

Strategic Partnerships

Desk Study

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Glossary of Terms

Assumptions Describe conditions that must exist if the project is to succeed, but which are outside the direct control of the project management (Scanteam1999, 48). An explicit statement of assumptions provides a baseline for programme development. Monitoring and evaluation processes should review assumptions on a regular basis to confirm whether they are still valid and, therefore, whether the programme should be revised.

Civil society Norad defines civil society as “all those networks that work between state and family and that are not a part of the market in the ordinary commercial sense.” The United Nations definition varies slightly. Civil society is “associations of citizens (outside of families, friends and business) entered into voluntarily to advance their interests, ideas and ideologies. The term does not include profit-making activity... or governing...” (UNGA 2004, 13).

Complexity The interaction occurring between the components of human-made systems (political, economic and social) and between human systems and those systems in nature (eco-systems). As used in this report, the concept of complexity is adapted broadly from Systems Theory and Complexity Theory (Homer-Dixon 2000).

Constituency Consists of three broad sectors: civil society, the private sector and the State (UNGA 2004, 13). These sectors are defined in the terms of reference as the actors participating simultaneously in a strategic partnership and, therefore, form the potential stakeholder groups.

Ingenuity New ideas for solving the problems of complex development processes (Homer-Dixon 2000, 1-8).

Strategic partnership Voluntary and collaborative relationships between State, private sector and civil society organisations in which the participants work together to achieve a common purpose or undertake a specific task, sharing the risks, responsibilities, resources, competencies and benefits while committing to mutual accountability.

Private Sector Is comprised of firms, business, federations, employer associations and industry lobby groups engaged in profit making activity (UNGA 2004, 13).

1 Introduction

Norad seeks to build its competence on the relationship between strategic partnership and poverty reduction. *Strategic partnership* refers to collaboration between three constituencies: State, private sector and civil society. To this end, Norad engaged David Gairdner, a Partner with Scanteam, to write a brief desk study.

The goal of the study is to develop a baseline for programme development related to strategic partnership. The study focuses on the *context and assumptions* from which partnerships are emerging, provides a working *definition*, summarising *lessons learned* from international experience and identifies possible *implications*, at the institutional level, of becoming a “partnering” organisation.

The study is based on a review of documentation from secondary sources, done over a 15 day period ending 10 August 2004. Sources were drawn from the United Nations system, bilateral donors and civil society as well as business organisations. It was verbally agreed that the study would also consider an earlier report on partnership written by the Chr. Michelsen Institute (2002) and the results of a follow-up seminar in 2003 (NHO et. al., 2003).

A peer review of the desk study was provided by Arne Disch, Senior Partner, as part of Scanteam’s standard quality control process. Research support was provided by Mamiko Nakada. Regardless, the author is entirely responsible for the content of this study.

2 Background

We resolve to develop strong partnerships with the private sector and civil society organisations in pursuit of development and poverty eradication” and to “give greater opportunities to the private sector, non-governmental organizations and civil society, in general, to contribute to the realization of the [United Nations’] goals and programmes.

United Nations Millennium Declaration (UNGA 2000, paras. 2 and 30)

Strategic partnership has arrived at the centre of the development agenda. Collaboration between State, private sector and civil society is increasingly seen as a core element of effective action on development priorities. The question being asked is not “*if* partnership, but how can we expand partnership” (Malena 2003, 2).

The concept and practice of strategic partnership has not emerged in a vacuum. Rather, it responds to the need for new forms of ingenuity and human organisation in the face of complex development challenges. Increasingly, these innovations can not be delivered by one actor working in isolation. Rather, they are *synergistic* products that emerge from interaction between multiple and diverse stakeholders. Towards this end, partnering is a compact between the three constituencies that allows them to combine competencies and resources for mutual benefit.

There is a growing body of literature and case study on the factors that enable successful partnering. A summary is presented in Part Four, building on previous Norwegian experience (CMI 2002; NHO et. al. 2003). Less well understood are implications for the core governance arrangements and institutional structures of partnering organisations. New models of accountability must be developed, as well as criteria for identifying the context in which using a strategic partnership model is the best programme option.

