Café Conversations

A compendium of essays on the practice and theory of brokering multi-sector partnerships for sustainable development

Partnership Brokers Accreditation Scheme

IBLF

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Forward

This compendium presents twelve very personalised essays on experiences in multi-sector partnerships for sustainable development. The perspective taken is that of a partnership broker or facilitator. The essays describe accounts of two different types of partnership broker:

- **Internal broker** – an individual from an organisation who takes on the role of preparing their organisation for working in multi-sectoral partnerships, negotiating their organisation's involvement in a partnership, or playing a role in maintaining a partnership arrangement or tracking performance; and

- **External broker** – an independent third-party contracted to plan or facilitate consultation or negotiations to develop a partnering arrangement, or to research, maintain, monitor, review or evaluate partnerships over time.

From the perspective of an internal broker for example, Dorine Bosman, a Commercial Manager with Shell Development Australia, writes of a 'shift' from philanthropic partnerships to partnerships driven by more commercial objectives. As such, she identifies the need for a 're-schooling' of line managers in brokering skills, in particular how to broker partnerships early in the development of oil and gas projects as a form of environmental and social risk mitigation. Julie Mundy, a Director of the reproductive health charity Marie Stopes, also takes looks at risk assessment, deconstructing the discipline and repacking it as a tool for facilitating more robust multi-sector alliances.

As an external broker of a politically sensitive public-private water supply partnership sponsored by the UK Department for International Development, Ann Condy highlights the importance of adapting brokering tools to 'fit' the circumstances. One particular ethical issue facing external brokers is how such individuals are to keep a distance from the influence of their funders. This problem is tackled in the essay by Ian Dixon, who runs a firm dedicated to providing external brokering services.

The authors' brief for these essays was either to advance the theory of partnership brokering, or demonstrate innovation in the practice and tools of this new profession. For example, at the theoretical level, Andy Donnelly looks at the mutualistic behaviour of partnerships in terms of Charles Darwin's principles of natural selection, and concludes new ways for brokers to assess partnership performance. In a complementary essay, drawing on experiences working with the Nike Corporation, Maria Bobenrieth offers a set of guiding principles for brokers to overcome problems of a 'vernacular' nature, not least in the meaning of the work 'partnership' itself. More generally, Bernie Ward, formerly of the New Economic Foundation, makes the case for brokers to have in mind, and adapt 'their own', theoretical frameworks and illustrates this with adaptations of Transaction Analysis theory.

At the practical level, Kate Bevin, now with the consultancy firm Environmental Resources Management, presents a framework for developing a strong business case for the private sector to participate in partnership projects; and looking across twenty years of brokering practice, Rafał Serafin, Director of the Polish Environmental Partnership Foundation, illustrates five key lessons on partnership brokering, from the importance of social capital to the short term nature of many successful partnerships.

All the authors in this compendium are accredited members of the ODI/IBLF Partnership Brokers Accreditation Scheme (PBAS). For the most part, these essays reflect experiences accumulated during the three months of mentored professional practice that is integral to the PBAS Scheme. Each essay is therefore highly personal. Many are written in the first person. For example, "Café Conversations", by Trish Hall (from which the title for this compendium is kindly adopted), takes the reader through a four month journey of partnership brokering involving 'large groups'. And finally, in an entertaining account, Akachukwu Nwankpo describes the challenging job of brokering partnerships for sustainable development in the Niger Delta of Nigeria.

We thank all of these authors for their contributions and permission to reproduce the essays, and trust you enjoy reading them as much as we have.

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For more information about the Partnership Brokers Accreditation Scheme (PBAS), please visit our website **www.odi.org.uk/pbas**

For more information about the Professional Partnership Brokers Network (PPBN), please visit the website **www.partnershipbrokers.org**

‘Partnerships’: Strong Language – vernacular or meaning?

Maria E. Bobenrieth
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Summary

Applying the term 'partnership' in describing alliances among several sectors to address social and environmental challenges should be approached with caution. There is a danger that the vernacular of the private sector will make actors there take the word literally and reach conclusions about the structure that may or may not be accurate.

Owing to the precise legal definition of the term 'partnership' and the binding implications, application of the vernacular and structure of strategic alliances (SA) may resonate more in the private sector. Furthermore, the structures within the private sector (distinct forms of mutual business arrangements) may be helpful in thinking about how to be more specific when creating CSPs.

1. Introduction

This paper credits its inception to two factors. The first was the PBAS Logbook, through which I observed a potential 'creeping' weakness in the partnership process in the project I was brokering, the Bulgarian Textile Workers Partnership (BTWP). The project had been born out of a strong personal relationship among several of the 'partners'. When the Nike champion went on maternity leave, the weak institutionalisation of the partnership in the organisation became obvious. Changing this became a critical success factor for the project. Facing this challenge, I wondered how to do this quickly, as deadlines driven by EU funding were making time the most precious resource? My approach was to take key internal stakeholders through a number of presentations, explaining the 'partnership' and requesting the resources (people, time, money) the project would require from them. Some of this had been done prior to the request for EU funding and to the maternity leave of our CR champion. However, owing to the fluid nature of the private sector, changes in personnel and in organisational structure had created a small but significant vacuum in the internal landscape. All concerned remained (or became) very excited about the project in principle, but when I requested resources, the questions became much more direct, specific, and detailed; I sensed a resistance. This led me to examine the difficulties in institutionalising the project. I noticed that one issue which consistently surfaced was that of using the word 'partnership'. There was in evidence hesitancy, or a cautionary tone, first on the part of the legal department and then on the part of the leadership team. Then I pressed them on the 'buy-in' of the concept using more the vernacular of business – and got positive responses. I found this puzzling and made a few changes in the presentation: moving away from the language of development and more towards the language of the private sector. Although I am not able to quantify the results, my intuition is that these changes made a difference to the internal acceptance of the project and to the understanding of the request for resources in the context of other opportunity costs. Simply put, the line mangers better understood why this project was aligned with the business strategy and why it should get priority over other projects.

The second factor that contributed to further evolving my thoughts on this matter was a conversation with a colleague. As I pondered the above dilemma, I decided to ask a colleague not involved in the project about what I was experiencing. She immediately reminded me that in the private sector the term 'partnership' has very strong and specific legal implications, literally linking one firm's obligation to legally binding commitments on the part of the partner and vice-versa. As I went on to describe what we were trying to achieve, she immediately told met that in the vernacular of the private sector, it would be much more appropriate to call the project a strategic alliance (SA).

Accordingly, I began an informal, and now more formal, exploration of this question, becoming curious as to whether it was endemic to Nike or whether it was an issue in other private sector organisations as well. Was this a matter of translation for each sector? Could other sectors (NGOs and government) take the generic language of development and make it understandable for their organisations? Or, as part of the evolution of the language of CSPs, could or should there be an expansion of the current language and definitions?

In this paper I will attempt:

1. To explore how the word ‘partnership’ may be a hindrance to the institutionalisation of Cross (or Multi) Sector Partnerships (CSPs) in the private sector. Is this an issue of vernacular or of actual meaning?

2. By comparing and contrasting essential elements of success of traditional models of private sector strategic alliances (SAs) and CSPs, to highlight learnings that might help evolve CPSs

3. To relate these concepts and questions to my brokering experience within the Bulgarian Textile Workers Partnership (BTWP) and to draw some conclusions as to what may be helpful in the institutionalisation of CSPs in the private sector in general.

2. Definitions

2.1 The Private Sector

Although in recent years there has been a broadening (perhaps overuse) of the word ‘partnership’ to describe less formal contractual relationships, it retains a significant legal and binding specificity, as mentioned. This is particularly true when the relationship is one among unknown actors (as opposed to, for example, among supply chain partners moving from a subservient relationship to more of a strategic one).

More specifically there are several types of ‘partnership alliances’ that the private sector creates, the more common ones include (Doz and Hamel, 1998):

1. Strategic Alliance: A focused coming together of business entities to share knowledge, markets and profits.

2. Joint Ventures (JV): Formalised alliances uniting two or more separate organisations which create a new and separate business entity. A JV allocates ownership to each member, while preserving separate identity and autonomy. JVs are staffed by a separate management team.

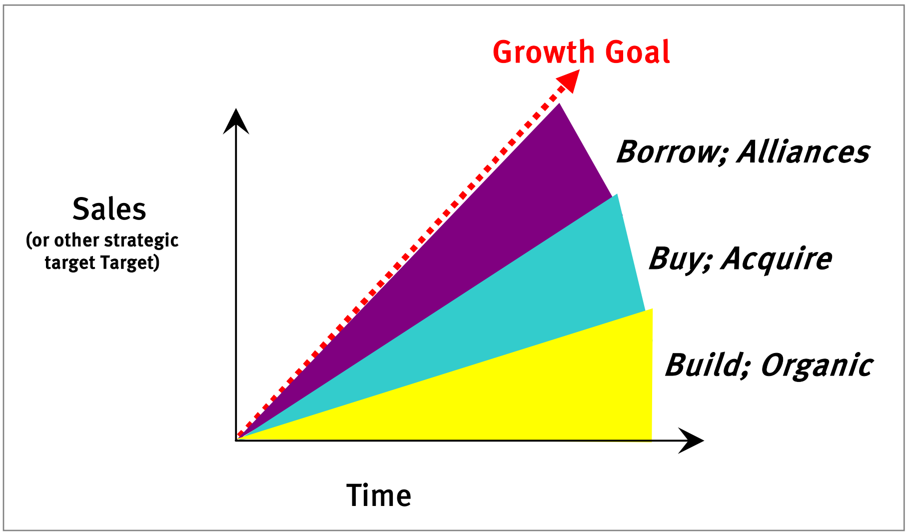
3. Equity Partnerships: These have all of the characteristics of a SA, generally with equity stakes with options for additional stock purchases.

2.2 Private Sector Drivers of SAs

‘Strategic alliance’ describes the relationship between two (or more) business entities where complementary strengths create more value for the customers than is derived independently (Doz and Hamel, 1998). In the private sector, SAs at their best are ‘means’, or mechanisms to achieve a strategic result, not ‘ends’ in and of themselves. Because SAs in the private sector are vehicles for accomplishing key corporate strategic objectives, if the objectives are tactical, the private sector will generally subcontract (buy) or internally develop (build) what is needed. In effective SAs, the differences between the companies must be additive; the objective could not be effectively achieved without the other party (parties). Although shifting in focus, the private sector in general still prefers organic growth, largely because of the capacity within this for control and command. However, globalisation (and the backlash it has created) has created the need for the private sector to seek more innovative and complex arrangements for achieving growth targets. This includes the need to seek both intra-sectoral alliances as well as multi-sectoral alliances (Sagawa and Segal, 2000).

The diagram highlights (in a simple way) the way in which the private sector achieves growth targets. For the purposes of this paper, we can assume that in this framework, ‘growth’ includes the need to engage with external stakeholders (CSPs) in achieving strategic aims. Driven by several internal and external factors, leaders in the private sector work out the precise formulae to calculate what percentage of each form of growth is best suited for their particular organisation. Each form has its advantages and disadvantages, but one can see from the diagram that 'time' (speed to market) is a very important factor. The information age will likely magnify this driver in the future.

Figure 1. How the Private Sector Achieves Growth Targets



Because 'partnerships' are one form of 'borrow; alliances', I believe the word in its use within the private sector is limiting: not accurately able to describe the new ventures for development we currently call CSPs. Moreover, the language of 'alliances for progress' resonates and aligns better with the frameworks, vernacular and meaning in the private sector.

2.3 Elements of Success

If we accept the premise that alliances are more relevant in translating the work of development into the private sector, we can now move beyond the vernacular and compare alliances and CSPs.

A shift in paradigm within the private sector is evolving, moving from looking at SAs as a necessary challenge towards viewing them as opportunities for achieving fast and efficient growth (allowing organisations to expand upon their core competencies). This has created an almost 'frenzy' of non-traditional alliances, including some between competitors and traditional adversaries.

Based and built on other literature (see bibliography) and the ASAP Alliance Workbook (Association of Alliance Professionals website), regardless of the alliance structure and the specific industry, we see that successful SAs share common essential characteristics:

1. Significant, clear and critical driving forces
2. Strategic synergy and alignment
3. Aligned cultures
4. Apportioned risks and rewards
5. Significant growth opportunities
6. A sharp focus
7. Commitment and support
8. Mutually vested interests and reciprocal relationships
9. Evergreening contracts with renewal and repositioning options
10. A collaborative management style

Several Nike general managers were canvassed regarding SAs; these

a. Agreed in general with the list above regarding the critical success factors.

b. Cited the following potential rewards that might entice Nike to enter into some type of business alliance or joint venture:

   - Shortening of the learning curve: building knowledge to expand into key markets, developing new products and improving productivity

   - Enhancing company credibility: key alliances can improve credibility in specific markets or niches

   - Creating new profit channels: expanding sales and distribution channels at low risk or cost

   - Building competitor barriers: erecting an impenetrable wall that keeps competitors out and protects profit margins

Having compiled and confirmed these lists ('Elements of Success' and 'Drivers for Nike') with the same group, every general manager also acknowledged that the company was shifting from a more conservative point of view – looking at alliances as a 'last and least' preferred alternative (versus organic growth) – to one which looked at these collaborative structures as opportunities for value creation. When pressed further, they also agreed (in varying degrees) that this shifting paradigm of alliances within the private sector could create an opening for the development model (within the context of corporate responsibility) to be seen as a viable pillar of growth. However, they emphasised that this would be possible only as long as the arrangement delivered on a strategic, economic or operational scope of value creation for the company. Moreover, they said that this would have to be specifically articulated and measured by key performance indicators (KPIs).

This seemed to me reasonable; I felt like I was making some progress on my theory that there was a disconnection in the language. However, the Nike conversations led me to reflect again as to whether this was all a matter of vernacular and translation or whether there was a different meaning as regarded what they were saying and my understanding of CSPs. Was it about a more robust business case – translation – or again, could the entire development partnership paradigm benefit from an examination of language and definitions? Unfortunately, owing to time factors, I was unable to test this theory in the BTWP; I plan to continue to explore this subject by applying it in future projects.

3. Cross-Sector Partnerships

Partnerships as a development paradigm, a concept described in *The Guiding Hand* (Tennyson and Wilde, 2000: 12) is defined as:

> 'An alliance between organizations from two or more sectors that commit themselves to working together to undertake a sustainable development project. Such a partnership undertakes to share risks and benefits, review the relationship regularly and revise the partnership as necessary.'

Here, Tennyson and Wilde acknowledge the perils in the overuse or misuse of the word partnership, showing that actors often in different sectors use it to describe financial arrangements, creative engagement, or very informal associations. Moreover, they deem the critical success factors for CSPs in development to be to (Tennyson and Wilde, 2000: 14):

- Uphold principles of openness and equity

- Share risks and benefits

- Adapt well to change
- Work towards empowerment

3.1 Vernacular or Meaning

Through these distinct definitions, one can arrive at the conclusion that there is a chasm of sorts between the term ‘partnership’ in development CSPs and the private sector’s version of SAs. Almost everything I have written thus far leads one to believe that there is a real difference in meaning (beyond the vernacular) in the use and application of the word ‘partnership’, both between the sectors and in the coming together of sectors. My conclusion is that the private sector definition describes a very specific formal agreement (as defined earlier); in the development paradigm (CSPs), the definition is based on a less distinct arrangement linked to a project or process.

So, does this matter? And if so, why does it matter and to whom? In this paper, I argue that (in my experience) it can have an effect on the level of acceptance and institutionalisation of CSPs within the private sector. An example linked to my brokering project for PBAS shows this. Like many development initiatives in the private sector, the BTWP was ‘sold’ internally in large part through the personal influencing skills and relationships of the CR champion. However, as I, an external broker, attempted to follow up with more specific details and requests for resources, the confusion in vernacular and meaning became obvious. As I reflect specifically on the BTWP and my brokering experience I ask myself more questions:

- Would my experience of institutionalising the partnership (into the business – outside of the CR function) have been different had I considered this question earlier?
- How would my language have changed (in vernacular and meaning) and could I have found a mutual language easily understood within and outside the partnership?
- What specific models and references to SAs might have helped me?

3.2 Comparison – Strategic Alliances and CSPs

It is important now to ask whether, if we can shift our language towards the private sector’s understanding of SAs (even in development terms), we will be closer to alignment in meaning (beyond the vernacular). I would like here to look at some of the points of intersection between my understanding of these two models. A good starting point would be to compare the two sets of ‘success factors’ (*Figure 2*):

Figure 2.

	CSP	SA
Success Factor	1. Uphold principles of openness and equity 2. Share risks and benefits 3. Adapt well to change 4. Work towards empowerment	1. Significant, clear and critical driving forces 2. Strategic synergy and alignment 3. Aligned cultures 4. Apportioned risks and rewards 5. Significant growth opportunities 6. A sharp focus 7. Commitment and support 8. Mutually vested interests and reciprocal relationships 9. Evergreening contracts with renewal and repositioning options 10. A collaborative management style

Is it possible to garner deeper connections between these two types of arrangements – one referring to the intra-sectoral and the other to the inter-sectoral?

My experience in the BTWP leads me to believe that there is indeed a wide connection, one that is not apparent at first glance. In the case of this particular initiative, the complexity made the project much more effective as well as much more difficult to broker. Specifically, there needed to be several intra-sectoral alliances that needed to happen for the 'partnership' to be effective. The 'brands' had to create an industry voice, the trade unions also had to be unified, and the government partners had at the very least to be on block of votes. This was identified early on; I now believe that the process could have been facilitated by more precise language, more easily understood by each set of intra-sector alliances. As there were competitors involved (e.g. Adidas for Nike), this was particularly important in the private sector.

