and a common vision, which provides a focus for the positive aspects of what may be achieved rather than what cannot. Closely associated with this is the need to understand the issues and demands that are non-negotiable for each partner;
- Respecting other partners, developing some understanding of their roles and characteristics, and learning how their capacities can be put to best use in the partnership;
- Listening to the concerns of the other partners as well as their own obstacles and thinking laterally about how these can be solved, rather than thinking in terms of how they can be dismissed;
- Envisaging a flexible and fluid partnership arrangement and service delivery process that adapts to contextual and partner change and takes on revision and reorientation as necessary while nevertheless achieving a high quality and consistent standard of results; and
- Understanding that some modification and compromise may be necessary to create a sustainable partnership, and that a partnership based on an unequal footing is fundamentally unstable and ultimately unsustainable.

CASE STUDY: CAPACITY BUILDING

Las Cristinas Gold Mining Project, Venezuela—Health-Care Partnership

In the early stages, there was much hesitation on the part of certain individuals within the three sectors about working together. At this early stage, input by a BPD facilitator (both in orientating people to the principles of consensus building and brokering a common vision, decision-making rules, and so forth) proved crucial to the parties' efforts to build clear commitments together, despite their past relationships and prejudices. This was identified as one of the key success factors of the partnership-building stage. Because the training took place immediately before the workshop, participants were better able to negotiate and contribute, with some even playing a facilitator's role at times. This created a sense of ownership of the process as well as building acceptance of the role of an impartial third-party facilitator.

Partnerships must deliver results that are timely, relative to the schedule of each partner organisation

The time frames for different constituencies must be understood and, as far as possible, accommodated. This implies the need for modest milestones and achievements that coincide with key partner cycles. For example, the public sector will need to show results in the time frame of its political cycles, NGOs will need to meet donor and community requirements, and the private sector will need to show progress against contractual requirements or investor expectations.

'Success' for different partners, therefore, may not only relate to the final deliverable, but also to intermediate outcomes.

¹³Adapted from: National Resources Cluster, Working Paper 6, 'Guidance note for getting started'. http://www.bpd-naturalresources.org/html/pub_working.html

¹⁴See: 'Flexibility by Design: Lessons from Multi-sector Partnerships in Water and Sanitation Projects', K Caplan, S Heap, A Nicol, J Plummer, S Simpson and J Weiser, June 2001.

The partnering process— partnership maintenance

PHASES

SKILL SETS

KEY TASK

Partnership maintenance

- Management tools

To continue working together successfully, partners should devote attention to partnership maintenance. Maintaining a successful partnership depends on:

- a full awareness of each participant's roles and responsibilities;
- clearly agreed work plans;
- transparent and effective interpartner and stakeholder communications;
- built-in flexibility; and
- systems that can measure outcomes and added value.

A partnership is a dynamic entity. BPD experience has shown that even over a short time frame, roles, responsibilities, and even partnering organisations can all change in a partnership. These changes may reflect those in the external environment, community, funding streams, performance levels, and individual relationships. Structures and processes must therefore be established to accommodate and respond to change.

Partnerships are 'flexible task forces'—entrance and exit strategies are important for everyone involved

If partners can achieve more together than they can apart, they might be expected to continue working together until the project is completed. But BPD showed that partnerships are far from permanent institutions—partners enter and leave as capacities, needs, and strategies dictate. Early discussion and agreement amongst partners on when, and how, individual and collective involvement begins and ends is essential.

In Port-au-Prince, a project aimed at improvements for the poor, GRET/Haiti who were the NGO partner and the driving force of this public-NGO partnership, facilitated the capacity building of water committees. The committees now play a central role in decision making, hiring, and supervising operators; organising the operation and maintenance; and addressing community grievances. GRET/Haiti also established methods for effective skills transfer to the operator (in this case the public sector). At this stage,

¹⁵For more information on the water and sanitation project in Haiti, please visit: http://www.bpd-waterandsanitation.org/english/prj_haiti.htm

- Measure the impact of the partnership
- Pursue ongoing communication amongst partners
- Evaluate the terms of the partnership in response to internal and external constraints or opportunities
- Assess whether each partner's objectives are being achieved

the capacity-building and handover process carried out by GRET had been so successful that the arrangements for ongoing delivery, operation, and maintenance were sustainable without their further involvement. They had successfully worked themselves out of the water project and have since moved on with a similarly structured partnership for sanitation¹⁵.

It is important to measure the impact of the partnership

Partnering should demonstrate value for each sector so monitoring and evaluation of partnerships is a key element of partnership maintenance. Roles and responsibilities between and among partners for monitoring and evaluation should be well defined and agreed up front. While many of the projects did measure the impact of the partnership, those that did not identified this as a key learning point for partnership maintenance. The evaluation should measure those indicators of success that are important to each sector. The evaluation processes used by the focus projects focused on business benefits, sustainable development benefits, and benefits for good governance.

Partnership Tools: Checklist to Evaluate Partnerships

- Actual benefits delivered through the partnership and their sustainability
- Extent to which the partnership's intended outcomes have been achieved
- Any unintended/unexpected/spin-off sustainable development outcomes or business benefits
- Any negative consequences of the partnership for communities, government, or business
- Overall, whether there is evidence that the partnership has 'added value' in terms of its impact
- Indication of the financial and nonfinancial costs and benefits of the partnership
- Evidence of institutional change brought about in the business, government agencies, or civil society organisations
- How the key lessons from the partnership are being recorded, reflected upon, and disseminated within the partnership (and with the respective constituents and other parties).

Practical tools

A range of tools has been developed at the cluster level through the BPD initiative. The table below lists the key practical tools to explore, develop, and

maintain a partnership, developed by the Natural Resources Cluster and the Water and Sanitation Cluster¹⁶.

T O O L S	
Partnership Exploration	Terms of Reference: The terms of reference documents enable all potential partners to undertake a systematic assessment of the risks to them and the opportunities presented by working in partnership to address social issues.
	Work plans to guide the partnering process over a period of months
	Terms of References prepared to find suitable partners
Partnership Building	Methodology for building consensus amongst partners
	Memorandums of understanding and joint work plans reached amongst partners
	Training modules in the following skills: internal assessment consultation and communications, consensus-building facilitation, and management tools. The modules are tailored for the oil, gas, and mining sector.
Partnership Maintenance	Guidelines for Monitoring and Learning Lessons from Tri-sector Partnering: general checklists for recording progress and analysing the consequences of partnerships
	Partnership Indicators: considerations for the creation of a set of indicators tailored to specific partnership to measure the effectiveness of partnering
	Training modules to build the participants' ability to move a partnership from an outline agreement to practical implementation. It covers tools for three types of activities: work planning, impact/benefits monitoring, and adaptation to change
	Methodology for Measuring the Impact of Tri-sector Partnering: a detailed methodology for evaluating the effect of partnering on business, sustainable development, and governance in the extractive industries
General	Case Studies (detailing the process and outcomes of tri-sector partnering).
	Practitioner Notes on: Emphasising education and awareness in partnership; Improving cost recovery through partnership; Making innovation work through partnerships in the water and sanitation sector; Analysing the interface between regulatory frameworks and partnership; Perceptions of Partnership

¹⁶See: <http://www.bpd-naturalresources.org/html/adfac.asp> and <http://www.bpdwaterandsanitation.org/english/practice.htm>



Business Partners for Development

1998–2001 | Tri-sector Partnership Results and Recommendations

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