2.1 Towards a Definition of Partnership

2.1.1 Defining strategic partnership

The Chr. Michelsen Institute defined partnership as “organised and voluntary cooperation between private sector actors, groups in civil society and possibly official institutions who together seek to achieve social goals that can produce benefits for all involved” (2002, 3).¹ The definition was subsequently used as the basis for discussion at the 2003 partnership seminar in Oslo (NHO et. al. 2003).

This study proposes to expand the definition emerging in Norway as follows:

“Strategic partnerships are voluntary and collaborative relationships between State, private sector and civil society organisations in which the participants work together to achieve a common purpose or undertake a specific task, sharing the risks, responsibilities, resources, competencies and benefits while committing to mutual accountability.”²

¹ Author’s translation from the original Norwegian.

² The proposed definition is adapted from a report of the Secretary General, *Enhanced cooperation between the United Nations and all relevant partners, in particular the private sector*. The original text

2.1.2 Towards a definition of strategic partnership

Partnership has been widely used by development actors for several decades. Donor procedures are well documented within the *DAC Guidelines for Harmonising Donor Practices* (2003). Public-private partnerships are also increasingly used to improve the delivery of goods in a variety of fields. However, the definition of “partnership” remains contentious, and there appears to be little clarity or rigor at the operational level. A review of partnership initiatives within the United Nations system found that “some staff use the term in reference to almost any form of interaction between the UN and external actors” (Malena 2004, 2).

In the absence of a universally accepted definition of partnership, and considering the limited experience base in Norway (CMI 2002), the proposed definition draws on a consensus emerging within the United Nations system. The decision to use the United Nations as a source is based on two factors. First, the UN has a unique mandate to establish international norms and to convene governments and, increasingly, non-State actors on issues of global priority. Adapting a UN definition supports the organisation in this role while harmonising Norwegian initiatives within emerging international standards.

Second, partnering has moved to the centre of the United Nations agenda since the Millennium Declaration, which committed the organisation to strengthening partnerships to achieve its goals (UNGA 2000, para. 20). As a result, there is an extensive and well-documented experience base from which to draw:

- Beginning with the Conference on Environment and Development in 1992, United Nations thematic conferences and summits have included a strong emphasis on partnership. The conferences have served to legitimize the participation of non-State actors in multilateral processes;³
- The programmes of United Nations agencies are increasingly built on partnership with non-State actors. Some, such as the UNDP, OCHA, UNICEF and the WHO, have used partnerships for many years and consider it a core practice. The tendency is towards convening rather than doing; and
- “Partnering” is driving debate on global governance, institutional reform and the modalities for effective implementation. As two examples, the United Nations Global Compact was created in 2000 to “bring companies together with UN agencies, labour and civil society to support ten principles in the areas of human rights, labour and the environment”.⁴ The Panel of Eminent

reads “partnerships are commonly defined as voluntary and collaborative relationships between various parties, both state and non-State, in which participants agree to work together to achieve a common purpose or undertake a specific task and to share risks, responsibilities, resources, competencies and benefits” (UNGA 2003, para.9). Malena finds the Secretary General’s definition “seems to have gained some level of official status [within the United Nations system]...” (2004, 3). A variation is used by Zadeck (2003, 3).

³ Over seven hundred NGOs were accredited to the 2002 Johannesburg Summit on Sustainable Development and 35,000 persons attended the Parallel NGO Forum. (UN 2003, 5). The Secretary General reports that 226 partnerships were registered with the summit secretariat as of 31 January 2004 (UN 2004, para.1)

⁴ The mandate of the Global Compact is to “advance responsible corporate citizenship so that business can be part of the solution to the challenges of globalisation. In this way, the private sector – in partnership with other social actors – can help realize the Secretary-General’s vision: a more sustainable and inclusive global economy.” <http://www.unglobalcompact.org/Portal/Default.asp>

Persons on United Nations-Civil Society Relations delivered its report in June 2004, *We the peoples: Civil Society, the United Nations and Global Governance* (UNGA 2004). Its mandate was “to review guidelines and practices regarding civil society relations with the United Nations” (UNGA 2004, 3).