4. An Expanded Model – SAs and CSPs

Using the private sector as an example, I here illustrate what I believe could have helped in institutionalising this alliance. By creating a language and meaning that can be more easily understood, I will attempt to address both vernacular and meaning, i.e. creating a hybrid model. As a starting point, if one holds the CSP 'success factors' as 'guiding principles' and demands more specificity of development alliances, then with some adjustment to the vernacular of the private sector one could look at an amalgam-morphed model like this:

Guiding Principles:

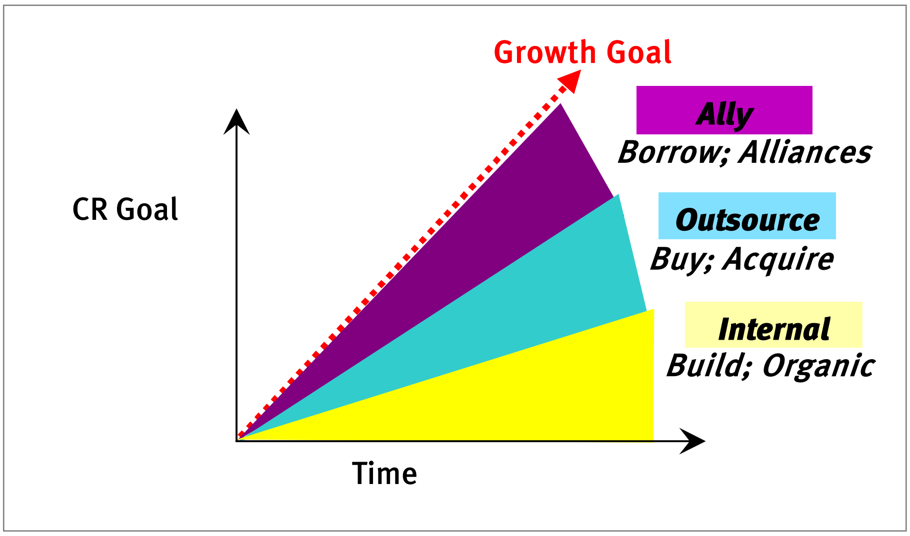
- Uphold principles of openness and equity
- Share risks and benefits
- Adapt well to change
- Work towards empowerment

1. Significant, clear and critical driving forces		**1.** Enlightened self interests
2. Strategic synergy and alignment		**2.** Complementary strategic drivers and mutually vested interests and reciprocal relationships
3. Aligned cultures		**3.** Aligned organisational cultures
4. Apportioned risks and rewards		**4.** Shared risks and benefits
5. Significant growth opportunities	**EXPAND & EVOLVE**	**5.** Significant growth and learning opportunities
6. A sharp focus		**6.** Focused and results oriented
7. Commitment		**7.** Committed and institutionalised
8. Mutually vested interests and reciprocal relationships		**8.** (see number 2)
9. Evergreening contracts with renewal and repositioning options		**9.** Evolving
10. A collaborative management style		**10.** A complementary management style

A great deal could be written about each of these specific factors. For now, let me just point out in more general terms that the evolved language crosses the vernacular of both the private sector and development worlds. Because this is anchored in the framework and language of the private sector, it will likely need further alteration when more sectors are added (e.g. NGOs and government). However, within this private sector context there is emerging an alignment of meaning, as the guiding principles support the success factors and vice-versa.

It is possible to expand the private sector's 'growth' model (described earlier) to include the development model. By taking a simple concept and looking at 'growth' as the ultimate goal of business, one can start to position the ways in which multi-sector alliances (MSAs) could play an additive and complementary role within the language of business.

Figure 3.



By adapting this model I am attempting to show how one could position MSAs for progress in a context that makes immediate sense to the private sector. This can be easily understood in the language and context of 'build, buy, or borrow', creating a framework where business drivers actually build the case for MSAs. This model could be expanded for the other sectors as well. For example, in the case of government, 'build' might be nationalisation, 'buy' might be privatisation, and 'borrow' is (as in the private sector) about 'allying' or creating alliances.

5. Conclusions

Although I am not able to put into direct practice my theories about the language of 'partnerships', I believe that this has thrown up an interesting and perhaps important question. The word 'partnership' (or the lack of a more precise definition of a partnership arrangement) may well have been a hindrance to the institutionalisation of BTWP. In the context of the private sector, a more appropriate term, instead of 'partnership' is strategic alliance. Moreover, beyond the vernacular, there is a difference in meaning between the two. In fact, I believe that the private sector's model and use of strategic alliances could, by creating more specific models of 'partnerships', help CPSs to evolve. By comparing and contrasting the essential elements of success for the models of traditional private sector business strategic alliances (SAs) and CSPs, I have come to the conclusion that a new 'hybrid' language and meaning is needed. In my brokering experience within the Bulgarian Textile Workers Partnership (BTWP), this hybrid language could be helpful in the institutionalisation of CSPs in the private sector beyond Nike. Moreover, it may also contribute to the effectiveness of CSPs in general.

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This paper is based on many conversations, ideas borrowed from a variety of lectures and documents from the PBAS residential, CPI, Nike and other places. It is impossible to credit all appropriate sources. However, some of the work can be credited to the ideas and concepts within this bibliography.

Engaging Project Managers in a Multi-Sector Partnership:

trends in the extractive industry and how these impact brokering activities

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Summary

In the extractive industries where investments are large, the drivers for partnerships are moving from purely philanthropic to those driven by compliance or commercial objectives.

These partnerships then will more directly influence the design, construction and operation of the investment projects.

This in turn will result in project and line managers having to become more intimately involved in multi-sector partnerships.

Given these developments, it will be important for a partnership broker (as well as the non-industry partners) to understand and work with the objectives, drivers and behaviors of project managers. It will be equally important for the project managers to understand the re-tooling necessary to equip themselves for a successful running of these partnerships.

1. Introduction

The basis for this paper was formed in four parts. Step one was a realization while working on a new project in a new country. The project, like many energy projects, has to balance the industry and customer needs of providing energy in an efficient manner with the needs of the environment and communities surrounding the operations.

My role in the project is not directly related to either environmental management or community affairs, yet by understanding the impact these areas will have on design, construction and operations of the project, I became a key stakeholder. I needed to understand both the intricacies of environmental management and community relations, relationships with the outside world, as well as the linkages to the other parts of the organization. This realization led me to step two: I signed up for PBAS.

During the PBAS training week, it took me a while to find my place. The other participants came from the world of partnerships: business units, government departments, environmental experts, and not-for-profit members all with a focus and day-to-day experience of building and working in partnerships with each other. Where could I add value to the discussions? With my background in technical and commercial (i.e. contractual) work, I realized parallels existed in the area of partnership negotiations. These are interest-based negotiations in which all parties will safeguard their own needs as well as cater for success of the partnership. It will define ways of working together as a team with each party fulfilling a designated role. This sounded a lot like the joint venture negotiations and operations of those contracts I had been involved in. This realization helped me understand that regardless of our role in a project, we all have a part to play in multi-sector partnerships, we all have skills to apply, and we all have brokering roles to fulfill.

So, what was my role, and how could I fulfill it best?

The project I worked on really needed to start off trying to understand whether multi-sector partnerships were a solution to the success of the venture. My dilemma was two-fold: first of all, my company did not do the work, one of our other joint venture partners is the operator of this project. Secondly, I am not an expert in environmental or community affairs. Yet I understood that we as a joint venture needed to address these options. I could clearly see the potential impact partnerships could have in securing the project outcomes we all were aiming for. Influencing skills would become very important. The question was: what would be the best “hook” to sell these ideas, broker the start of partnership merits assessment, and then – whom should I sell these ideas to?

The other item PBAS provided me during the many discussions and presentations we enjoyed, was the understanding that there were many projects with parallels to mine, especially in the extractive industries. Some good contacts and initial friendships were seeded.

Step three was to put all the learning and initial ideas into practice. Setting up a game-plan, involving the experts within my company, both in functional capacity as well as those directly tied to the project was key in two ways. First of all it made me think in a very structured way about how to tackle the issues, and secondly, this PBAS practical practice component gave me the right excuse to become involved. Getting this hands on experience and hearing more stories of others brought some key messages home to me.

As step four in my learning journey of brokering the idea of a partnership, this document tries to assemble the messages learned and ideas tested in the area of seeding the ideas of a partnership with the right people at the right time. Who would need to be involved in a partnership? How could one motivate future sponsors and owners of a partnership? What would ensure its success? These questions formed the start of discussions I undertook with some experienced hands in the area of community involvement and partnership building in the extractive industry. These discussions helped me shape the ideas outlined below.

2. Movement of Partnerships

As experienced around the world, public opinion has shifted from an “I trust you” to a “tell me” to a “show me” to an “involve me” interaction model when dealing with big business. This can be interpreted in two ways. Firstly, trust in big business has deteriorated, and business has to clearly demonstrate its best intentions, and effects of its operations. More positively however, one can interpret this movement also as the desire of the community to be part of a sustainable future where economic prosperity can co-exist with environmental and social stewardship.

As discussed in the ODI/IBLF reading materials, different type of partnerships exists as well as different drivers for partnerships. From a business perspective, the drivers can be:

- Philanthropic – corporate giving programs aimed at raising reputation levels;
- Compliance – driven by conditions from the regulator;
- Commercial – aiming to reduce risk, reduce costs or increase market share.

It appears to me that the business view of partnerships has evolved from a purely philanthropic angle to one including compliance and more and more realizing that a commercial benefit can be gained from sustainable, multi-sector partnerships. The realization that objectives of business, government and community can be aligned must have evolved through the building of experience and trust in setting up and running these types of partnerships. An underlying current perhaps also is the wider societal expectations on corporate responsibility filtering through behaviors of the people working in these industries.

Especially in the business sector of the extractive industries, where projects are often of a massive scale with both an environmental and a social impact, the changing – and more international – community dialogue brought about by an “involve me” worldview has resulted in a movement into compliance and commercial oriented partnerships.

Regulators now require involvement in the detailed planning of a company’s development and operations. Conditions to regulatory approval reflecting impacts on environment and social structures are very common, as is the opportunity for the community to review, comment upon and demand influence on a company’s planned investments.

These movements then have resulted in partnerships tied to specific projects investments and / or operations.

3. Tying Partnerships to Projects

Environmental and Social Impact Studies, Review and Management Plans, and the like are now all standard fare in the licensing and approvals process. These processes more often than not involve public comment periods, appeals procedures and culminate in a license given by government that includes a list of conditions to be met.

The conditions imposed by the regulator will impact the design, construction or operations philosophy of the project. Examples include:

- Minimum requirements for use of domestic labor or industries in contracting and procurement;
- Relocation of plant sites to minimize environmental impact;
- Rehabilitation requirements upon termination of operations;
- Investment to off-set the impact of the project (i.e. invest in a conservation benefits program, trade training and schooling).

These conditions imposed by the regulator will then likely form the basis of compliance-based partnerships discussed in the previous chapter.

In parallel, the "involve me" culture of the world, the internationalization of world community action, has introduced a large risk component to the construction of new projects. Projects themselves are a target, not the company as a whole. Examples here are:

- Environmental protest during operations;
- Environmental protest during construction or design;
- Union action or Local community action to include local labor;
- Local community demands for developmental programs.

These movements have resulted in a realization from the industry that upfront involvement and dialogue on project design, construction and operation planning minimizes the risk of action during the activities.

It also implies that the project and operations management teams will need to be intimately involved in the approvals process and the dialogue with the regulator on the options, do-ability and consequences of imposed conditions for approval. Furthermore, a dialogue with community and social and environmental representatives needs to take place not "only" by community affairs specialists, but also with the local management teams.

4. Retooling the Business Support Model for Partnerships

From the limited interaction I had with representatives from the Australian extractive industries, I find that corporate or regional programs are run by external affairs groups focused on raising the reputation of the company. Programs aim to find a "hook" into the company's business or location. An example here would be research into the effects of global warming on marine life, the planting of trees, wetland restoration programs, research in tropical diseases, reducing literacy. These programs deliver on two fronts: it raises reputation with the general public and "neighboring interest groups" and it also raises the sustainable responsibility profile with the employees of the company as their involvement is often encouraged.

Ongoing operations at (remote) established locations tend to engage in local partnerships. Programs are often selected by the plant management in dialogue with a local community representative group. Partnerships therefore tend to focus on local needs. Examples I encountered were a youth safe driving campaign, building of a community center, increasing living conditions. These programs tend to look for hooks into the business as well: for instance the driving campaign could be linked to the increased road usage by the company; or increasing amenities in the area could entice employees to relocate near the plant site.

Migrating from philanthropic to compliance or commercial partnerships will require a change in organizational support model. Line management will need to "own" these activities as integral part of the project. Moving from sponsorships run by external affairs to partnerships with a large project or line management involvement will require re-schooling of many people in the business. Line management will need to be more intimately involved in the interaction with regulators as well as representatives from the communities or environmental focus groups.

Within the project management teams, a clear understanding will have to be generated to the added value generated by partnerships with government, universities, community or ngo representatives. Perhaps more important will be to create an awareness and understanding of the different objectives of the other partners and how as business partner one can best interact.

Sufficient time will have to be set aside determining where such interaction could add value or mitigate project risk – however defined.

Subsequently, and action plan and responsible parties within the team will have to be established, setting up partnerships where warranted, running the partnerships, and creating processes to integrate these partnerships and the outcomes thereof into the design, construction or operational philosophy of the project. In other words, an awareness and appropriate working knowledge of the complete cycle of the partnering process will need to be brought into the skills set of line management.

Fortunately, there are logical interaction areas within the organization that could cater for a natural migration of the ownership of partnerships. For example:

> Local or national community development requirements can integrate into partnerships focused on increasing local capacity and becoming competitive in bidding as a supplier to the project, increasing local capacity as labor resource during construction or operations. These programs can be driven by requirements by the regulator, or a genuine need by the project (e.g. in the case of labor shortage in West Australia).
>
> Environmental guidelines requiring research into the habitat and impact of operations or development, adjusting the concept or design to minimize impact, develop and select containment strategies, or the continued monitoring of environmental impact during operations.
>
> In addition, management of ongoing operations will have had at least a peripheral involvement in philanthropic partnerships.

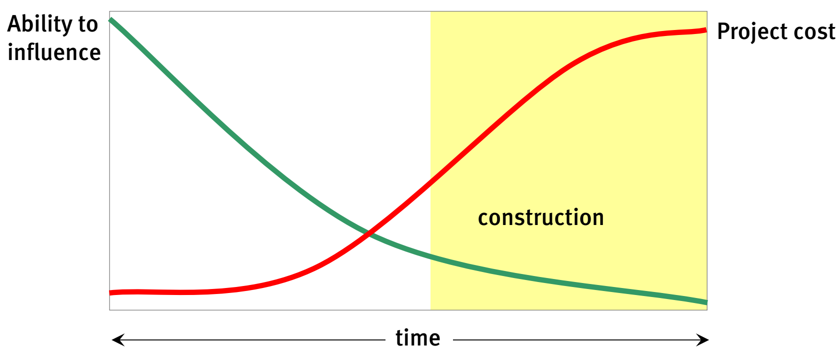
The experiences within parts of the company and the natural links into project success will likely form an entry point to successfully sell or broker partnerships within the project community. Existing specialists in partnership brokering or running a partnership within a company will continue to play a vital role in providing "functional" expertise.

5. Seeding Partnership Ideas in this New World

It will be important as a broker of partnerships to understand the shifts discussed above. It will also be important to understand the world-view, speak, and drivers of project management.

As private business is driven by economic returns on investments, the management of projects will focus on generating a design that is cost effective (both in construction as in operations and maintenance). When a commitment to an investment is made, the successful construction thereof will be measured in terms of keeping the cost at or below plan, keeping the schedule so that operations (i.e. revenues) can start as planned, and delivering the quality of the product as planned to keep the projected level of revenues.

Looking at the cost profile of a project, it becomes clear that a project management team will be more amenable to changing the design of a project prior to construction than during construction. Similarly, the costs of delays will be less painful before the construction crews and equipment are mobilized.



A project team will undertake careful risk analyses to assess the risks and opportunities influencing a successful outcome of the project. This assessment will be reflecting risks and opportunities from all angles, such as technical, economic, environmental, commercial, organizational, political; and will try to quantify their impact on costs, schedule and quality of the outcome. Risks are then categorized according to likelihood of occurrence, and the level of impact they will have. An assessment will be made on the ability to lower the risk (or increase the opportunity), and the preferred method to deal with the risk (prevent or lower the likelihood from happening by doing X, or treat results when risk does materialize by doing Y), and assign owners within the team to address the risk management plan.

Given this focus of a project team, it will in my mind make good sense as a broker to understand the project risk assessment, and to contribute to the identification of risks and opportunities. It will then be easier to prioritize activities, programs or partnerships that can truly impact the outcome of the project, and it will become much easier to sell these proposals in terms of risk mitigation or opportunity generation, and to justify the associated costs (be it money, time or resources). In this manner, partnerships will move from being regarded as (purely) philanthropic to those addressing compliance or commercial objectives, aligned with the project.

Good parallels can be drawn with the increased focus on safety that has become mainstream in the (extractive) industry. It may have started as a compliance driven activity, but soon companies realized that the focus on safety increased project and operational effectiveness: less reputation, time and money was lost preventing an accident than having to deal with the consequences. It provided even a positive focus instead of purely preventing a negative outcome.

The same will hold true in my mind for partnerships that aim for sustainable development. Risk mitigation will be a first step in ingraining sustainable outcomes directly to project success. This can first be accommodated by responding to compliance requirements by the regulator. Trends I have recently come across include:

- Requirement to install community reference groups and the requirement to provide the views and recommendations of these groups in the investment proposals or social/environmental impact assessment submittals to government;

- Stricter conditions on permit approvals requiring more research in the impact of operations;

- Requirements from government to achieve a target of local content – e.g. in value of work contracted out.

These imposed conditions will form the first steps in providing exposure of project management to the running of partnerships, and to experience their results. Good and bad days will follow, and it will be up to the broker to understand the best ways to move these partnerships ahead.

Already in some companies, contracting and procurement departments have formalized guidelines to address incorporating local bidders in the contracting selection and award procedures. This could be built out further to integrate resource strategies into partnerships focusing on training and enhancing local capabilities; or include research and council to advice on environmental monitoring and reaction planning.

Understanding who in the project team is involved in these activities and what their deliverables and objectives are (e.g. using the risk register) will be important for the partnership broker.

Given the inherent strengths of project teams, once the decision has been made to incorporate these programs or partnerships into the deliverables of the project, I believe the implementation will be relatively easy to accommodate. One will have to realize however, that the project team will need to deliver on the plan, and that changes are easier accommodated early in the project-planning phase.

Partner selection will need to be taken carefully, as the alignment of objectives between the partners will likely have an added dimension through the time drivers of the investment project.

Similarly, the initiation of partnerships will have to be done well in advance to constructively contribute to the project. This will put some pressure on both the company, by assessing the project risks and partnering opportunities early enough - as well as the broker and potential partners, by understanding what is achievable in the available time.

Though this shift in partnership ownership will result in growing pains, new challenges and frustration for all partners, I believe that putting a partnership as close to the “coal-face” as possible will result in more tangible results. Direct dialogue between project decision makers and government and community representatives will create a better understanding of each others objectives, and a more effective implementation of the generated program proposals.

The functional expertise of internal brokers, or traditional business representatives in the partnerships (community affairs or environmental specialists), will remain critical. Companies will continue to participate in a portfolio of partnerships, aimed at general improvement of reputation, or good neighbor practices. The addition of project driven partnership will shift the ownership of these partnership to line management. Equipping the project managers with the right tools, understanding and behavior will continue to be an area for specialists and brokers involvement.

External Brokers and Coaching Tools:

understanding and equalising power in partnership relationships

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Contents

1. Introduction

Case studies, training courses and articles exist outlining the essential ingredients, structures and systems for brokering successful partnerships; PBAS has also placed considerable importance on the skills of the broker and their ability to navigate complex partnering waters. The World Bank's Partners for Development Programme *The Partnering Toolbox*[1] includes a training module on Consultation and Communication that provides information on how to structure communication; and the International Business Leaders Forum's *The Partnering Toolbook*[2] has an array of useful tools from assessing partner coherence through to guidelines for partnering conversations. Yet, despite the availability of much information on communication, I found that many of my most challenging experiences in a partnership's development related to *people and how they relate to one another* and the solutions I needed impacted on *power*.

Over the years, as I practised the art of brokering partnerships, I had noticed certain patterns of behaviour repeating themselves. Behaviour similar to the initial stages of the partnership in *The New Broker*,[3] when Maria, the local NGO representative says 'The communities in the district expect to get five permanent health centres.' There seemed to be an imbalance between personal responsibility by partners to deliver to their side of the 'deal' and the expectations of those partners to be 'provided to'. Looking more closely, in each situation it was either a local NGO or residents' organisation that was providing the partnership with some of its greatest challenges.

After exploring what I thought might be root causes to this behaviour, I consulted with colleagues with expertise in facilitation, action research and coaching, to find tools and techniques we could use to help move the partners into more effective modes of communication. We knew they would not hold all the answers we were looking for, since they were designed predominantly for different contexts, however they have helped to shed some light on the partnering challenges we were facing.

Drawing on these experiences, in this paper I will:

1. Explore some of the issues an external broker needs to be aware of in relation to power, and how this might make partners unhealthily dependent on them
2. Suggest a few techniques to help a broker notice that others in a partnership are becoming unhealthily dependent on the broker
3. Outline some practical steps to help an external broker to re-define their relationships with partners in a healthier way.

2. Power and the External Partnership Broker

Why is it that brokers can find themselves on the receiving end of challenging behaviour; and what do they do that might even be inviting such behaviour?

The Broker's Power

Leading psychologist James Hillman lists many forms of power relating to both the role of a person (such as their position, access to information, perceived 'expertise', control of resources) as well as the personal characteristics of a person (charisma, persuasion, authority).[4] *The Guiding Hand*[5] confirms that brokers have power arising from such sources, for example pioneers can have 'too much opportunity for unilateral decision making'; and animators may have authority vested in them by the initiating organisation. Also, where an initiating organisation is also a funding agency, a broker gains an additional source of power: he/she may be viewed as a conduit for the funder. The broker therefore needs to be aware of the many sources of power that are vested in them in order to be able to use this power wisely.

Partners' (Lack of) Power

Meanwhile, groups that are to be on the receiving end of the social development outcomes of partnerships are often systemically and historically lacking in power. So it is not surprising that often their behaviour is not one of an equal partner at the negotiating table of a partnership; or that they might use behaviour that partnerships find challenging.

For example in my work over the last 6 years, I have repeatedly experienced two manifestations of groups behaving in a way that is particularly challenging to a broker. Firstly where the partner needed constant motivating and support from the broker, thus making it difficult for the broker to move towards an exit strategy in line with PBAS principle 8.[6] I have called this a *dependency culture* for the purposes of this paper. Secondly when the partner constantly, and incorrectly, accused the broker or other partners of letting them down, often stopping the partnership from ever getting started at all. I have called this a *blame culture* for the purposes of this paper.

A broker can draw upon a wide range of theoretical frameworks to understand, interpret and develop strategies to deal with such challenging behaviour. For example Paolo Freire's 'Four Levels of Consciousness' (magic awareness, naïve awareness, critical awareness and fanatic awareness) suggest the different stages of awareness groups might have to their own situations; and predicts the likely behaviour of the group and what might be appropriate ways for working with such groups.[7] Meanwhile Robert Chambers' work on power states that the development professional's reality often overrides the people they are developing, and asks the question 'whose reality counts?' as the first step in guiding the development professional's responses to a situation.[8]

The choice of which framework to use is often up to the broker and dependent on their culture, context and to some extent personal preference; although other partners may set this framework. At the New Economics Foundation (NEF), with our context of disadvantaged communities in the UK, one approach we have found useful is to use tools drawn from psychology and therapy to assist us in interpreting and responding to the challenging behaviour of some of our partners. This then allows us to move into an enabling and coaching mode in our relationships with them.

In this paper I have limited the focus to two ideas drawn from the area of Transactional Analysis to illustrate the useful insight therapy and psychology could provide to a broker in their day-to-day brokering practice.

3. Transactional Analysis

Identifying Ineffective Relationships

Transactional Analysis (TA) is a social psychology tool and a method to improve communication, developed by Dr Eric Berne in the 1950s. Within TA is 'The OK Corral', created by Franklyn Ernst (1971) to show different life positions people can take.[9] Although initially created to understand the behaviour of individuals, I have found the OK Corral useful in shedding some light on positions held by partners in a partnership.

Diagram 1. The OK Corral

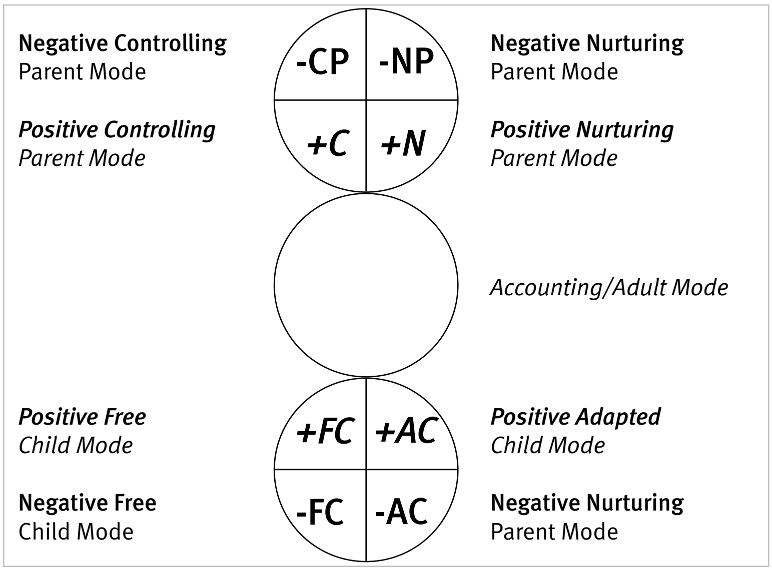
I am not OK You are OK One down position Get away from **HELPLESS**	I am OK You are OK *Healthy Position* Get on with **HAPPY**
I am not OK You are not OK Get nowhere with position Get nowhere with **HOPELESS**	I am OK You are not OK *One-Up position* Get rid of **ANGRY**

Ineffective modes, as defined in TA, are those that communicate either an 'I'm not OK' or 'You're not OK' message (higlighted by the grey boxes in *Diagram 1*). A partner exhibiting a '*dependency culture*' (needing the ongoing motivation, or support, of a broker), would in the above analysis, fall into the HELPLESS quadrant. Meanwhile, a partner exhibiting a '*blame culture'* (blaming — without due reason — a partnership broker for things that go wrong) would, according to TA, be likely to fall either into the HOPELESS or the ANGRY quadrants.

TA shows us that in partnerships we want to move towards the HAPPY position, however often our partnerships are dependent on heavy initial support or are started between a group of partners where trust is low and so 'you are not OK' is a strong feeling across the partnership. TA therefore highlights that the strong focus of PBAS on building trust between partners is vital as a building block.

TA also demonstrates that brokers need to be finely tuned to the 'OK' and 'Not OK' messages being given out by partners in order to adapt their behaviour accordingly.

Diagram 2. Berne's concept of Parent, Adult and Child ego



Berne devised the concept of Parent, Adult and Child ego states to help explain how people are made up and relate to one another, *Diagram 2* above. The italic text identifies the effective communication modes; and the normal text shows ineffective communication modes. There is not the space to give detailed description of each of these ego states here, but *Case Study 1* illustrates how this TA framework could provide useful insight to a partnership broker. In this context we will use it to shed light on how a broker might accidentally have fostered dependency in a partner.

Case Study 1

In one of our pilot areas, the broker on several occasions did things for partners that the partners were capable of doing for themselves. The partner, over time, started to expect more and more from the broker, and took on less and less work themselves. A TA interpretation of the broker's behaviour would be that they were displaying the Negative Nurturing Parent mode and were inadvertently passing a message to the partner of 'you need my help, you are not OK'.

TA theory also states that the most likely response to elicit from a message is the opposite corresponding message. Since the broker had been displaying a Negative Nurturing Parent mode, they had elicited a corresponding and opposite 'Negative Adapted Child' response from the partner. Throughout the experience the broker felt the partner's negative response was uncalled for since she was 'only being helpful' to the partner. However, when viewed through the lens of TA a new light can be shed on seemingly innocent and 'helpful' actions and it becomes clear that the partner's behaviour is not necessarily unreasonable; it might instead be a natural response to a broker's inappropriate behaviour.

Additionally, given the inherent power in the broker's role, and lack of power in some partner's cultural contexts, it is not surprising that brokers sometimes slip into 'Parent' mode, whilst partners slip into 'Child' mode. If the modes they slip into are effective modes then this is not necessarily a challenge. However if they are ineffective modes then TA theory would suggest that to be able to catch such slips before they become widespread problems, the broker needs to take immediate remedial action. However, first they need to spot that there has been an inappropriate mode used by them or a partner.

Reflective Practice

To be able to apply and use TA theory to help correct ineffective communication, brokers need to spot actions, body language, and statements made by partners and to be able to deduce from these what 'ego state' they are operating in. They also need to spot feelings, actions and words they are using themselves to identify their own ego state since this can be a strong clue as to the ego state of the partners they are responding to. To achieve this, they need to strengthen their 'noticing' skills.

Donald Schön[10] noticed that the best professionals know more than they can put into words, relying less on tools or formulas than on learning gained through experience; and went on to outline how 'reflection-in-action' works and how professionals, like partnership brokers, can apply it. 'The Guiding Hand' emphasises professional development and actively seeking out learning opportunities.[11] In order to pick up on the subtleties of their own responses, a broker needs to be able to draw on their self-awareness and noticing skills; they need to be able to do this *in the moment* and to reflect.

Combining reflective practice with psychology or therapy tools (such as TA) could provide the partnership broker with a rich body of knowledge with which to deepen their understanding of some of the issues arising in their partnerships. For example, *Box 1* is a list of reflective questions, which I have developed in collaboration with a colleague to help our brokers to understand when something might be going awry in a partnership relationship they are involved in.[12]

The first set of questions – ***Maintains stable and productive relationships with clients*** – draws on both action inquiry techniques and transactional analysis. The subsequent sets of questions draw on other disciplines in therapy, coaching and facilitation (including Gestalt, Dynamic Facilitation, Neuro Linguistic Programming and co-active coaching) and frame them in the style of action inquiry. Together they give a sense of the types of self-reflective questions a broker might create for themselves to help them in their self-reflection.

With constant reflecting back against a well-framed set of questions, a broker can then spot when they, or the partnership's partners, are not quite operating in an effective mode or 'healthy way'. Then they can take action to help move things back on course.

Strategies for Improving Communication

When a broker has created their own set of reflective questions, and has spotted through early reflection either themselves or partners operating in an 'ineffective mode', what are the steps that TA would suggest they can take to get things back on track?

Effective modes for partnership brokers

Firstly, according to TA, when a broker displays effective modes of behaviour (those italicised in *Diagram 2*) they are encouraging others to behave within an effective mode. For example, a Positive Nurturing Parent communicates the message 'you're OK' and can be caring and affirming; and a Positive Controlling Parent sets clear boundaries and provides constructive criticism, whilst giving the message 'you're OK'. Meanwhile Positive Adapted Child mode helps new partners to learn the modes of partnership in a way that helps them to live happily with others; and Positive Free Child allows creative, fun, energetic action. So, TA would suggest that all these modes would be appropriate areas for a broker and partners to operate within.

TA would also suggest that Adult-Adult (A-A) complimentary transactions are a sign of a mature and strong partnership; however, they are unlikely to be where the partnership starts out as some

Box 1.

The Broker:

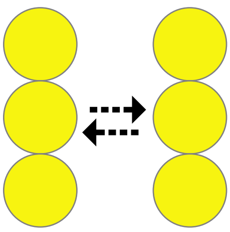
Maintains stable and productive relationships with clients
Are we all in an effective ego state?
Who amongst us are operating in adult mode?
What different roles are being played and when (by me and by the people I am with)? For example: Is my approval being sought? Am I being blamed for not doing things for an individual or group? What volume and type of work are they asking me to take on? Am I encouraging them to seek my approval? Am I being critical or nurturing? Am I styling myself as ‘expert’ or ‘knowledge holder’?
To what extent are people relying on me?
What is equal and balanced about my relationship with these people?
What is less equal and balanced?
What’s productive and healthy?
What is less productive and healthy?

Doesn’t motivate or initiate
Do I have my own agenda for this partnership/event?
Do I feel attached to achieving particular outcomes?
Do I feel the desire to lift spirits?
Do I feel responsible?

Enables people to take action
Am I being enabling (helping people see the possibilities, imagining the future, positive framing)?
Am I being open-minded (pre-judgements, biases, listening to what’s being said rather than who’s saying it)?
Is my response constructive?
Am I judging ideas or being limited by my own biases?
How have people responded to me?
How open are the individuals/groups to being enabled (do they dwell on the negative, throw up barriers etc)?

Works with the energy of the individual or group
Where are the energy flows? And where are the blockages?
Where and how is energy being created and dampened?
Where else can I untap energy?
What’s different about the energy levels compared to previous meetings?
How much and what sort of energy am I generating?
What types of energy am I noticing/valuing and not noticing/valuing?
Do I feel the desire to change (raise or lower) the energy level?
How am I hearing and seeing energy?
What would happen if I wasn’t here?

An extract from a paper produced by Ruth Townsley and Bernie Ward, ‘Local Alchemy’, The New Economics Foundation and the East Midlands Development Agency, 2005.



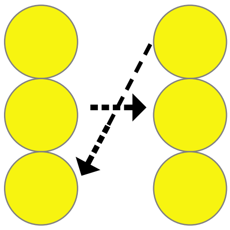
partners will be newer to the world of partnering than others.

The second rule TA would suggest for brokers is that ineffective modes need to be off limits as much as possible to the broker themselves. If a broker accidentally takes on an ineffective mode, they can accidentally set partners into the corresponding ineffective mode by their behaviour. This is because the natural flow for communications is for the recipient to respond in a complementary manner to the initial transaction: so if the broker sends a negative Parent to Child (P-C) message to a partner then the natural flow is for the partner to respond with a negative C-P, taking on the Negative Child mode. This keeps communication flowing; but in an ineffective manner.

From dependency to self-motivated

TA suggests that where a partner is being dependent (sending out communications from a Negative Child mode), a broker can fall easily into the trap of responding in a negative parent mode, and take on the role of motivating the partner, or doing the partner's work for them. *Appendix 1* shows Fat Energy People, and the dangers of a broker being the main motivating energy source for a partner (or partnership): it mitigates against the partner and partnership becoming independent. TA suggests that when we spot that someone is seeking our motivation or support (and operating in Negative Child mode) there are many strategies we can use:

- We can '*cross the transaction*' by responding from a different ego state then the parent state that the stimulus is designed to 'hook'. For example, if a partner uses a child state then the broker can provide an adult response that 'crosses the transaction' and so breaks that particular line of communication; similarly if a broker uses a parent mode a partner can also cross the transaction by responding from an adult position.



Crossed transaction, breaks the communication pattern.

- We can choose *to pick up the ulterior rather than the social message* eg when a person says 'I cannot do this' rather than saying ' let me do this for you' we can say 'it sounds like you have a problem, what do you want to be done about it' (said from the adult ego state).

- We can choose to use *motivational tools*, rather than to be the motivating force ourselves. Motivational tools can include linking people to experiences from outside their partnership through case studies, visits to other partnerships, or e-mail networks. Such experiences help to raise people's vision of what they can achieve. Other tools can be used to help the partnership create its own motivational energy: for example participative workshops to share objectives; or a specific coaching tool, the Wheel of Perspectives (*Appendix 2*), which helps a person/group to see themselves from a new angle.