In addition to drawing on emerging Norwegian and international norms, the proposed definition:

- Includes the State as a participating constituency, consistent with Norad’s understanding of strategic partnership;
- Describes some of the values and characteristics that will govern relations within a strategic partnership; and
- Identifies the concept of mutual accountability as a central element of strategic partnership.

Malena concludes that the Secretary General’s original definition has been critiqued for its lack of clarity on the meaning of “collaboration, common purpose and shared risk”. Some prefer to “expand the definition by including the elements of “equity, trust [and] shared values... ” (2004, 3). However, these values are not implicit in the concept of partnership, and can be structured into initiatives as relevant. Accountability is included in light of its importance to governance structures and the legitimacy and effectiveness of partnering initiatives. It is also the basis on which trust and respect can be built.

2.1.3 Four possible spheres of partnering activity

CMI defines three typologies for partnering: *process oriented*, *project oriented* and *product oriented* partnerships (2002, vi). These remain valid for the purpose of this report, although they tend to focus on interactions between civil society and the private sector. Rather than adapting CMI’s partnering typologies, it may be more productive to consider the spheres in which activities could take place. There are four possibilities:

- *Generating the ingenuity and innovation that open new fields of development theory and activity.* Initiatives could include research collaboration between the three constituencies, creating systems for the sharing and management of new knowledge and supporting forums for exchange, such as round tables that survey the framework of emerging issues;
 - *Developing policy, norms and standards, at the national and global levels,* ensuring that emerging norms are translated into legal and institutional frameworks. UN thematic summits and conferences play this role at the global levels, as do processes of consultation on policy development at the national level;
 - *Implementation* of development initiatives; and
 - *Review and monitoring* of results.
-

The four spheres are inter-related and support each other. They may be approached separately or in an integrated sequence. Engaging with partnering will require a decision on which of the four spheres of activity an organisation has interests and a comparative advantage.

3 Working Assumptions

Contemporary world order is increasingly the outcome of multiple, inter-locking patterns of transnational interaction shaped by both state and non-state actors. The interaction between civil society and the United Nations can only be understood within this broader frame of reference.

Fernando Henrique Cardoso (2003, 1)

The forces behind the definition of strategic partnership that shape its emergence can be summarised in *seven core assumptions*. The design of programmes should occur within, and respond to, this larger framework.

Assumption One: Human development is complex, making the process volatile and difficult to predict.

Complexity refers to the dynamics occurring within human-made systems (political, economic and social), and between human systems and those existing in nature (eco-systems).⁵ Processes of human development tend to be *complex* in that they are based on interactions between multiple actors and external variables. Complexity has two principles of particular importance to the development process:

- *Synergy* System components are linked by webs of connectivity, which serve as *causal connections*. A change in one component has the potential to provoke change in other components, as well as the whole. The combined effect of these changes differs from, and can be greater than the sum of their individual effects. The complexity of a system tends to rise with the number of components and causal connections between them; and
- *Nonlinear behaviour* Systems do not evolve in straight, predictable lines. A change in one component can produce effects elsewhere that are not in proportion to the size of the original change. Systems may evolve slowly over time, with only incremental changes and then suddenly exhibit a sharp shift in behaviour as they cross a critical threshold. Nonlinearity has important practical consequences. The future can not easily be predicted on the basis of lessons learned and extrapolations from the past.

An example of *synergistic* and *non-linear* behaviours is the flooding that took place in Bangladesh during July and August, 2004. Annual deluges from monsoon rains and melting snow in the Himalayan Mountains are normal. However, the *synergistic* effect of natural processes combined with human-caused deforestation, soil erosion, population growth, agriculture and urban development multiplied the severity of the flooding many-fold (Globe and Mail, 02 August 2004). Officials did not predict the extent of the flooding, in part as they could not model the interaction between human and natural variables. The same principles can be applied to economies, political systems and social interaction.

⁵ The attributes of complexity used in this study are paraphrased from Homer-Dixon (2000, 101-120) and Van der Hiejden (1998, 1-52).