Case Study 2

When I recently asked one of our brokers what he felt was the main purpose he was performing in one of our partnerships he said ' I give them a kick up the backside when they are slacking'. This set off my warning bells; TA theory had taught me that such remarks were likely to mean that the broker had been engaged in Negative Nurturing Parent mode. Within weeks I started to receive requests from that area for the long-term continuation of that broker's support since they were heavily dependent on his input. And they began to lay the blame at the door of my organisation for 'withdrawing support': something we had clarified 3 years earlier. TA would suggest that if we had effectively changed our behaviour into a more effective mode at an earlier stage we could have helped them move, in a more timely manner, into taking responsibility for their own future.

From blaming, to effective, partner

When a partner is in 'I am OK; you are not OK' mode; or is moving into blaming others, there are both structural and psychological tools that a broker can deploy.

Many tools can be used to help set the 'rules' of a partnership: setting clear and realisable expectations through the use of a partnership agreement; allowing sufficient time for trust building measures, and exposure of underlying interests; a recognition that goals need to be complementary but not necessarily common; using the Perspectives Wheel to help partners see things from one another's points of views. However, in my experience, boundaries will still be pushed by partners who are strongly in a 'blame' mindset, and this is where TA would suggest that a broker will need to change the mode of communication.

For example, when Maria in 'The New Broker' says that "… they are expecting 5 permanent health clinics and they are expecting them soon," she is providing an example of what TA would call a 'game invitation' with discounts.[13] TA suggests that one solution here might be to defuse the game with options, and this is what happened in 'The New Broker'. The key is always to match the transaction with an effective mode in response.

Case Study 3

I was recently involved in a situation where one partner tried to blame the partnership for failing to fund two of their staff members; an expectation that had never been discussed previously with any of the other partners. TA theory would say that the partner was making a 'game invitation' and that this was their first 'discount'. We agreed contractually that the partnership was not responsible, but did agree to help them out of their temporary funding crisis for political reasons. Not surprisingly, they repeated the game in different forms on many occasions in the next few months. Ultimately, we defused them by providing them with options: they move into a different pilot programme with us with different rules; or they stay within this pilot but have to match equally the resources we were committing. Initially they struggled with this, since they had got used to their discount games being successful; once they knew we were serious they started to perform much more effectively as a partner.

In this paper I have only drawn on one theoretical framework, that of Transactional Analysis (TA), to shed light on challenging situations that I have experienced as a broker. I chose this since it is a tool used in psychology and in coaching. As a broker moves away from direct delivery in a partnership, allowing the partners to take on increasingly more of the partnership delivery themselves, I think that it can often be appropriate for a broker to move into a 'coaching' mode. In such a mode, they could draw on a far wider array of coaching disciplines and theoretical frameworks than this paper had the scope to touch on.

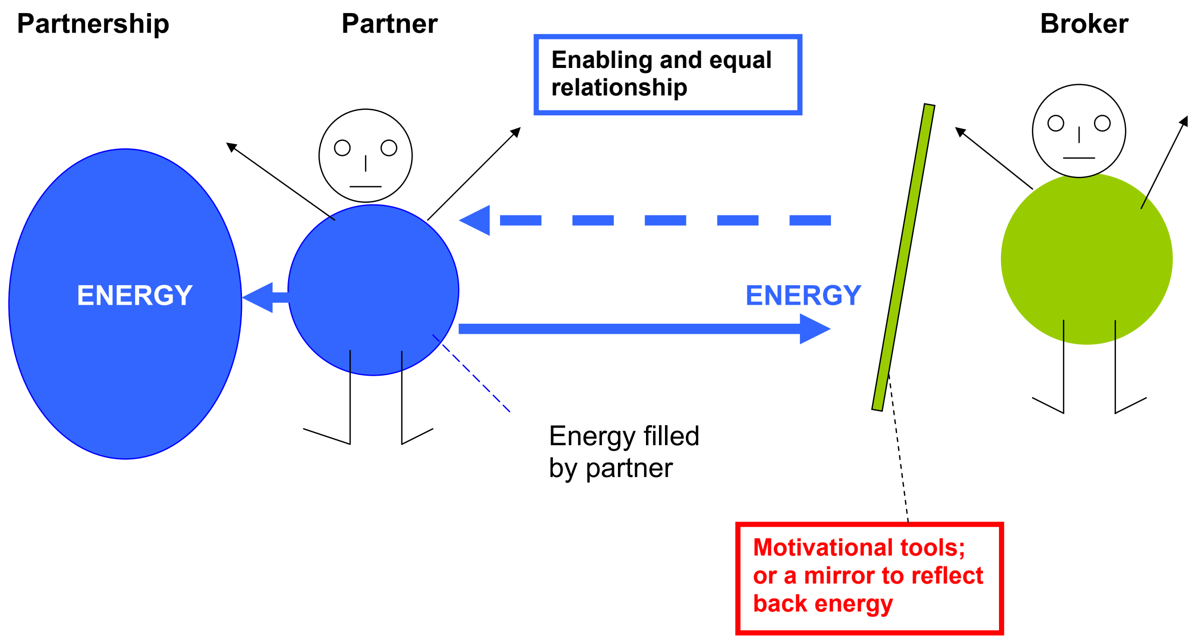
4. The Broker's Challenge

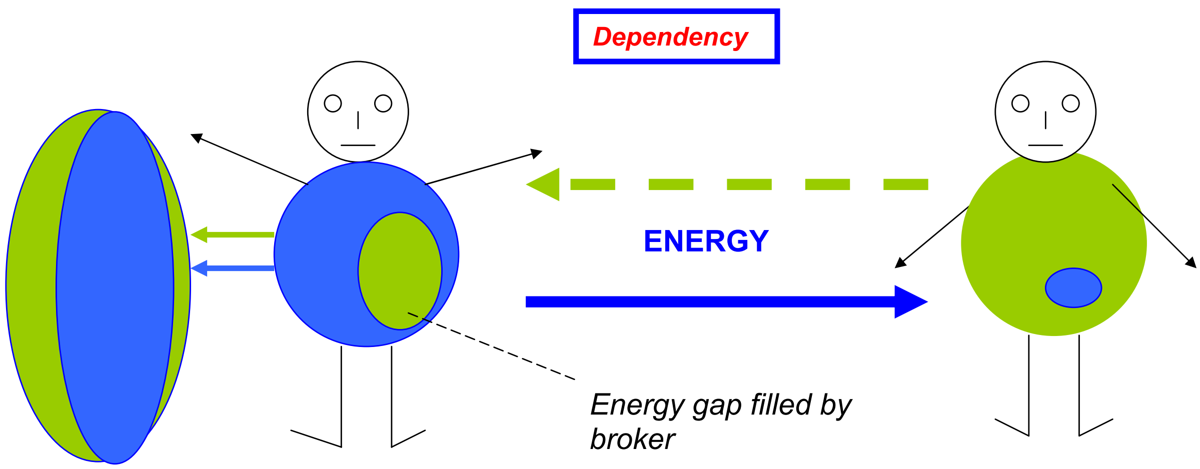
'The Guiding Hand' talks about leadership for the future and the role of the broker within this,[14] which, for me, links to the importance that James Hillman places on those with power and how they can use it through less obvious forms of power, such as what he calls maintenance and service, to change the shape of power in our modern world.[15] Our partnership brokers, in their path towards social development, need to spot key points of challenging behaviour in the partnerships they are brokering and try to use those points to re-balance power relations; even where the partner seems to be wanting to relinquish power through what TA would deem ineffective behaviour.

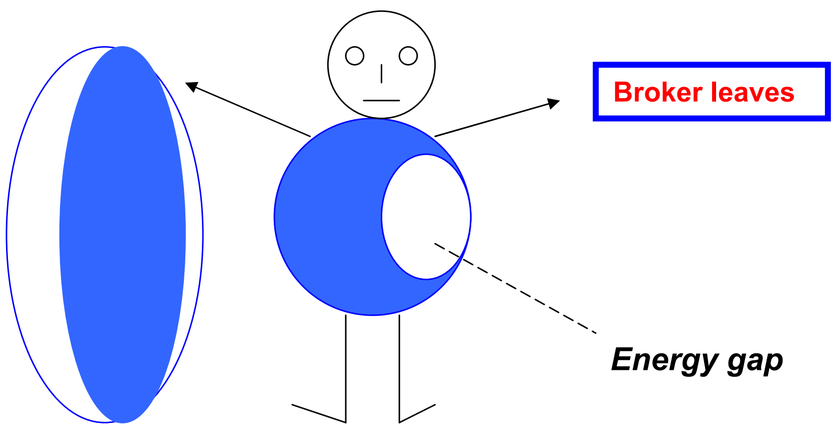
The first challenge to all brokers is therefore to choose their own set of theoretical frameworks through which they can better understand and analyse power, and the many ways it manifests itself in our communications. The second challenge is for brokers then to bring into play the corresponding tools and techniques that can help to make the dialogue in their partnerships more effective and, perhaps, more equal for those who at the outset would perceive themselves as holding less power than the others at the partnership table. The ultimate goal for the broker would be to share these tools with partners in order to add additional insight into the roles that each are inadvertently playing and help to establish a more equal, trusting and productive partnership for the benefit of all.

Appendix 1: Fat Energy People

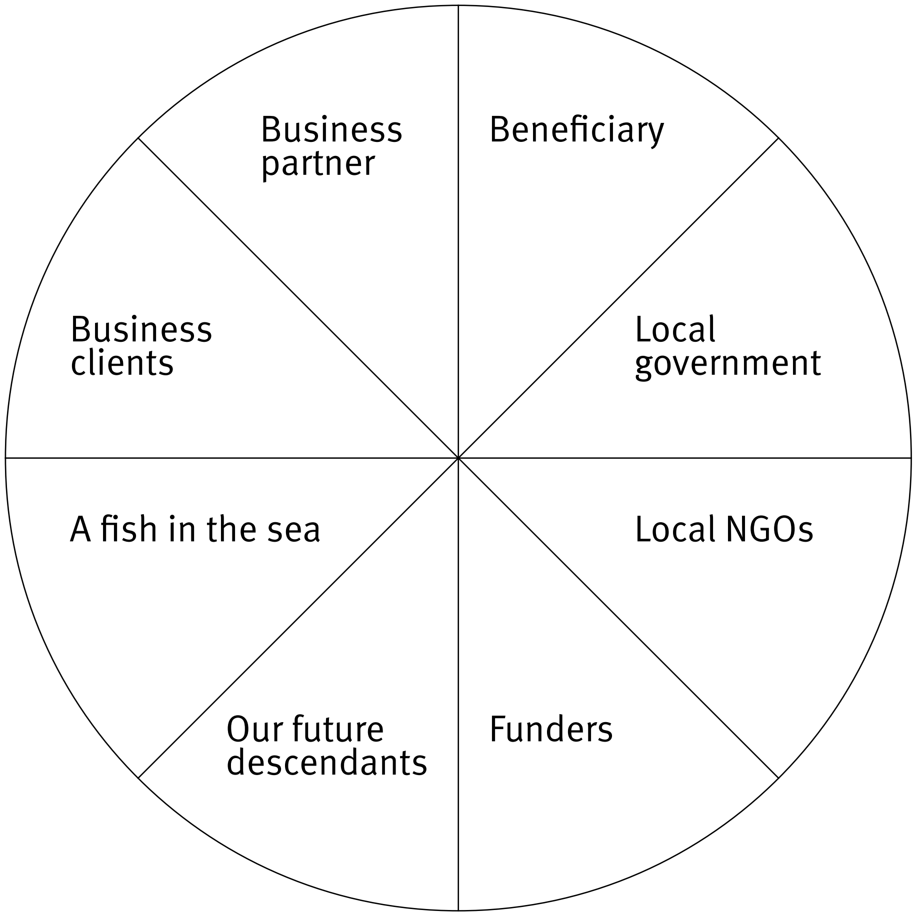
Adapted by Bernie Ward from a diagram produced by Paul Squires (Civic Trust) and Elizabeth Cox (nef); Bizfizz 2005.







Appendix 2: The Perspective Wheel



The Perspective Wheel allows people or a group to explore a situation from a wide range of different perspectives. It is particularly useful if a person or group is feeling 'stuck'. The person/group choose the different perspectives they wish to explore (in a partnership this could be applied to its various stakeholders and the different partners; the projects beneficiaries; and entirely random 'perspectives' such as a chair or a cow in a field) to encourage people to tap into hidden issues and concerns.

From a motivational perspective, the broker could encourage the group to name perspectives from which they could gain motivational energy – their own reflection on that source can then be a constant source of energy to them.

The best use of the wheel is when it is made very large and placed on the ground so that people can stand in the place of each perspective, looking into the centre of the wheel, and answers the question: and what does the situation look like from here?

The wheel may have as few as 4 quadrants or as many as 8 sections.

Endnotes

1 *Module 4: Consultation and Communications*, by Michael Warner. London: Business Partners for Development, 2001. http://www.bpd-naturalresources.org/media/pdf/train/M4_F.PDF

2 *The Partnering Toolbook*, by Ros Tennyson. London: International Business Leaders Forum, 2003. http://www.iblf.org/csr/csrwebassist.nsf/content/f1d2b3aax4.html

3 *p73, The New Broker: Brokering partnerships for development*, by Michael Warner. London: Overseas Development Institute, 2003.

4 *Kinds of Power: A guide to its intelligent uses*, by James Hillman. Currency Doubleday, 1995.

5 *p35, The Guiding Hand: Brokering partnerships for sustainable development*, by Ros Tennyson and Luke Wilde. United Nationals Staff College and The Prince Of Wales Business Leaders Forum, 2000.

6 PBAS Principle 8: At no time promote my own continuation in a partnering process unless fully justified and acceptable to all relevant parties.

7 *p65, A New Weave of power, People and Politics: The Action Guide for Advocacy and Citzen Participation*, by Lisa Venegklasen with Valerie Miller. Oklahoma, World Neighbors, 2002.

8 *Whose reality counts? Putting the First Last*, by Robert Chambers. ITDG publishing, 1996.

9 It has some similarities to Freire's 4 stages of awareness, however it does not map entirely.

10 *The Reflective Practitioner*: How professionals think in action, by Donald A. Schön. USA: Basic Books Inc, 1983

11 *p98, The Guiding Hand: Brokering partnerships for sustainable development*, by Ros Tennyson and Luke Wilde. United Nationals Staff College and The Prince Of Wales Business Leaders Forum, 2000.

12 Note that the context of our brokers is quite specific and they have a narrower mandate than the PBAS partnership brokers.

13 A discount is when we minimise, maximise or ignore some aspect of a problem which would help us resolving it.

14 *p105 The Guiding Hand: Brokering partnerships for sustainable development*, by Ros Tennyson and Luke Wilde. United Nationals Staff College and The Prince Of Wales Business Leaders Forum, 2000.

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On the Origin of Partnerships:

the Modern Darwinist Guide to Brokering

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Australian Museum

Contents

Summary

Cross-sector partnerships are a new and growing paradigm. Alliances between government, civil society and the private sector are tackling issues of sustainable development that have to date proved too complex for any one sector. Partnership practitioners, brokers, are only in recent years beginning to have access to a developing literature of case studies and guidelines to support their efforts.

By contrast, partnerships between species in the natural world are nothing new, and date back to partnerships between the earliest of life forms, the prokaryotic bacteria. These natural world partnerships have evolved by, and are subject to, the well established evolutionary processes of natural selection through environmental pressure.

Explanation of human action in terms of the Darwinian laws of the natural world has generally failed due to the complexity of human consciousness and society in comparison to other organisms. By understanding the areas which are common and those that are different due to these human societal affects, the cross-sector partnership broker may gain an insight into partnership function. Modern Darwinism substitutes human society for the environmental pressures of nature. Brokering skills are analysed in these terms.

This approach allows the broker to assess partnership progress and the brokers performance in it from an alternative, Modern Darwinist perspective. An application of this approach as an aid to broker self reflection is suggested.

Man, her last work, who seem'd so fair,

Such splendid purpose in his eyes,

Who roll'd the psalm to wintry skies,

Who built him fanes of fruitless prayer,

Who trusted God was love indeed

And love Creation's final law—

Tho' Nature, red in tooth and claw

With ravine, shriek'd against his creed—

56th stanza,"In Memorium A.H.H." (1850).

Alfred, Lord Tennyson.

1. Introduction

Mutualistic relationships between unalike species are a common feature of zoology and ecology. They have evolved multiple times and occur in different forms in every ecosystem on the planet. Not only are these relationships common, they have an important role in evolutionary history. In fact these relationships have had a fundamental influence in defining life on earth and the evolutionary process we are part of.

All inter species interactions are subject to the evolutionary laws of natural selection through environmental pressure. This is at the heart of Darwin's theories described in 'On the Origin of Species'.[1]

Human cross sector partnerships have many apparent commonalities with natural world symbioses including their mutualistic nature and potential creative power. However the use of analogies in cross sector partnerships can prove to be misleading and the cause of serious misconceptions. If natural world relationships have any bearing on cross sector partnerships it is likely to be in understanding the commonalities and divergences between forces that govern them in the natural and human contexts.

Human society has grown complex and subtle in comparison to other life on earth but it still is a product of the natural world. 'Modern Darwinism' attempts to distinguish the Darwinian processes through the layers of culture that surround human interactions with each other. It is a way of thinking that describes human action in response to the pressures of human society as opposed to the natural environment.[2] It suggests that we still function as biological entities in response to our surroundings.

This essay proposes the hypothesis that in the same way that natural world mutualisms are underpinned by the forces of natural selection, much of cross sector partnership management is underpinned by Modern Darwinist principles.

If this is the case then a Modern Darwinist guide to brokering will provide the broker who is actively engaged in a partnership with a tool to aid reflection and analysis of problems and progress. This will go someway to making sense of the complexity of cross sector partnerships in the same way that natural selection makes sense of the complexity of nature.

2. Natural World Mutualistic Relationships

We are surrounded by relationships in the natural world where the participants are in a close, mutualistic partnership. Usually very different species with seemingly completely different needs, gain a benefit by associating with each other. Generally, we do not notice these relationships. Take a scene in a park or woodland almost anywhere in the world. Many of the trees have symbiotic fungi associated with their roots and the lichen that cover their bark are organisms resulting from a relationship between algae and fungi. Ants tend aphids, scale insects, caterpillars, or beetle larvae in the tree. Humans walk their dogs unaware of the symbiotic worms living in the dogs intestine. We too have gut symbionts and a host of bacteria and microscopic animals on our skin, teeth and even our eyelids. We are symbionts on a symbiotic planet and if we look we can find symbiosis everywhere.[3]

A number of definitions of these types of relationships exist and meanings have changed as scientific theory evoloved.[4] In general, however, and for the sake of clarification the following definitions apply:

Mutualisms

Mutualisms exist when both partners are deemed to be gaining benefit from the relationship. The partners are not obligated to be with each other but chose to be so. They may be long term but also can be temporary associations.

There are very many examples with ant societies showing great diversity of partners, offering protection and receiving food or shelter in return. These types of behaviours have evolved many times and have been recorded from as long ago as the Cretaceous.[5]

Symbiosis

Symbiosis is the most specialized form of a mutualism. Symbiosis it is generally accepted to refer to long term associations through which partners gain some mutual benefit and have become dependant on it i.e. without each other neither would survive.

Endosymbiosis

Is when one partner (the symbionts) lives within the body of the other (the host). Generally both host and symbionts have physical adaptations that allow the others presence.

An example is the photosynthetic algae that live in the tissues of corals and many jellyfish providing them with an alternate energy source through sunlight. In return the algae receive nutrients and protection.

3. Understanding Mutualistic Behaviour in Terms of Darwin's Principles of Natural Selection

In the natural world species provide benefits to each other not because of any altruistic feelings for each other. Mutualisms could be described more accurately as mutual exploitation. Darwin challenged his readers to find an instance of a species having been modified solely for the benefit of another species "for such could not have been produced through natural selection".[6] In brokering terms each species has a strong business case for collaboration, otherwise it terminates the relationship or is likely to be selected for extinction.

The 'business case' in the natural world is based on the concept of 'fitness'. Fitness can either be increasing the individuals' opportunity to survive, or to have progeny. Species with certain characters were selected for survival by how suitable their characteristics were under the environmental conditions at that time – how 'fit' they were. This he termed natural selection. He identified that adapted traits needed to be passed on by inherited characters. These characters were only identified and understood later through the science of genetics.

4. Interpreting Darwinian Principles to Cross-Sector Partnerships

Extrapolating between nature and society

Tennyson's famous description of nature as being 'red in tooth and claw' warns theologists, rather pessimistically, that love is unnatural. It may also serve as a warning to biologists attempting to employ natural laws within a human society context. Attempts at this have a long and sorry history as evidenced by fascism, ethnic cleansing and the rise of Nazism.[7,2] The philosophies leading to these phenomena have their roots in 'social Darwinism', based on the principles of 'survival of the fittest' as proposed by Herbert Spencer, a 19th century follower of Darwin's thinking. This misunderstood translation of Darwin's concept of 'fitness' as 'best' when applied to human society resulted in divisions based on genetics as the rationale for uneven status and wealth distribution.[8] This was also largely the basis of Kropotkins argument with Darwinism when he published 'Mutual aid: A factor of evolution'[9] in 1902 in response to the 'survival of the fittest' mantra of Darwinism. Social Darwinism has no explanation for why humans cooperate or even for that matter why animals cooperate. Opposing views lead to the philosophy of Marxism with equally disastrous practical application.[2]

Modern Darwinism and partnerships

Darwinism has always sat uncomfortably within the context of human societies. The role of trust, compassion and altruism are contrary to traditional Darwinian ideals of competition and the ‘struggle for survival’. In general human societies do not demonstrate that they are ‘red in tooth and claw’. Altruism plays a significant role in our society. This undermines Darwin’s laws as applied to nature.

There are two facets of Modern Darwinism that distinguish it from the natural world based laws of its originator and other radical Darwin based philosophies. It substitutes the natural environment for the social structures and pressures that humans are subjected to through society to and it acknowledges the central role of trust in human evolution.[2] Modern Darwinism like recent game theory (eg the Prisoners Dilemma)[10] recognizes the role that trust can have in society, outside of nepotism. Trust can prove to have advantages to both the community and to society.

Modern Darwinist thinking then allows us to substitute the red in tooth and claw’ of nature with the social competition of human society. It recognizes that both competition and cooperation are integral to our development.[2]

Fitness in Modern Darwinism

Fitness still relates to the ability to mate through a perception of status but this is far more subjective than in the natural world. Status is highly dependent on the cultural and sectoral context. For example, within a corporate organisation the economic value added by the individual might be ranked higher than social outcomes achieved and their status measured accordingly. In an academic context status is measured by the quality of journals that accept an individuals papers for publication.

The key tenets of modern Darwinism are:

i. Environmental pressure is applied through society

ii. Fitness of an individual relates to status within their cultural context

An individual’s behaviour can be described in terms of an attempt to adapting to these forces. Organisations too can be described as operating as organisms.[11,12] These too, therefore, are subject to environmental pressure, economic for example.

5. Origin of Mutualisms

To illustrate the principles and the importance of environmental pressure, the origin of biological mutualisms is comparable to, or at least metaphorical of, the development of cross sector partnerships. Business with Communities was one of the first corporate vehicles specifically designed to facilitate cross sector partnerships. It came about through changes in the operational environment of the business.

The atmosphere of the early earth was largely devoid of oxygen. The bacterial life forms that existed were anaerobic and incapable of metabolizing oxygen, Cyanobacteria are a group of anaerobic bacteria that produce oxygen as a bi-product of anaerobic metabolism. This bi-product eventually built up to the point that atmospheric conditions were changed and oxygen became an important resource. Bacteria evolved to be able to use this resource and developed an aerobic respiration energy pathway. Anaerobic hetrotrophic bacteria – bacteria that feeds on a variety of food sources – engulfed aerobic bacteria, which took up residence within the new host. The aerobic bacteria received nutrients from its host. The host benefited from the aerobic energy available to its symbionts much like a fuel cell. This arrangement gave the new symbiotic organisms a competitive advantage and they are thought to have lead to the development of multicellular complex life.[13]

In the late 1980s and early 1990s the environmental movement in civil society was gaining strength and credence as scientific findings supported the voice of more radical 'green' political lobbyists and Non Government Organisations such as Greenpeace. Governments responded by increasing the pressure on natural resource companies to meet higher environmental and social standards in the way it went about its business. Rio Tinto, a mining company with a poor environmental and ethical reputation, in an industry with arguably the poorest ethical record began to have problems gaining licenses to explore and conduct mining business. It conducted a far reaching review and changed its operational standards reflected in a policy now called 'the way we work'.[14] A result of this policy change was the formation of Business with Communities, a funding mechanism to facilitate closer relationships with environmental NGOs and communities local to its business units. Early industry – NGO cross sector partnerships developed from these relationships.

These two examples, vastly different in their timescales, drivers and outcomes both illustrate the importance of the operational environment and the pressures it can bring to bear. *An ability to adapt to environmental change result in both being selected for survival.* The discipline of organizational studies recognized that in many ways function as organisms.[11,12] Rio Tinto's response to environmental change is classically Darwinian with fitness relating to economic gains and company growth.

6. Applying Modern Darwinism to brokering skills

By taking these concepts of environmental pressures and fitness the partnership practitioner can used Modern Darwinist thinking to gain an insight into partnership function at each stage of the partnership cycle. This can be applied equally at the organisational level as well as at the personal level. At each stage the practitioner must ask themselves:

i. Do I understand the environmental pressure this organisation/person is experiencing in the context of their own sector/culture/organisation?

ii. Do I understand this organizations/persons concept of fitness ie what do they consider to be status increases in their sectoral/cultural context?

If the answer is 'no' to either of these questions, gaining this understanding will increase the brokers chances of success. If the answer is 'yes' the broker then needs to decide how much he or she needs to do to enable the partners to have that same understanding. This is central to the broker's task.

A useful brokering self reflective exercise might be to apply these questions to each aspect of the partnership periodically, then having answered at each question thirdly ask what is my course of action as a result.

If we use the framework of the partnership cycle[15] and aspects of the brokers changing role in it we can illustrate where Modern Darwinist thinking might be most useful. In the example below the Australian Museum – Rio Tinto is used but the principles will apply in any partnership situation.

Phase 1 Exploring, Scoping and Building

Broker's role:

a) To understand the scope and nature of the sustainable development challenge and if a partnership approach is appropriate.

What pressures are being brought to bear on these organisations? Rio Tinto require partners with biodiversity expertise in Australia to validate their social license to operate with the government and local communities to its mines, in a vitally important economic region for the company. The Australian Museum is under financial stress and pressure from government to demonstrate practical outcomes from its research. Could these pressures be satisfied outside of the partnership model?

b) Relationship Building

Identify the key players, e.g. Museum director, Head of External Affairs Rio Tinto, and attempt to understand their individual situations in terms of the organisations they represent then facilitate this exchange of information. Attempt to understand the pressures they are under from their own organisations and in their personal circumstances to gain an insight into their perception of fitness. If the partnership can contribute to increasing their fitness the relationship will become stronger. This approach can be taken with all personnel in the partnership eg mine managers, scientific staff, technical staff etc. This becomes a motivational force for these people to invest effort in the partnership and the partnership grows eventually without the broker.

c) Facilitation eg workshops

Understanding both the organisational contexts – the environmental pressures at work and the motivations of the people should then ease the brokers task of enabling cross communication between the players in a workshop situation.

Phase 2 Managing and Maintaining

a) Communications and managing departures and arrivals

Communications are vital during the implementation phase of the partnership. Tracking the changes in environmental pressures on both the partnership and the key people in it. These may well change over the course of the partnership. For example the Australian Museum had some senior management changes during the second year of the partnership. This changed the environmental pressures on middle management responsible for the partnership as senior management shifted institutional agendas. The broker can ensure these movements in pressures during the course of the partnership are understood by all parties.

Phase 3 Reviewing and Revising

The broker can apply Modern Darwinist thinking to the review process at the organisational, personnel as well as personal levels. Answering questions such as those below will help inform progress.

1. Have the environmental pressures on the organisations involved changed since partnership inception?

2. Has the partnership increased, or at least is it on course to increase, the partners' fitness as they perceive it? Have these perceptions changed?

3. Are the key players engaged sufficiently? If not is it because of unknown environmental pressure or has the broker failed to understand their cultural/sectoral context for fitness?

In the Australian Museum – Rio Tinto partnership a number of examples of the importance of asking these questions were proven during the PBAS mentored period. For example, question 3 on engaging key players had become problematic – this was due in both cases to the broker misunderstanding their requirements for status i.e. their perception of fitness.

Phase 4 Sustaining Outcomes, Exiting

The brokers role is to ensure the partners have considered the questions 1 and 2 from the review process. It is important the broker has addressed these questions and communicated them adequately to the partners so they can make an informed decision on the partnership future. By ensuring that the partnership achievements ie increase in fitness are emphasized, or at least recorded, the broker will be either easing an exit process or providing the foundations for sustaining.

The degree to which the partners understand the other partner's environmental pressures and their motives is probably a good measure of how suitable it is for the broker to exit. If this is the case the broker should be fostering this understanding over the course of the partnership.

7. Modern Darwinism Underpinning Brokering Skills

There are a number of communication skills that the broker uses throughout the partnership cycle which are underpinned by Modern Darwinist thinking. Interest based negotiation provides the technique through which underlying interests behind a stated position can be revealed. If those interests can be addressed then a favorable outcome from the negotiation is more likely to be achieved for the parties concerned. Those interests all relate to either the environmental pressures being exerted or the perception of status as applied to that person. This has implications for dealing with difficult people as well as tasks such as internal selling. Both these were proven to be the case during the PBAS mentored period of the Australian Museum – Rio Tinto partnerships. A number of difficult people in the partnership proved to have very different perceptions of what increased their status in the environments they were working in. Understanding this was central to building capacity in the partnership for the broker to begin to exit.

In a partnership meeting there are likely to be very different environmental pressures and multiple versions of status in the room. The brokers challenge is to understand these subtleties and when necessary translate and communicate them between partners.

8. Conclusion and a Note on Language

The intention of this paper was to illustrate that the forces behind natural world mutualisms and cross sector partnerships are largely the same if applied using Modern Darwinist thinking. Humans react to societal pressures very much in a biological fashion and organisations can behave as organisms. The reason these actions can be difficult to interpret is that the variations in societal pressure as well as individuals perspectives of their place in it, produces a great variety of responses. Modern Darwinism goes some way to help the partnership broker unravel this complexity.

It was not however the intention to either add a further layer of biological language to an already unclear set of terminologies[16] within the partnership paradigm. There is inherent danger in this. Neither was it to apply broad analogies between the natural world and cross sector partnerships, tempting as this is for a biologist. Experience has shown however that such simplistic analogies can be both misleading and confusing. The way of thinking described attempts to go someway to explaining the many subtleties and contrasting behaviours of people that a partnership practitioner deals with on a day to day basis.

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Five Key Things I Have Learned About Partnership Brokering:

over 20 years of professional practice in Canada, UK, Poland and other countries of Central and East Europe

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Contents

1. Introduction

In this paper, I present five key learnings or insights, which have informed my partnering work over the years and provided the basis for my growing self-awareness as a partnership broker. In presenting five key learnings, I am not seeking to be comprehensive, but rather to present insights which have made a difference to me and to my work as a partnership practitioner.[1]

In each case, I discuss the implications of my insight for the professional practice of partnership brokering and try to make generalizations that might be of value to other practitioners. I also describe the personal experience from my own professional practice, which provided the source of my learning or insight.

2. Cross-Sector Partnerships Are Social Institutions

Cross-sector partnerships, just as other social institutions, such as parliament, the university, the family, a business, the law and the economy are essential to the functioning of modern society. They are 'social' institutions because they depend on people operating in groups. This means that they have to be nurtured and lived. To be effective, social institutions depend on people engaging with each other voluntarily in a self-aware, purposeful and ongoing way.[2]

The important thing about social institutions is that they cannot be legislated into existence nor can they be constructed through slogans or ideological edicts. They result from people interacting with one another in groups. Arguably, society depends on the interplay between different groups, which constantly create and re-create social institutions. Cross-sector partnerships facilitate, encourage and otherwise make possible the interplay between the different groups that make society function in a specific situation or context.

Implications For Partnership Brokering

Thinking of cross-sector partnerships as social institutions has practical implications for the Partnership Broker. The Broker needs to see himself as a social agent, who is engaged in the process building and rebuilding social institutions. This is because cross-sector partnerships focus on group formation and facilitating the interplay between groups. The process of group action is one that generates institutions and makes them effective.

To be effective, the Broker must work hard to ensure that all sectors are not just represented, but become actively engaged. Many partnerships fail, because they become dominated by one sector or group at the outset. In many situations, the group contracting or commissioning the work of the Broker will seek to limit the number of participants, so as to retain control, be it consciously or unconsciously. (e.g. 'we only have limited space in the project', 'we can't deal with translation', 'we don't have the funds', 'the project will become unmanageable', 'we don't know any sensible NGOs'…).

To ensure there is institutional innovation, there must be an interplay between different groups. The Broker must ensure that different groups are engaged. The same logic applies to Internal Brokers. It's easy to generate arguments for not including representatives of other sectors in the partnership-building process (e.g. 'why should we pay for business?', 'they don't want to be involved anyway', 'they've never responded to our invitations', ' they just want our money'…). The Broker must be always keep trying to involve relevant groupings, who are 'discovered' as the partnership building process unfolds.

Grand River Heritage

In my work at the Heritage Resources Centre in Canada in the 1980s, I learned just how important it is to keep inviting and informing groups who do not respond to invitations, but are nonetheless of crucial importance to implementing partnership-based heritage conservation. In southern Ontario, this was the case with the Six Nations native groups and the Mennonites. Both controlled heritage resources along the Grand River Valley and so their involvement was crucial to the management of heritage resources. On principle, they refused to participate in workshops, seminars, negotiations and other activities focussed on improving landscape conservation, which were organized by our Centre.

My boss and mentor. Prof. J. Gordon Nelson, insisted that we persist in inviting these groups and continue to find ways of engaging with them. At the same time, our Centre opposed attempts of the Provincial Government to legislate and otherwise 'force top-down' solutions to heritage conservation along the Grand River Valley. We undertook a series of resource mapping studies, which enabled both the Mennonite and Six Nations groups to contribute (they still didn't come to meetings). Over a period of 5 years in the late 1980s, our Centre engaged local and provincial government, business and other stakeholders, including the Grand River Water Authority, in a participative planning process.[3] The result was not only in adoption of a management plan for the Grand River Valley, but also designation of the river as a Canadian Heritage River (a federal government designation). The planning process led to the emergence of a new institution – the Grand River as a Canadian Heritage River – which enabled a constituency of an inclusive and wide range of public and private groups concerned with heritage conservation to interact as a group (a cross-sector partnership). Nearly two decades later, the constituency of Grand River stakeholders continues its work, mobilising concern and action for heritage conservation.

The Canadian Heritage River designation of the Grand River Valley is one of the best examples I know of a cross-sector partnership operating as a 'social institution'. The insights of my Canadian experience as to the 'social nature' of partnerships and partnership-building and their role in creating and re-creating 'social institutions' has informed my partnership brokering work in subsequent years.

3. Cross-Sector Partnerships Change Culture

Culture cannot be changed quickly. But culture can and must be changed, if we are to move to a more environmentally and socially sustainable society. By culture I refer to the habits, customs, values and ethics through which people relate to one another and which enable them to operate in larger groupings – such as business, voluntary organizations, political parties and government - that are now an essential part of modern life. Cross-sector partnerships can be effective tools for changing culture.

Implications For Partnership Brokering

For those concerned with sustainable development, cross-sector partnerships are only important to the extent that they change culture. To be effective in changing culture, the Broker needs to see partnerships and the partnership building process as a means of moving beyond 'business as usual' by identifying alternatives and ways of implementing them. This means being proactive in pushing for alternatives and for change rather than passively responding to the interplay between the partners engaged. The challenge is not just to get partners to engage with one another to pool their resources and risks in pursuit of a common goal, but to do so in ways that moves society towards sustainable development. The implication is that the partnership process itself is not an end in of itself, but rather a means to identifying and achieving sustainable development.