Assumption Two: Responding to the challenges of complex human development will require new forms of ingenuity and human organisation.

The complexity of human development will tend to increase overtime, as technology raises the density, pace and unpredictability of our interactions with each other and our environment. In response, societies are challenged to invent new forms of:

- *Human organisation* that brings together the resources, competencies and structure of incentives needed to solve the problems of complexity, from across affected constituencies (State, private sector and civil society) and levels (local, national, international and global). Technology favours this process by catalysing a shift away from hierarchies towards horizontally structured networks and web-like arrangements; and
- *Ingenuity*, the ideas, imagination and innovation that societies will need to promote their well-being and solving problems. Ingenuity is required precisely because of the principles of *synergistic* and *non-linear behaviour*: The development challenges of the past will not be the challenges of the future. Ingenuity in the face of complexity, therefore, will be the essential commodity that new forms of human organisation must generate (Homer-Dixon 2000).

Assumption Three: Globalisation is creating political space for new actors and relationships.

Put simply, *globalisation* is an increase in the *casual connections* between human beings, and with our environment. The process creates opportunities for the emergence of new development actors and relationships:

- Globalisation is transforming the role of States and the domains in which they act. The tendency is to devolve power upwards to multilateral bodies, downward through decentralisation or to reduce the scope of activity by privatising State functions. Decisions affecting people's lives are increasingly made outside of government or beyond their direct control and, therefore, outside of traditional electoral politics;
- There is a *democratic deficit* emerging at the international level. The Panel of Eminent Persons on UN-Civil Society Relations reports "while the substance of politics is fast globalising (in the areas of trade, economics, the environment, pandemics, terrorism etc.), the process of politics is not; its principal institutions (elections, political parties and parliaments) remain firmly rooted in at the national level" (2004, 8);
- The power and influence of non-State actors is growing, as shifts in the nature of development and governance open new domains of activity for the private sector and civil society. Cardoso describes this phenomenon as "recent, massive [and] almost universal" (Cardoso 2003, 1). The United Nations reports that one person in five now participates in some sort of civil society organisation (UN 2001, 5);
- Critical issues affecting human development increasingly cut across levels and affect multiple stakeholders, creating "communities of interest" that are not rooted in a particular geographic location or constituency. These communities have the ability to influence public opinion, using information technology to mobilise at the global level as readily as local. Their emergence represents an

expansion of political space through “participatory democracy”, which is distinct from a traditional democratic structure that groups people around electoral systems (UNGA 2004, 8). They have been particularly effective responding to the international democratic deficit; and

- Non-State actors simultaneously shape and work within cosmopolitan international norms, as codified by United Nations instruments and declarations, such as the Millennium Development Goals. Rather than the uncontested will of States, individuals are subject to universally agreed principles, with human rights forming the core that are enforced by transnational institutions. Cosmopolitan norms create a consistent framework for action on development issues across levels and constituencies.

Assumption Four: Strategic partnership is a compact that responds to the challenges of complex development.

The Panel of Eminent Persons on UN-Civil Society Relations found “governments alone can not solve today’s global problems. A wide variety of actors jostle alongside Governments- civil society, corporations, local authorities and parliamentarians-seeking a role in defining priorities and contributing to solutions” (UNGA 2004, para.3). In light of the Panel’s conclusion, partnering has two broad goals:

- Combining the ingenuity, competencies and resources of State, private sector and civil society actors to meet the challenges of complex development; and
- Establishing arrangements for governance and accountability, particularly in light of the growing role and influence of non- State actors.

The potential *synergistic* effect of working together is that partners can accomplish more together than they would on their own. One possible benefit is accelerating innovation. Making the case for working with NGOs, the Harvard Business Review advised its corporate readers “by focusing on the wider effect of companies’ practices rather than on their costs or profits, NGOs ... demand more of an enterprise than it demands of itself. The result can be radical solutions that improve some aspect of society or the environment while also increasing competitiveness” (Yaziji 2004, 113).

Assumption Five: Partnership between State and non-State constituencies will shape core governance arrangements. Accountability will be critical.