Clean Business

Poland's economic and political reforms in the 1990s, following the Solidarity revolution and the fall of the Berlin Wall, sought to redress the damage to economy, society and environment suffered as a result of post-war communism. Under a central planning regime, subservient to the interests of the Soviet Union, totalitarian rule stifled enterprise and citizen action. The result was a dysfunctional economy, a highly bureaucratic self-serving state and disenfranchised citizens. Empty shops and frustration were the order of the day. The move to market economy and democratic rule started with the first free elections held in 1989, which brought Poland its first Solidarity backed government. Economic and political reforms focused inter alia on establishing and nurturing a private sector. A programme of privatisation brought foreign capital, expertise and business to Poland. It also enabled the development of small business. By 1995, approx. 40% of the economy was in private hands and 2 million small and medium-sized enterprises had been established.

In 1996, I helped establish the Polish Environmental Partnership Foundation (PEPF) as an NGO committed to helping community groups operating at the local level to design and implement practical projects contributing to sustainable development.[4] The motivation was to introduce a culture of sustainable development in Poland rather than recreate the unsustainable western model. The PEPF founders were a group of US-based philanthropic foundations, including the German Marshall Fund of the US, the Rockefeller Brothers Fund, the C. S. Mott Foundation and the Trust for Mutual Understanding. They were committed to contributing to Poland's reforms by supporting financially, organizationally and substantively, the development of civil society. At the time, they were not much interested in working with business. In fact, they saw the role of civil society in Poland as one of contesting the excesses and negative aspects of big business and big government. As in the US, the role of civil society was to confront business and government rather than to cooperate with them in various ways. The primary aim of the PEPF was thus to provide financial and other types of support to small NGOs in order to make them stronger and more indpendent.

When I was asked to become the PEPF Executive Director, I knew that a way had to be found of engaging with Poland's emerging business sector, rather than confronting or contesting it. This was because – at the time – the reforms of economy and society were causing much dissarray and confusion as to the respective roles and responsibilities of the government, business and civil society sectors. With the goal of achieving sustainable development in mind, the opportunity was to try to define the roles of the 3 sectors in way that would be more effective than western model. A new Polish compact or consensus between business, government and civil society for ensuring Polish reforms aimed at sustainable development required finding ways of working across sectors.

My realization that business could be an opportunity for moving Poland towards sustainable development came through my interaction with the Prince of Wales Business Leaders Forum (BLF) and the Prince himself starting in 1994. As a result, I introduced the idea that business could be a partner in the pursuit of sustainable development to the programming of the PEPF. In 1996, thanks to the BLF, I had the opportunity to start exploring possible joint work between the PEPF and BP, which had its Polish headquarters in Krakow and had been involved in some of my earlier work at the Krakow Development Forum. At the time, BP was not only a strong supporter of the BLF with a commitment to promoting environmental awareness, but a company embarking on large scale investment and business development programme in Poland.

Over a period of 2 years, PEPF-BP discussions focussed increasingly on identifying something practical that would help accelerate environmental awareness in Poland's economic reforms. We identified the link between small businesses and environmental concern as something that would provide the appropriate focus. The Clean Business Programme was born out of these discussions. The goal was to help create a new culture of environmental performance among Polish SMEs that would not only generate business benefits to the companies concerned through cost savings, but also contribute to the wider community by encouraging companies to become more directly involved in action for sustainable development. Clean Business was designed from the very outset as a cross-sector partnership, involving BP, the PEPF and Groundwork, a UK-based NGO which was operating a successful Business Environment scheme at the time. We negotiated a cooperation agreement. BP and the UK Government contributed funds. Groundwork contributed expertise and the PEPF and BP Poland took on the task of implementing the scheme in Poland.[5]

The programme has been highly successful and influential. Over 5,000 companies have benefited from the scheme and have subsequently become involved in working in partnerships with civil society groups and local government. But more importantly, after 8 years of operation, the basic idea that environmental performance is an integral part of day-to-day business activities (not an add-on) has now become mainstream in Poland.

The Clean Business programme was the most ambitious (and most successful) cross-sector partnership in which I have been involved to date. I have been involved with the scheme for a decade and in that time, Clean Business has always been a reference or benchmark for my partnering work and demonstrated to me that cross-sector partnerships that are focussed and committed on a long term vision, can and do change culture.

4. Cross Sector Partnerships Generate Social Capital

According to Francis Fukuyama trust is the basis of prosperity and so holds the prospect of steering society towards sustainable development. In his book on trust,[6] Fukuyama defines trust as follows: "Trust is the expectation that arises within a community of regular, honest, and cooperative behaviour, based on commonly shared norms, on the part of other members of the community."[7] He goes on to explain how trust is generated in society: "social capital is a capability that arises from the prevalence of trust in a society… it can be embodied in the smallest and most basic social group, the family, as well as the largest of all groups, the nation, and in all other groups in between. Social capital differs from other forms of human capital insofar as it is usually created and transmitted through cultural mechanisms like relgion, tradition or historical habit…. Acquisition of social capital… requires habituation to the moral norms of a community and, in its context, the acquisition of virtues like loyalty, honesty and dependability. The group, moreover, has to adopt common norms as a whole before trust can become generalized among its members. In other words, social capital cannot be acquired simply by individuals acting on their own. It is based on the prevalence of social, rather than individual virtues."[8]

Cross-sector partnerships are extremely effective in building social capital and so are mechanisms for generating trust in a group, between groups and ultimately in a nation. Social capital and trust are essential to building economic prosperity, rule of law and democratic practice. In situations, where social capital has been destroyed or degenerated and where trust no longer exists, economic, political and democratic reforms will be unlikely to succeed. We can think of many such situations, from the Middle East to Iraq to our urban areas. The rebuilding of social capital is a prerequisite for building a market economy and democractic society.

Implications For Partnership Brokering

The important implication for partnership brokering lies in the fact that including civil society in cross-sector partnerships should bring with it a focus on values, norms and moral imperatives. For the Broker, a key concern relates to using the participation of civil society groups as a way of ensuring that the idea of trust is addressed explicitly in the process of partnership design, building and maintenenance. Trust needs to be established in and through the partnership, if success is to be achieved. In fact in many situations, the accumulation of social capital may turn out to be the most and contibution of the partnership.

In successful partnerships, social capital and trust are taken for granted. In dysfunctional partnerships, the causes of failure are seldom seen in terms of a failure to accumulate social capital. Typically, failure is attributed to an inability to reconcile divergent or conflicting interests or agree on financial issues. Yet successful partnerships can and do accommodate conflicting interests of the partners involved. But only if they have succeeded in building up sufficient social capital to accommodate and deal with such conflicts.

An effective Broker is sensitive to issues of trust and appreciative of the role of cross-sector partnerships in generating social capital.

Local Partnerships For Sustainable Development

The PEPF started out as a a grantmaker, providing small grants to support civil society groups in their efforts to advance the cause of sustainable development. Its precursor in the years 1991-1995, was a programme of the German Marshall Fund of the US, focused on small grantmaking (i.e. grants averaging $2,000) aimed at building an independent environmental NGO sector in Poland.[9] Established in 1996, the PEPF was faced with a demand for its funding and technical support from civil society groups across Poland. It became apparent at the very start that the PEPF as a small foundation with limited financial resources (an annual grant budget of approx. $200,000), this demand could never be met. How then could the PEPF deliver on its mission to implement sustainable development at the local or community level throughout Poland? The answer was either to focus on the subnational level or to find a different formula for reaching out to civil society groups across the country. In both cases, it was clear the PEPF would have to move beyond its (then) established role and capability as a grantmaker for environmental NGOs.

To meet the challenge of reaching out in a systematic way to NGOs across Poland, the PEPF adopted the partnership approach as part of its "core business" and sought to work with local or community-based NGOs not as grant beneficiaries, but as local partners for programme delivery. To this end, the PEPF developed a series of programmatic themes, including Clean Business, Schools for Sustainable Development, Greenways. Each of these themes provided a focus for both the PEPF and its local NGO partners. The objective was to work together to mobilise resources and influence to make schools living examples of sustainable development (Schools for Sustainable Development), business more engaged in the community through environmental projects (Clean Business) and tourism development more sensitive to local heritage values and to generating community benefits (Greenways).[10]

By 2001, it was clear that many local or community-based initiatives started in one or other of the three thematic programmes had developed a life of their own. It was no longer possible or appropriate to manage them from the level of the PEPF as 'local ownership' was very strong. At the same time, it was apparent that resources were not well identified or used at the local level. There was too much emphasis on external support, especially financial support. A new approach was needed that would help build greater self-reliance and financial sustainability at the local or community level. Recognition of this situation led directly to initiating a national programme to build local cross-sector partnerships across Poland as delivery vehicles for sustainable development. The motivation was to imbue local communities with a 'partnership culture', which had become second nature to those at the PEPF.[11]

Initiated in 2001, the Local Partnerships for Sustainable Development programme has built a national network of 19 Local Partnerships, which bring together over 500 businesses, local governments and civil society groups.[12] The PEPF has taken on the role of secretariat for this network and is no longer its principal funder. Each Local Partnership has developed its own financial and operational formula, adopting common norms or standards as to procedures, transparency, openness and commitment to delivering sustainable development. What has been created is a mutual support network of individuals, organisations and places, which has been helping to shape the design and delivery of major EU-funded programmes based on the partnership model. The most important of these is the rural development programme LEADER, which has generated approx 120 Local Partnerships across the country. The PEPF's network of Local Partnerships is helping to shape the LEADER and other related EU programmes in terms of increasing the effectiveness of delivery. PEPF efforts are having a national level impact.

For me, the national network of Local Partnerships for Sustainable Development has been a project focused explicitly on building social capital. The network has not been built up with promises of funding, but rather on the commitment of individuals and organizations to undertake practical action for sustainable development for the long term benefit of their communities. By moving beyond the 'project-financing' cycle, the Local Partnerships focus on accumulating social capital and generate the trust that is essential for dealing with local conflicts and for building sustainability and prosperity.

For the PEPF, this has meant that assisting in the design, building and maintence of cross-sector partnerships at the local or community level has become the "core competence" of the organization. It is this that distinguishes the PEPF from other NGOs and NGO-support organizations in Poland. What has been important for me personally is that the "core competence" in partnership building has been institutionalized in the PEPF. This is no longer something that is associated with me personally. The PEPF has an internal staff capacity and organizational capability for building social capital in Poland through Local Partnerships. In fact, I am no longer seen as leading the Local Partnership initiative

5. Cross Sector Partnerships Do Not Last Forever

Cross-sector partnerships like other 'social institutions' depend on the ongoing engagement of their constituent partners to give them meaning and justify their continued relevance. Unlike other institutions, though, by involving different types of partners, motivated by different types of interests, cross-sector partnerships have a built in gyroscope that constantly questions their relevance, effectiveness and direction.

An important, but neglected stage of the partnership cycle is that of termination or creative destruction, which focuses on how partnerships transform into more effective institutional arrangements for meeting a particular challenge. Cross-sector partnerships often use the resources, knowledge and insights of partners to turn ill-defined challenges into more defined problems that can be solved subsequently through improvements in existing institutions or else by the creation of new types of institutions. Accepting this role means thinking about the purpose of cross-sector partnerships as a means for strengthening or modifying the organizational capability of individual partners so as to increase the effectiveness of society in dealing with development challenges. If such strengthening is adjudged to have taken place, there may no longer be a role for the cross-sector partnership as it was initially conceived.

Implications For Partnership Brokering

The important thing for the Broker is to ensure that cross-partnerships systematically and explicitly question their 'value-added'. When there are better alternatives, the role and nature of the partnership must change or else the partnership should come to an end. The Broker must resist the tendency in many partnerships to continue without raising fundamental questions about whether the partnership is generating 'added value'? For whom? In what ways and to what purpose? Typically, such questions are left to funders or the most vocal partners. The Broker should always be open to proposals for improving, modifying and otherwise changing the way the partnership operates. Indeed, all proposals to terminate the partnership should be taken seriously, especially if these propose new organisational forms that might be more effective and more appropriate to a particular situation.

Krakow Development Forum

In 1993, Poland was going through a time of enormous change following the collapse of communist rule in 1989. The newly elected government introduced radical reforms aimed at moving Poland towards a market economy, the rule of law and democracy. It sought to initiate privatisation while creating structures for local and regional government, the emergence of an independent media, opportunities for small business development and the growth of civil society. While this was clearly a time of opportunity and excitement, for many it was also one of anxiety and confusion. Efforts to promote sustainable development at this time were mostly tentative and fragmented.

Krakow and the surrounding region were a microcosm of 4 challenges facing Poland:

- How to deal with widespread confusion among government, business and civil society as to their roles and responsibilities;
- The lack of experience of key sector leaders to operate confidently in their new roles;
- Knowing where to start in making national economic and political reforms generate benefits

at the local level; and

- The apparent disinclination for cross-sector collaboration.

Inspired by The Prince of Wales Business Leaders Forum, local leaders from the public, business and civil society sectors created the Krakow Development Forum to promote cross-sector partnerships that would, "…bring social, economic, environmental and cultural benefit to the Krakow community and its regional, national and international context." The KDF was designed to enable and promote collaborative work, not engage in project implementation itself. This was a partnership set up to identify opportunities, problems and to organise responses based on the resources and competencies of its members.[13]

Financing was obtained through a modest fee that affirmed individual commitment to the KDF idea. The initiating group comprised 26 individuals from different sectors with institutional support from the City Government, the IBLF and 6 companies. A management committee of five nominees from different sectors was accountable to a wide-ranging membership (including the Mayor and other civic and business leaders alongside teachers, activists, students and artists). By 1996, the KDF had a membership of 88 individuals from all key sectors in Krakow and 21 supporting members. Many projects identified were subsequently implemented and many more were generated.

The KDF was designed as a temporary partnership with the objective of strengthening the roles and responsibilities of the three sectors in contributing to the sustainable development of Krakow. An annual review was agreed upon to assess whether it was still needed and in 1998 it was decided that its aims had been accomplished. This was because the projects initiated through the KDF had taken on a dynamic of their own and for KDF members working in partnership had become second nature. The brokering role of the KDF was no longer needed.

As one of the founders of the KDF and its first Executive Director (1994-6), I learned that explicitly designing cross-sector partnerships as temporary endeavours for the purposes of dealing with a particular problem or issue was a very effective way of strengthening existing institutions and identifying gaps for establishing new institutional arrangements to fill gaps. This is because temporary structures and arrangements are seldom seen as threatening to existing institutions.

6. Cross-Sector Partnerships Need Brokers

To be effective, cross-sector partnerships need brokers for managing the complex relationships involved. In many situations, brokering functions are taken on unconsciously or intuitively by one or more individuals from the organizations involved. In more ambitious partnerships, the brokering function is designed in more consciously and deliberately, with one or more individuals being allocated brokering tasks by the partners. As a partnership becomes more firmly established, the role of Partnership Broker may be re-constructed as something closer to a partnership manager. The important thing is that Brokers are essential to successful cross-sector partnerships.

Implications For Partnership Brokering

Coming into a partnership, the Partnership Broker needs to understand how the brokering function is being served. Who is delivering the brokering function? On what basis are they doing so? Do they have a mandate? Are they doing this consciously or unconsciously? The Broker must seek to answer these questions in order to define his own role. In this context, the challenge for the Broker has much to do with strengthening or adding value to the brokering function as it exists in the partnership.

What is also important is that few in a cross-sector partnerships will understand or appreciate you as a Partnership Broker. In this regard, it does not make any difference whether you are internal or external to the partnership. To be effective, it is important not to seek the appreciation of others, but rather to take pleasure in the success of others and that of the partnership. It is good to remember that the moment you gain recognition and acclaim for your brokering contributions in a partnership, your effectiveness will likely diminish substantially.

Brokering is like refereeing a football match. If you do your job well, no-one will have noticed you, as attention will have focused on goal scorers and the thrill of the game. If you have done your job badly, you will be the focus of controversy.

Environmental Partnership For Sustainable Development

The PEPF is part of an international consortium of 6 foundations sharing a common mission, which operate in Poland, Czech Republic, Hungary, Slovakia, Romania, and Bulgaria.[14] Established in 1997 as a loose cooperation agreement, the consortium arrangement has become over the years more and more formalised and structured. In 2005, the consortium was turned into an international not-for-profit association and registered in the Czech Republic. Formalization of the Environmental Partnership was a response to a growing need to manage the multiple cross-sector partnerships, in which the national member foundations were engaged in. Over time, it became apparent that the brokering function was being fulfilled by many individuals within the “Environmental Partnership family”. The need was not for strong international coordinator, but rather for an arrangement according to which the brokering skills/resources present within the national member foundations could be made more readily available to all and used to the greater benefit of all.

The challenge of bringing order into the partnership brokering work of the Environmental Partnership was met through the development and adoption of a set of 8 principles. These principles guide the relationships of the Environmental Partnership (and its member foundations) with government, business, private funders and other sectors. These principles help the Environmental Partnership stay true to its mission of supporting sustainable development at the local or grassroots level. The principles were formulated as follows:

1. The principle of social investment:

Focus must be on addressing an environmental problem so that progress towards sustainable development can be measured (the emphasis is on thinking in terms of social investment);

2. The principle of autonomy:

Independence of partners must be assured so that they can contribute what they do best (The Environmental Partnership must have autonomy in programme delivery);

3. The principle of ethical funds:

Funds and other resources allocated to a project or programme must be legally or ethically generated (and their must be ‘no strings’ attached to funding or resource allocation);

4. The principle of continuous improvement:

Partners must be committed to active and continuous improvement aimed at achieving making the partnerships work for the benefit of all concerned (i.e. partnership is a relationship based on sharing risks, as well as benefits);

5. The principle of opennes:

Partners must be committed to openness with each other when dealing with problems, mistakes, surprises, misunderstandings that will inevitably arise;

6. The principle of long term committment:

Partners are committed to making the partnership work over long run as all parties must invest continuously in making it work (i.e. a partnership is not about a one-time media event, grant or donation);

7. The principle of no-fault termination:

Not all partners will work and bring the expected benefits to the parties involved. This fact must be acknowledged and a strong partnership must be based on allowing any of the parties to opt out or withdraw from the partnership without attribution or blame;

8. The principle of jointly agreed outreach:

Even though motivations for entering into a partnership may be different, outreach strategies to the wider community - especially through the media - must be jointly agreed and monitored.

The 8 principles now form a point of departure for all new relationships with potential partners from government, private sector and philanthropic foundations. They form part of contractual agreements of the Environmental Partnership and its member foundations and have become part of their organizational culture.

The important lesson is that the brokering function can be codified and integrated into organizational culture. This is the case in the Environmental Partnership. In such a situation, there are many brokers.

I have come to believe that cross-sector partnerships are key to efforts aimed at achieving sustainable development through strengthening market economy and democracy. This is because they provide a way of nurturing a “sense of civics” or desire to look beyond self-interest and contribute to the public good. The need is not just to build widespread recognition or concern for the public good but a conviction among citizens that they have both the obligation and the opportunity to generate the public good.

Responding to what has been termed the “democratic deficit” is of special importance at present, as citizens in many places around the world (including Poland) appear to have lost faith not only in politicians, but in their own ability to contribute to building a democratic culture that generates and secures the public good. In this situation, cross-sector partnerships have very important role to play. They have potential to make a real difference. Partnership brokers are needed to ensure that cross-sector partnerships perform to their potential.

Endnotes

1 My self-awareness as a Partnership Broker is linked to my collaboration with Ros Tennyson, which began in 1993. Her work and publications have influenced and informed my work over the years. The most influential were: R. Tennyson and L. Wilde. 2000. The Guiding Hand: brokering partnerships for sustainable development. London: Prince of Wales Business Leaders Forum and the UN Staff College and R. Tennyson. 2003. The Partnering Toolbook. London: International Prince of Wales Business Leaders Forum and the Global Alliance for Improved Nutrition (GAIN).

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13 The Krakow Development Forum and its origins are discussed in R. Serafin and R. Tennyson. 2006. 'Brokering the Partnership Idea'. Partnership Matters (forthcoming).

14 For more on the Environmental Partnership for Sustainable Development, see www.environmentalpartnership.org.

Making the Private Sector Business Case for Partnerships

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Environmental Resources Management

Contents

1. Introduction

In applying a partnership approach it is essential to get the right partners involved, including those from the private sector. However, increasingly non-private sector organisations are finding engagement with the private sector difficult partly as they don't speak the same language as the private sector.

The business case is a way of packaging the partnership approach and its benefits to the private sector in a way that they can easily be understood and affiliated with. In this way, the probability of getting interest from the private sector for such an approach is likely to be greatly improved.

A route to achieve this is via a framework which outlines the considerations and factors involved in packaging the partnership. The following are the key factors to be considered in developing the optimal business case:

- assessment of the external driving forces on the target partner and the partner's underlying interests that may influence involvement

- the partnership purpose that is most likely to appeal to the partner for instance commercial vs strategic partnership

- the likely costs and benefits for a partner to be involved.

2. Setting the Scene

The concept of a partnership has become an increasingly popular approach to achieving sustainable development goals, evidenced more recently by the launch of UNDP's report, Unleashing Entrepreneurship, which details their objective of integrating partnerships with the private sector as part of their core operations. More and more those involved with partnerships are calling on the private sector to be involved, as a source of resources, management expertise and commercial know-how, with a view to promoting free-market principles as a way to generate sustainable growth and benefits for poorer communities.

However, as important as the involvement of the private sector is seen to be by public and civil society agents, the private sector themselves may be apprehensive about such an approach for good reason. Working with others can be complex, require intensive investment of time and resources to manage and result in conflict due to different ideas and approaches. In order to get them on side therefore and recognise the benefits that such an approach may bring, requires effective marketing and communication in a language and format that the private sector are receptive to. To do this unfortunately is not something that many non-private sector organisations are familiar with.

The key characteristics of the private sector are that they need clarity, time lines, a good idea of what commitment would involve, costs and benefits. They are principally resource rich and time poor which means that they have many demands on them for their resources, both commercial and otherwise, and not much time to consider them. Therefore competition is high, and getting it right first time is essential.

One vital and often overlooked tool is the business case outlining costs/ benefits of a project, feasibility in terms of both financial and other resources, 'fit' with core operations and status of the market…essentially the 'whys and what fors' document. This is private sector language.

However, during my professional practice, I found that on applying the partnership principles, there was a distinct gap between the completion of an internal assessment and the engagement with potential partners. How was I to appeal to these partners? Why would they want to get involved? Could they? This is where the business case comes in.

The business case is an important tool. Not only does it enable the facilitation of discussion in a common language, but it also provides focus around which the discussion can proceed. If you don't get it right first time, you may destroy chances of engagement with that potential partner. A business case will minimise the risk of failure. It also enables the initiating partner to put another hat on and really understand what is driving other potential partners, which in the event that the partner does commit, will certainly help with relationship management and conflict resolution as the partnership progresses.

This paper therefore seeks to explore what factors and considerations are pertinent to developing a business case, and how to approach the packaging of information in a private sector friendly format that succeeds in making an impact.

It should be noted that a business case may not be necessary in all cases, but where the initiating partner is seeking involvement with stakeholders for whom there is a weak relationship or the incentives are not obvious, then a business case is certainly recommended.

As examples, I will draw on the experience acquired, as an external broker, through negotiating the creation of a partnership with key stakeholders in the tourism sector. The objective of this partnership was to manage the risk, in particular reputational, of key tour operators and industry bodies by getting them to work collectively to instigate sustainable guidelines and to implement those guidelines through their supply chains.

3. Key Considerations in Developing the Business Case

3.1 Determining the key drivers for involvement

External drivers

For all private sector firms there are numerous external pressures facing them that may influence the extent to which they are able or willing to get involved in a partnership project. Some drivers may be so significant that there is little opportunity for a firm to commit to a partnership; however, some may provide a green light for partnership involvement especially where the proposed project is providing some benefit or support to the firm in the face of that pressure.

In developing the business case, this is an essential first step, and enables the initiating organisation to get a much clearer understanding of the background setting in which they are attempting to operate. It also gives a potential indication of the likelihood of involvement, giving warning signals early on if partnership involvement is not appropriate, thus allowing the initiating organisation to redirect resources elsewhere.

During my partnership work, a key driver for involvement for UK tour operators was the launch of a recent campaign by the NGO Tourism Concern, relating to the poor working conditions of many employees in supply chain operations and the threat of further campaigns to come. As the partnership exploration phase progressed, new factors became evident, not least the occurrence of the Tsunami in Asia, which not only affected the operations of some of the target operators, but also helped to elevate the profile of responsible tourism which enabled a more open approach to engagement on the issue.

The table overleaf outlines examples of external pressures facing business, and how this may affect the viability of a partnership approach.

Types of external driver	Potential impact on business	Partnership approach viability
Existing/ pending regulation	Increased focus on improving/ adapting operations to ensure compliance; can be very costly and require significant resources.	Working in partnership with other firms/ organisations which assist this process should be more cost effective.
Customer demand	Where business's activities are not in line with customer demand, loss of sales could result, loss of brand loyalty.	A high profile partnership which satisfies what customers are demanding could help to increase loyalty, maintain sales.
NGO campaigns against an industry/ company	Reputational issue, consumer boycotts, threat of closure of operations where criticism is targeted. Company forced to invest resources in responding to the claims to minimise criticism	Could affect incentive of company to raise their head in the face of further NGO criticism; although could also encourage company to address issue by getting involved in such activities.
Barriers to operations such as conflict/ community access etc.	Can result in substantial delays/ stoppages in operations and therefore losses. Also threat to staff and operations may result in shutdowns.	Partnership approach may be extremely viable in this situation especially where issues derive from parties with whom the company has no knowledge.

Underlying interests

The underlying interests of a company will influence greatly whether they are willing to commit to a partnership approach. In the tourism partnership, I assumed that the public commitment of the industry body and its members to take actions to become more sustainable was an indication of their interest to work collaboratively to address this theme in order to protect reputation. However, through engagement with several tour operators, it emerged that they were extremely wary of doing any more than the bare minimum as this would attract NGO attention and expose them to criticism and thus threat to reputation. Understanding this was vital to inform the partnership approach being proposed.

Below are some examples of underlying interests and the types of circumstances that may illustrate them.

Types of underlying interests	Examples of presence
Risk mitigation e.g. reputation	If there has been a recent campaign where they have been publicly criticised; if a competitor has been targeted and seen loss of profits/ commercial damage.
Cost effectiveness	If a company has started to outsource; public statements to claim cost cutting strategies
Competitive advantage	A company that tends to be creative and lead the market is likely to be interested in improving their competitive advantage.

Barriers to involvement

There are several barriers that may exist for a private sector firm to get involved in a partnership now or in the future, and understanding what these are and how a partnership approach may help to address these barriers is crucial.

For example, in the tourism partnership, a significant barrier to involvement was the fact that there was no evidence of consumer demand for responsible tourism. Despite several surveys purporting this, consumers are still paying rock bottom prices for non responsible holidays.

Below are examples of barriers that may face firms:

Types of barriers	Potential responses
Lack of availability of resources	A partnership approach will help to pool resources thus alleviating pressure on partner's resources.
Reputation risk (risk of failure of the partnership, or of being involved with a particular partner)	Widen the possibility of risk mitigating exit strategies; offering the opportunity to explore the options prior to committing.
Negative attitude of CEO/ other contact	This is where the business case is most important to highlight the benefits and added value to the firm of involvement.
Lack of consumer demand to justify involvement	May be that raising awareness of the issue/ partnership will help to raise consumer awareness and lead to consumer demand; other stakeholders may already be raising awareness to consumers which will lead to the company losing out if they fail to act.

Audience

It is key to consider throughout the business case process who the audience is that the case is appealing to. Whether this will be the partnership contact or not, as the first contact with the firm, it is important to raise their interest and enthusiasm for the initiative so that they can then 'sell' internally. Whichever role they have in the firm may influence the angle of the proposal e.g. CSR representative vs CEO.

Differences between sub-sector industries, players

In light of the above considerations, it must be noted that businesses from different sub-sectors parts of the same sector, or indeed different companies in the same sector, may have different pressures that they need to respond to and differing underlying interests to tackling these pressures. It is therefore necessary to be flexible to this and tailor the business case according to the specific sub-sector or company that is being targeted.

In the tourist sector for example, there are some tour operators that invest and depend heavily on their brand, which is a significant source of revenue through repeat customers. For these companies, risk mitigation could be a bigger incentive for involvement in a partnership than for those companies for whom low price is a bigger marketing tool.

Timings of the process/ benefits

Private sector are generally short-termist in nature, with individuals and departments striving to achieve medium term KPIs and annual targets to satisfy performance ratings and bonuses. This needs to be taken into consideration when presenting the partnership initiative, with short-term impacts in terms of both costs and benefits, separated from the longer term benefits for a project of longer duration.

3.2 Partnership Hook

Consolidation of the above information will help to determine the most appropriate partnership type that might appeal to the partner and which therefore will help to provide the angle for the business case. The following list outlines the key reasons for involvement by a private sector firm (adapted from PBAS course):

- **Philanthropic case** e.g. reputation risk mitigation- this is a more difficult case to make as the benefits of involvement/ costs of non-involvement, especially if from a reputational perspective, are extremely difficult to quantify, and therefore to promote. Also, where the partnership may not be part of the core business, or not providing tangible benefits, the sustainability of the partnership may be undermined.

- **Strategic case** e.g. for access to new market (BoP)- although the benefits of involvement may not be so clear, the strategic case is more likely to be aligned with the core business strategy, and provide incentive for involvement. However there are clear risks involved with pursuing some strategies that the partnership may or may not help to address. These need to be understood in order to anticipate potential conflicts of interest.

- **Commercial case** e.g. gaining licence to operate- an often much clearer case for involvement with benefits more tangible and easier to quantify.

For the tourism partnership, the philanthropic motive was applied to the business case due to the reputation risk relating arising from a recent NGO campaign and their public declaration of commitment to a responsible approach. This was strengthened by turning it into a commercial issue by highlighting the threat of losing customers following adverse public criticism, a situation that a tour operator can ill afford with such tight profit margins.

Interestingly, following discussions, the partnership that emerged was one that was more strategic in nature, with a view to raising their profile in terms of the economic benefits of the plethora of taxes paid and therefore alleviate pressure on them to pay higher taxes. This demonstrates the importance of being flexible, where one business case may lead to another different case. However the knowledge of the industry, and their underlying interests acquired through this process enabled this alternative approach to be identified.

Whichever approach is prioritised to appeal to the partner will determine in many cases who to contact in that organisation especially in large corporations in which there are many large departments with different representatives for each. For instance, a philanthropic case for a partnership could lead to engagement with the CSR manager; for strategic motives it could be the business development manager.

3.3 Costs vs benefits

A key question that any private sector firm is likely to ask is what involvement in the partnership approach is likely to cost them, and what the benefits are likely to be. Where these can be quantified, this is likely to strengthen the case, although qualitative costs/ benefits are also valuable.

For the tourism partnership, for which the proposal was to act collectively to develop guidelines and implement monitoring of status of key issues in the supply chain, the resulting cost/ benefit analysis is included below:

Figure 1. Cost/ benefit analysis for a partnership in the tourist sector

	Costs	Benefits
FTO	• Time/ resources • External advisory (although this could be covered by key members of the initiative or government departments)	• Collective action will increase profile • Seen by the industry to be taking a leadership position • Helping members who may not wish to be in the spot light on these issues, to manage their response.
Members	•Financial cost of action (although different approaches to minimise this e.g. collective funding) •Management time in negotiating collective outcomes	• Costs minimised as a result of collective action • No one member in the firing line- initiative can respond on key issues • Increased awareness of how sustainability risk impacts business •Protection of profits through mitigation of reputational damage •Supply chain performance improvements (associated benefits could include e.g. increased staff productivity and reduced absenteeism) • Meet new requirements of OFR (i.e. non-Financial Risks)

4. Packaging the Proposal

The business case is not only about creating a 'hook' but about presenting it. This may require the inclusion of additional pieces of information in order to put the 'hook' into context, the benefits of a partnership approach in this instance and your involvement and how it might work.

In packaging all this information together, it is vital to be concise (private sector representatives have very little time to read long documents- the shorter the better), visual and tell a clear story.

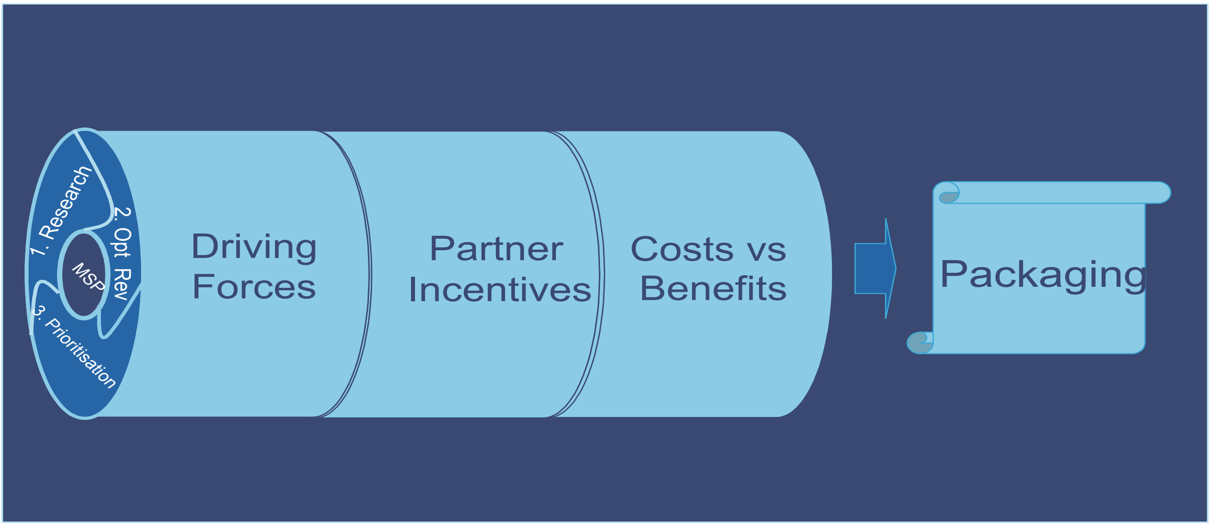
It is key to remember with all of this that you are not trying to be too prescriptive about the partnership, its objectives and approach. The whole purpose of the partnership approach is of course to generate space for creativity from the partners themselves so that they can determine the optimal approach. The purpose of the business case, is to generate initial interest and enthusiasm from the target partners. To do this, however, there is a need to bring some clarity to the table. Only then can you get the commitment which will enable the partnership to progress.

5. Development of a Framework Tool

5.1 The framework

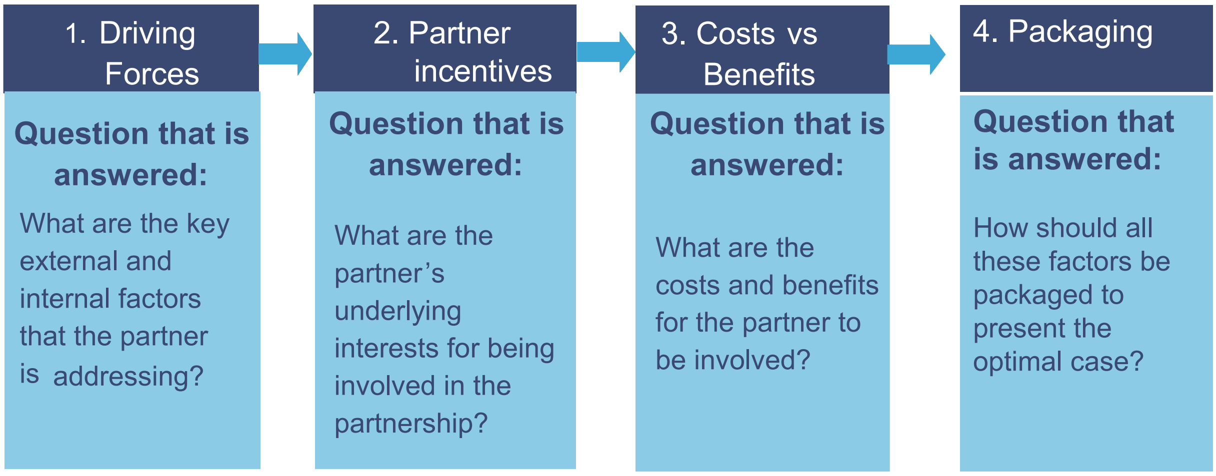
By consolidating all the previous considerations, the following methodological approach emerged which could be used as a tool when building the business case for partner involvement.