The governance and accountability dimensions of strategic partnership will have important long-term implications. These areas receive little attention in the body of literature and case study:

- Partnerships will shape the *core governance arrangements* of organisations that engage them. As an example drawn from the United Nations, the concept of multilateralism is being expanded. It “no longer concerns governments alone but is multifaceted, involving many [non-State] constituencies.” In response, the Panel of Eminent Persons on UN-Civil Society Relations recommended that the UN “must become an outward-looking or networked organisation, catalysing the relationships needed to get strong results and not let the traditions of its formal process be barriers. It must strengthen global governance by advocating universality, inclusion, participation and

accountability” (UNGA 2004, 12). The same forces provoking an emergence of partnership could, therefore, lead to important changes in the United Nations’ governance model and programme structure;

- New governance models will be needed to manage the relationship between partners, and between partnership as a collective and the groups affected by the goods and services they produce. The latter will be important, as intended beneficiaries are often not formally linked into structures for decision-making and accountability;
- Partnership arrangements must be vested with the power and resources to accomplish their task. By extension, the exercise of power and responsibility must be characterised by accountability, particularly when the partnership delivers a public good;
- Accountability has become simultaneously more important and complex. There is a particular tension between the growing role of non-State actors and the weakness of systems of accountability that exist to accommodate these changes (Zadeck 2003; Malena 2003; Cardoso 2003); and
- The emergence of transnational partnerships based within “communities of interest” and engaging public institutions at multiple levels raise important questions about the nature of accountability, the rights and responsibilities of participating actors and the governance structures through which accountability will be achieved.

Assumption Six: Becoming a “partnering” organisation will have implications for public institutions.

Beyond governance arrangements, partnering has the potential to affect public institutions at the following levels:

- The vision and mandate from which an organisations acts;
- Institutional structure and orientation;
- How resources are allocated, supporting the shift in programme orientation and institutional structures; and
- Staffing, recruitment and training, reflecting the need to develop new skills to manage partnership initiatives.

Assumption Seven: Strategic Partnership requires a shift in our mental models

“Human beings and organisations do not act in response to reality but to an internally constructed version of reality” (Van der Heijden 1998, 55). The combination of perception and experience forms our mental model of the world- the framework through which we approach issues and relationships. Partnering will challenge individuals and organisations to suspend existing mental models and create new ones. Openness is required at two levels:

- To new forms of ingenuity (ideas and innovations) from which the responses to complex development issues will be derived. By definition, many new innovations will be counter-intuitive to old ways of approaching issues; and
- To new relationships, particularly between the private sector and civil society where relations have tended to be adversarial.

Regarding the second point, there is controversy on all sides of the partnership issue:

- States tend to be jealous of their sovereign jurisdiction and reluctant to share power with non-State actors. Some Southern governments appear to “challenge the legitimacy and motives of civil society organisations-questioning their representivity, legitimacy, integrity, or accountability. Developing country Governments sometimes regard civil society as pushing a Northern development agenda through the backdoor” (UNGA 2004, 7);
- Many civil society organisations are concerned about *greenwash* and *bluewash*- being co-opted through partnerships into accepting a corporate agenda on environmental and development issues. Some civil society leaders regard other organisations as irresponsible in this regard, becoming fronts for government or business interests; and
- Corporations may feel distracted from the “business of doing business” into social agendas that add little to their financial bottom line. “Business leaders may begrudge intrusions into ethical questions of little direct interest to their shareholders or customers” (UNGA 2004, 16) and fail to see the relationship between promoting a good business environment, sustainable development and poverty reduction.

Collaboration does not mean that a constituency must abandon its core mission or values. However, all are required to suspend their perceptions and biases, accepting that other constituencies are legitimate actors in the development process and recognising their potential roles and competencies.

4 Lessons learned and guidelines

Risks and opportunities in developing and transitional countries have become more complex, volatile and extreme ... overcoming risk, building new basis of legitimacy and taking advantage of latent opportunities are often beyond the reach of individual organisations. Increasingly, the preferred route is to stretch competencies and capacities by linking technical specialisations, networks and the resources of diverse networks

Business Partners for Development (2001)

There is no generic model for strategic partnership. They appear to be effective when responding to specific conditions on the ground. Innovation and flexibility, therefore, are the first design elements. However, a review of partnerships within the United Nations system identified five operational challenges: inclusion; clear definition of objectives and roles; participation and power sharing; accountability and strategic influence (Malena 2003). Other elements emerging from the body of case studies include identifying the right context in which to use a strategic partnership and risk management. There appears to be a broad consensus on these points, including with the nine success factors for partnership identified from the Norwegian experience (NHO et. al. 2003, 12).

4.1.1 Identifying the right context for a strategic partnership

Strategic partnership should only be used where there is a practical rationale and conditions favour the comparative advantages it generates over other methodologies. Two possible scenarios for implementation-oriented partnerships are situations:

- That require the distinctive competencies of the private sector, but where market forces can not be relied on to deliver the good or service in question. Participation of the State and beneficiaries becomes more important as market viability decreases and the cost and benefits become more widely dispersed (BPD 2003, 6); and
- Where all three constituencies have an active interest, but the issue is contentious. Partnerships allow the stakeholders to negotiate solutions, influence policy, manage expectations, risk and potential negative impacts, development markets (private sector) and derive benefits that are enhanced by collaboration rather than confrontation. An example could be environmentally sensitive projects.

A clear list of enabling conditions for choosing strategic partnership does not appear in the body of literature and case study. Further defining these criteria will be an important contribution to existing decision-making and programming tools.

Inclusion

Securing participation from the right actors is the first operational challenge. Experience suggests that success lies in finding the right combination of interests, complementary competencies and incentives:

- *Stakeholder analysis* can be used to identify issues in the programme environment, determine which stakeholders could be engaged, what interests, competencies and resources they bring to the table and what benefits or incentives will sustain their participation;
- Malena stresses *the importance of engaging primary stakeholders*, those with the greatest interest in the issue or activity (2003, 8). Business Partners for Development finds that attention should also be given to indirect stakeholders. “Partnership success often depends on individuals and organisations not directly involved that can bring critical experience and financial leverage...” (2003, 8). The analysis, therefore, should identify useful actors that are present on the boundaries of the activity;
- Clear and transparent criteria are needed to determine who should actually participate in the partnership. Among other factors, experience stresses measures to determine the *legitimacy* of the actors. In the case of civil society, organisations should be representative of primary stakeholder groups. Private Sector actors should be able to demonstrate that their core business practices are based on the principles of corporate social responsibility and/or UN norms as framed in the Global Compact (UNGC 2004, 15-19);
- Organisations can have many competencies. However, partnerships should be based around combining *core and distinct competencies*- the things that an organisation does best- and not secondary competencies; and
- Some case studies argue that the potential for partnership is greatest when stakeholders are receptive to, and knowledgeable of each other. This may play down the potential for partnerships to create new kinds of relationships in conflictual situations. Business Partners for Development concludes “potential benefits are often the greatest where social, economic and political uncertainties have historically constrained cooperation” (2003, 8). Strategic partnership could be particularly effective in post-conflict scenarios, where the objective is not only reconstruction but building reconciliation, confidence, and social capital in fragmented societies.

4.1.2 Clear definition of objectives

- Partnerships are based on “mutual dependence”, in which stakeholders recognise that they need others to accomplish a goal and derive benefits. Case studies stress the importance of *defining common goals and purpose* around which stakeholders can gather. Goals must be explicitly stated, understood and accepted as the baseline for collaboration;
- Business Partners for Development places more emphasis on the *interests* of stakeholders than common goals. It finds that successful partnerships are those that *deliver tangible benefits* against the interests of the individual stakeholders. Those interests should be identified and legitimised within the partnership structure. “If a partnership does not meet these individual aims... it will be difficult to secure a partner’s continued involvement” (2003, 6). The plan of operation, therefore, must be results-focused to create clear and demonstrable benefits against interests;
- Operational plans should set out a *structure of incentives*. Stakeholders should be engaged not only where they have interests and competency, but also where

the structure of incentives is strongest. This serves to enhance performance and commitment. Incentives are usually directly linked to the delivery of benefits;

- Identification of interests and incentives requires bringing new mental models to the process. For example, legitimate business has an interest in peaceful environments and respect for human rights (where operations are not subjected to the risk and expense of violent disruptions) supporting good governance (such as clear regulatory frameworks and legal process for the resolution of disputes), ensuring a healthy and educated workforce (the presence of basic social services) and developing markets through wealth creation. Partnerships can provide an opportunity for business to support sustainable development as part of its core strategy, rather than treating it as an ethical nicety;
- Every partnership must find a balance between creating enough common ground to hold the process together and ensuring enough diversity to allow for inclusion and complementary roles. Partners should formally “establish acceptable parameters of divergence” between their respective values and interests, finding ways to “agree to disagree” when necessary (Malena 2003, 10). They should also value diversity, remembering that it has the potential to generate synergies; and
- Stakeholders should have *clear roles, responsibilities and commitments* within the partnership. These are negotiated, ensuring “that the designated responsibilities of each partner are commensurate with their legitimate rights and appropriate societal roles” (Malena 2003, 11), as well as their competencies. Commitments should be written into contracts or operational plans, be achievable and properly resourced.

4.1.3 Power-sharing

The Panel of Eminent Persons on UN-Civil Society Relations found that “equality among parties is rarely achieved in practice” (2004, para. 69). Partnerships are not implicitly equal and fair. For that matter, it may not be desirable for stakeholders to have an equal say on all things. The degree to which the principle of equality is integrated into governance and operational mechanisms will depend, therefore, on the context. However, the principles of inclusion and broad participation are usually based on power-sharing agreements between the stakeholders:

- *Asymmetries of power* should be acknowledged and managed. This includes identifying the sources of power within the partnership and developing explicit strategies for power-sharing. Strategies may involve formalised rules and innovative formats for enhancing the representation of “weaker” stakeholders (Malena 2003, 10);
- Lack of resources is often an issue limiting the participation of stakeholders, particularly civil society organisations from the South. A strategy for power-sharing will include a transparent mechanism for *resource-sharing* that removes obstacles to stakeholders fulfilling their potential within the partnership; and
- Decision-making rights should be based on the specific contribution, responsibilities and roles of individual stakeholders.

4.1.4 Accountability and transparency

Many of the guidelines and case studies used in this report make no substantive reference to accountability (DFID 2001; USAID 2001; BDP 2003; UNDP 2003; CMI 2002; NHO et al 2003). Accountability, therefore, is an area that requires further consideration:

- Legitimacy is derived not only from the benefits that a process delivers, but also from the extent to which it is seen as accountable and transparent. New forms of partnering make accountability at once more complex and important (Cardoso 2003, 5-6; Zadeck 2003);
- There are at least three levels of accountability in a strategic partnership: i) within the structure of individual stakeholder organisations;⁶ ii) between the stakeholders working together within the structure of the partnership; and iii) between the partnership as a collective and groups in the programme environment that will be affected (positively or negatively; directly or indirectly) by its work;
- Accountability can be contractual or regulatory (eg. for the effective use of resources and quality of work) or mission-driven, accounting to the intended beneficiaries who may have limited influence or power over the partnership (Zadeck 2003, 23);
- Partnerships must be based on a *common understanding of accountability* requirements. Malena suggests developing an accountability map and strategy as part of the operational plan (2003, 11). Key questions include accountable to whom? For what? Through which mechanism or process? Strategy can be developed from the lines of accountability established in the mapping exercise;
- There is a particular need for civil society and the private sector to improve their structures. Real power is being transferred to non-State actors, and with power comes justifiable demands for more accountability and integrity. The Panel of Eminent Persons on UN-Civil Society relations asks “is the power well deserved? Are the most prominent voices truly authoritative? For whom [do those prominent voices] really speak? What are the mechanisms to ensure accountability and [due] diligence?” (UNGA 2004, paras. 16-17).
- Partnership structures should include and enforce strict standards for performance through monitoring, evaluation and reporting, including independent reviews.

4.1.5 Strategic Influence

- Partnerships can maximize their strategic influence by *linking clearly into the policy and governance processes* shaping the programme environment. This includes being explicitly framed within national and global development priorities, such as the Millennium Development Goals. Partnerships disconnected from core agendas and processes will have difficulty securing

⁶ States institutions are ultimately accountable to the electorate. Private companies respond to their stakeholders, regulatory agencies and ultimately to the market place. NGOs are accountable to funders and internal and external stakeholders through their governance structures.

the resource and political support they need. They may also find their impact undermined (Malena 2003, 14-15; BDP 2001, 5);

- Some guidelines stress the importance of an “individual champions” who secure the participation of their stakeholder group (BPD 2003, 7). However, the Global Compact (2004), Business Partners for Development (2003) and Malena (2003) recommend that partnerships be strategically anchored within organisations. “Buy-in” must be institutional to ensure sustained engagement and that representatives have the ability to both negotiate in good faith and fulfil their commitments; and
- Being strategically anchored usually implies an institutional decision at the highest level. The Global Compact leadership model requires a written commitment from the CEO to the Secretary General of the United Nations, made with the approval of the company’s Board of Directors (2004, 7).

4.1.6 Managing Risk

Every programme environment has inherent risk. Operational plans should include a strategy to identify and mitigate their impact. Some sources of risk include:

- *Governance risk*, where governance models have high financial, transaction or opportunity costs, fail to deliver expected benefits to all stakeholders or are inadequate to manage diversity;
- *Reputation risk*, where partners engage with inappropriate activity or have a pre-existing history of failing to respect human rights norms or other minimum standards of behaviour;
- *Reputation risk*, where the partnership breaks down or if the benefits do not meet expectations;
- *Being drawn into an inappropriate role*, such as programming outside of core competencies or making decisions without proper consultation;
- *Potential loss of neutrality*, if this is a pre-existing characteristic of an organisation; and
- *Conflict of interest*, where private involvement in a partnerships creates some unfair downstream advantage from which a partner benefits (BDP 2001; UNGA 2001).

5 Questions for Programme Development

The following programme questions emerge from the working assumptions and the lessons learned:

Programme development

- Are the working assumptions consistent with Norad's experience? How can they be validated? To become operational, should the assumptions be revised or should further assumptions be added?
- What conditions in the programme environment favour the use of strategic partnership over other types of multi-stakeholder process? In which situations should strategic partnership *not* be used?
- What is the strategic rationale of a given partnership? How does it enhance key development objectives? How is a partnership tied into core processes related to those objectives?
- Can programme development guidelines be established from what is known about right actors, legitimacy, structures of interest and incentive, and structures for governance and accountability? What are the remaining gaps in knowledge and best practice?
- Of the four potential spheres of activity are there places where Norway currently has, or could develop, a comparative advantage?
- Are there assets in Norwegian society (knowledge, skill and resources) outside of the traditional development community that could be engaged? Would a mapping of potential actors be useful to programme development?

Norad's role

- What partnering role does Norad intend to play in strategic partnership, if any?
- Does Norad have specific comparative advantages that would add value to partnering initiatives?
- Should Norad be a partner? Is it a convener or broker in the formation of partnerships? Or should Norad identify and support existing conveners?
- Does Norad want to support the transfer of resources and competencies from the North into Southern processes? If so, what are the appropriate roles and conditions?
- Could Norad provide start-up support and ongoing technical assistance?
- Could Norad help build the capacity of partners to enhance the likelihood of success? How can this support be targeted to improve governance and effective programming while addressing asymmetries of power? Do partners from different constituencies have different needs?
- Does Norad have a role in communicating lessons learned and best practices between partnerships?
- Could Norad contribute to innovations in models for accountability within partnership structures?

Institutional considerations

- What new staff skills are needed to become a partnering organisation? How would these requirements figure in training and recruitment processes?
- What relationships are needed: i) within Norad; and ii) between Norad, the MFA and other relevant public agencies, such as Norfund, to support a whole-of-government approach? This question is asked recalling that different departments and agencies will work with different partnering constituencies.

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