Figure 2. Partnership business case framework representation



For each step, there are some key questions that need to be answered if a valuable understanding of the partner and their industry is to be gained, as outlined below:

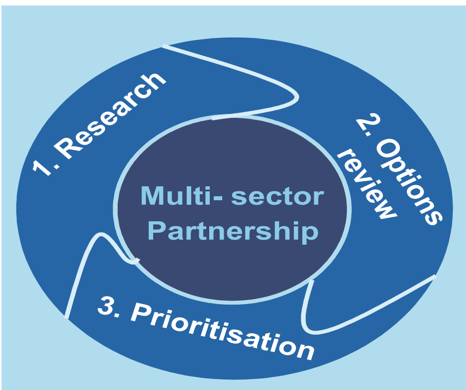
Figure 3. Framework key questions



5.2 Approach using an analysis process

In answering these questions, the following process is recommended in order to retain some focus and ensure the more effective and efficient output. This process is divided into three actions: Research, Options Review and Prioritisation. These operate around the consideration of the multi-sector partnership (MSP) in all instances, helps to define purpose for the review as the Figure 4 shows.

Figure 4. Three actions of the analysis process for each step



Research

The first action for each step involves producing a base understanding of the sector to which the target partner belongs as well as gaining a core understanding of the partner organisation. It is recommended that research should involve desk based research as well as consultation with key internal and external stakeholders to the area of analysis.

Options Review

From this background knowledge, it is essential that we review the options for inclusion in the business case that will maximise influence. This requires the identification of options as well as their evaluation, comparison and practicality.

Prioritisation

Given the numerous pressures on the potential partner, in order to maximise impact of the partnership offering, it is recommended that the options identified above are prioritised in order to facilitate the execution of the subsequent step. The prioritisation will determine the type of information to be gathered/ assessment to be undertaken in the next step in order to develop the business case. Prioritisation does not happen always on the basis of impact and influence of options on the partner, but on the basis of cost to the partner, internal structures and timing, among others. Choosing priorities requires an adequate selection of decision-making criteria, analysis of options in relation to those criteria and the use of in-house expertise and judgement.

5.3 Application of framework

The application of these actions for each of the framework steps involves addressing a series of key considerations. These provide guidance on the key issues that should be answered at each step to build a foundation for the next step in the process. Below I have included suggestions of such considerations that may be relevant for the initiating partner.

Step 1: Driving forces

The variety of pressures that are exerted on a private sector firm are outlined in part 2, and these all need to be considered in order to assess the key driving forces that they are/ need to address, so that the case can be developed with the appropriate angle.

- What are the underlying forces and circumstances influencing the organisation both external and internal?
- What impact are these factors having on the organisation?
- How could the partnership help to manage/ address some of these issues?

The following table outlines some of the key considerations/ queries that need to be posed in determining the key driving forces:

Analysis Actions	Key considerations
Research	• What is the current industry climate that the organisation is operating in? • How is this industry climate likely to change in the short/ medium term? • What are the strategies and performance of the partner that may indicate underlying interests? • What is the structure of the organisation (e.g. decentralised vs regionalised vs centralised) and how might this affect local decision making potential? • What macro economic factors (e.g. exchange rates, price of oil etc.) have most influence over the partner that may influence involvement?
Options Review	• What do we know about the impact of each driver? • What are the trends that these drivers are following? • How do these factors interlink? What story do they present?
Prioritisation	• What is the partner's broad approach to these factors? • Is the partner currently addressing those areas? • Is there an appetite to get involved in the areas where the partner is not operating at present or withdraw from some of the areas that it is operating at present? • What issues should be addressed going forward? • What are the constraints?

Step 2: Partner incentives

The second step of the framework aims to determine what the partner's underlying interests are and therefore which partnership motive should be applied in order to strengthen the case.

Analysis Process	Key considerations
Research	• How do the results from step 1 fit into each partnership motive? • What other information/ evidence exists to support each partnership motive?
Options Review	• How can the arguments for each partnership motive be strengthened to provide a more strategic/ commercial focus? • Have all the motives been captured? • Can some of the options be combined?
Prioritisation	• Which approach is likely to most appeal to the partner? • How many motives should be addressed in the business case? • Which motive has the best 'fit' with the partnership initiative?

Step 3: Cost vs benefits of in involvement

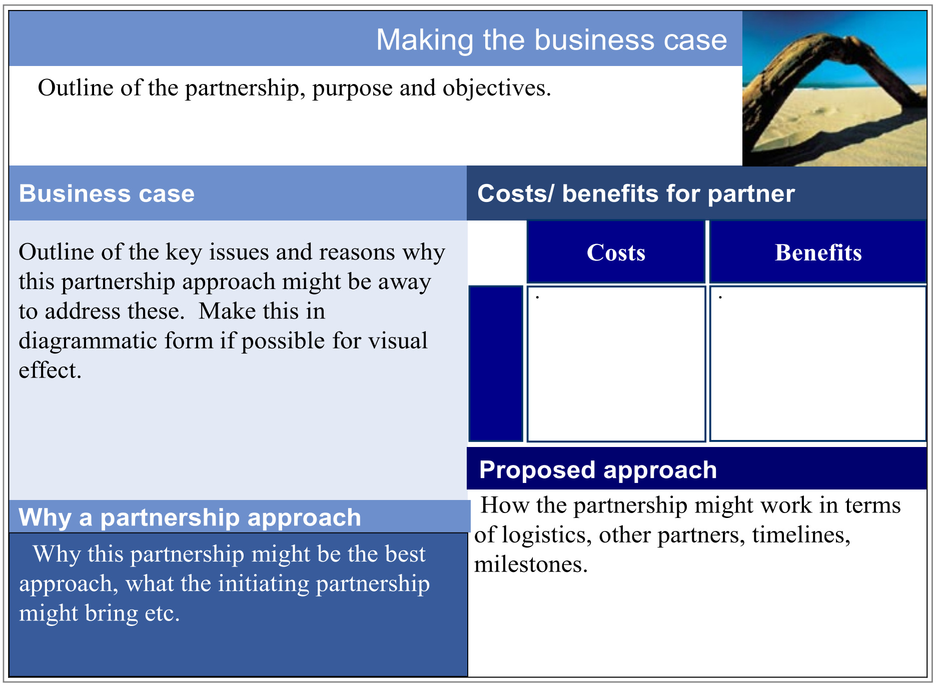
This step attempts to quantify as far as possible the costs and benefits to the partner firm of being involved in the partnership. These are key questions that they would want answered, so being prepared and understanding what barriers might exist to their involvement in terms of financial and other resources is important, and will help in negotiation of better terms for the partnership.

Analysis Process	Key considerations
Research	• What are the costs in terms of financial, time- can estimates be made? • What non-quantifiable costs and benefits exist? Can examples be used to provide evidence?
Options Review	• How can the costs/ benefits be packaged to be clear? (e.g. in terms of costs to different stakeholders of the company such as staff, customers etc) • What gaps exist in knowledge of costs/ benefits included? • Can some of the costs/ benefits be separated? • Should some of the costs/ benefits be combined? • If there are too many costs, why is this? Does this suggest that a partnership with that firm should not be pursued?
Prioritisation	• Which are the greatest costs/ benefits that should be highlighted? • How should these costs/ benefits be presented?

Step 4: Packaging

Once the optimal business case has been determined, it is necessary to consider how best to fit them together to make the biggest impact on the target partner.Other factors need to come into the pitch here, such as why a partnership approach is appropriate, what the initiating organisation might bring, and an indication of logistics/ timings/ milestones.

The key is to make sure that the offering is visual, brief and punchy and tells the right story. Below is an example one page template of how the above information could be packaged:



6. Conclusions

It is not intended that this be an overwhelming process that detracts from the actual process of engaging and promoting a partnership. More it is intended as a tool to help partners, especially non-private sector, to put themselves in private sector shoes, and understand in a logical way the considerations that they are certain to make prior to embarking on any project, whether it be in partnership or not. In that way, an initiating partner may be able to get faster and more effective engagement that will support the relationship building and smoother running of the partnership.

I think that by adopting this approach will provide non-private sector organisations with the confidence and know-how to approach private sector companies and result in an increase in successful engagement of these companies as partners.

The analysis framework is a means to provide an evidence based approach to the identification of the key priorities for the target partner. The value of the framework is its logical structure to the decision making process, therefore it allows for flexibility so that it can be applied at different levels of depth depending on the resources (e.g. time) available.

Funding Approaches for External Partnership Brokers

Ian Dixon
DIXON Partnership Solutions

Contents

1. Introduction

The need for partnership brokers is becoming more accepted as more organisations venture into cross sector partnership arrangements for sustainable development. In many cases the partnership brokers used to facilitate these partnerships are internal to one of the organisations and hence funded by one of them. However, when external brokers are required to be engaged to assist in one or more stages of the partnership process there is the inevitable question that is asked, namely:

"Who Funds the Broker?"

This question needs to addressed by the partners as part of any engagement process. However, it raises a number of issues relating to equity and transparency of the partnership process, as in many cases one or more parties to a cross sector partnership process may not have the capacity to pay or initially they may not see the need to engage an outside broker. If one party funds the broker does this create equity issues which may lead to perceived influence or 'capture' of the broker by that party?

Since commencing my business as an external partnership broker in 1999, this question has continued to challenge me when being engaged by various clients. Developing a satisfactory funding model that retains my integrity and independence as an external partnership broker and that satisfies the needs and capacities of the individual partners to a partnership is critical to the success of the partnership.

This question has also been raised in various conferences and forums I have attended in recent years. Discussions have centred on the engagement of an external third party as a facilitator or partnership broker and the challenges this raises in relation to the development and sustainability of a partnership.

More recently during my period of professional practice I reflected on the issue of funding of my role as an external partnership broker in relation to my project, "*Implementing Indigenous Land Use Agreements in South Australia*". While a funding model has been in place for some time, this has evolved during the course of the partnership and an exploration of these arrangements may provide some useful insights to funding approaches for external partnership brokers.

From researching this subject area, there appears little written about funding approaches in relation to external partnership brokers and hence I believe some dialogue around this topic would be a useful adjunct to the body of knowledge on partnership brokering.

2. Key Issues for Consideration

There are a number of key issues that I believe need to be considered when assessing various types of funding approaches for external brokers. This list is not exhaustive but seeks to raise some of the concerns I have become aware of over the past years as I have been engaged as an external broker.

2.1 The Roles of Partnership Brokers

In reviewing funding approaches for external partnership brokers it is useful to consider the various roles that the broker will perform and at what stage of the partnership cycle.

In the early stages (partnership exploration stage) the potential partners may not have clearly decided that they wish to come together and so no partnership has actually been established. Often a partnership broker may be required initially to assist with a small activity or a once off event in relation to the partnership. This could be facilitation of an initial workshop with the potential partners, a stakeholder engagement forum with a larger group or to provide coaching or advice on a specific aspect of the partnership.

In these cases the cost of engaging an external third party may be relatively small and it may be that the initiating organisation is prepared to fund the external broker to undertake these activities. There may also be some uncertainty about future involvement and the engagement of an external party may signal some level of commitment beyond to intervention planned.

As the partnership building stage is entered the partners gain a clearer idea as to what the partnership will deliver and what support they will require. At this stage the partners are likely to be more aware of the requirements, would have built up a greater level of trust and respect such that open dialogue on such issues is more likely. At these later stages of the partnering cycle the partners will have discussed protocols, partnering agreements and contracting of resources in more depth so it is likely that the process will become easier as the partnership develops.

Similarly in the partnership maintenance stage it is likely that clear protocols will be in place if there is a need to engage an external broker to undertake specific interventions, such as independent partnership reviews.

Often it is my experience that partnerships may be initiated by one or more parties of whom one requests that an external facilitator or broker is required for a specific activity based on some previous experience they may have had, but that other partners or potential partners have little appreciation of the role of the partnership broker or how a broker could assist the process throughout the whole partnership cycle. It is usually over a period of time that the other partners become aware of the value of a partnership broker and where appropriate the external independent broker role.

This observation is reinforced by the words of Tennyson and Wilde (2000:39);

> "In practice while an increasing number of initiating organisations recognise the role of the partnership broker, many still do not"

In considering the overall partnership cycle and the various roles where an external broker may be engaged it is quite likely that different funding approaches may need to be utilised at different stages and for the different roles, depending on the complexity of the partnership process.

This clearly highlights the need for partners to always have a clear understanding of the role of the external broker and for there to be continuing open dialogue regarding the engagement conditions and funding arrangements for this broker role.

2.2 The Perceived Value of Partnership Brokers

While there are many factors that need to be addressed in the engagement of external brokers, one key question is "what is the value in engaging an external resource?" Prior to the engagement process this will in fact be the perceived value of the broker by the partners.

Often each of the partners or potential partners may have vastly different notions of just what an external broker can do and what and how they should be remunerated.

In my experience the following questions may not be fully addressed by the partners in the early stages of a partnership and can cause some dissension between the partners if not handled appropriately. Some questions may be;

- Who has decided that an external broker needs to be engaged?
- Are all parties agreed that an external broker is required?
- Is there an understanding of the role of the external broker and the value that can be added by using this approach?

- Is it likely that the external broker may be required for further activities and support to the partnership?
- Who should contract the external broker?

Unless the questions highlighted above are discussed openly between the parties and agreed positions are clear, there could be serious impacts on the creation and development of the partnership. I can relate to some experiences where I have been engaged by an initiating party for a partnership on the assumption that all parties are agreed and understand the role, only to find that there has been little discussion with the other parties and little understanding of the role.

In some cases particularly in the early stages, people from the partnering organisations may have entirely different perceptions about what an external third party broker will do and how they can assist the process. Many assumptions may be made, and it may be tempting for the external broker to conclude the engagement and then sort these issues out later. However, in my opinion it is critical that a clear understanding of the external partnership broker role is agreed between all parties and the broker before the work is undertaken.

Once this discussion is undertaken there is a greater likelihood of the perceived value of an external broker being recognised by the partners or potential partners and a greater possibility of each partner contributing to funding this role. This will then lead to greater commitment and a greater possibility of positive outcomes from the intervention proposed. However as Tennyson and Wilde (2000:16) caution us:

> "The most visible form of tangible commitment is money, but assuming that a financial contribution alone leads to a partnership commitment would be a mistake"

But similarly, making some commitment of funds for support resources for a partnership process does ensure that each party questions the validity of the role and has an interest in discussing and agreeing on the need for and the particular individual most appropriate to the task.

2.3 Funder Influence

Often where brokers are funded either totally or in large part by one party but are required to work equally for all parties, there could be the perception of undue influence or possible capture of the broker by that partner. In this case the underlying question - *will the broker in fact treat all parties equally?* – can impact on the success of the partnership process.

Tennyson and Wilde refer to this in the 'The Guiding Hand' Hand (2000:16) as follows:

> "The familiar phrase 'he who pays the piper calls the tune' indicates how easily money can be used as a lever for undue influence, making a true partnership impossible."

However, if parties are aware of this issue there is an opportunity to build trust and respect between the parties by discussing openly the merits or otherwise of an external broker engagement and how each party will contribute to funding this engagement.

A clear job specification, terms of reference and contractual agreement for the external broker as proposed in the 'The Brokering Guidebook'' Guidebook (p19) - Guidance Note 1: Appointing a Broker will also assist in alleviating these concerns. In my experience, external brokers also need to be ever watchful and continually reinforce their role and equitable relations with all parties in the partnership and not create any perceptions of possible 'broker influence or capture' by a funding partner or body.

Again as Tennyson and Wilde remind us (2000:16);

> "Money can only be put into the partnership commitment equation if those contributing most of the money recognise others contributions as of equal value or accept they will only have the same rights as other partners in making decisions"

Likewise Austin refers to balancing value between partners in 'The Collaboration Challenge' (2000:113);

> "A resource exchange that gets significantly out of balance can erode the dominant benefit provider's motivation to continue investing in the relationship or tempt that provider to exercise undue influence over the recipient partner."

2.4 Impact on Partnership Success

Tennyson and Wilde state in the 'The Guiding Hand' Hand (p14) that partnerships that are successful and effective share four key characteristics, namely;

- "Uphold the principles of openness and equity
- Share risks and benefits
- Adapt well to change
- Work towards empowerment"

The first two of these characteristics are particularly important when considering various funding approaches for external brokers. A key issue for the partners and the external broker is to devise a funding approach that will assist the partnership process and not serve as a negative influencer that causes mistrust or enables agendas of individuals to get played out.

With the many different types of cross sector partnerships being embarked upon, there will be no one size fits all for funding approaches, however, it seems whatever is agreed must be open and equitable to all partners involved. Of course equitable may not mean contributing equal amounts to the funding of an external broker, even though this may be one very appropriate approach to be adopted.

In 'Leading Beyond the Walls', Jim Collins (1999:28) reminds us that;

> "… the most productive relationships are in their essence mutual partnerships rooted in a freedom of choice vested in both parties to participate only in that which is mutually beneficial and uplifting."

Hence it is important that partners do not feel that an external broker or the funding arrangements to engage such a person are being imposed on them, or it could have negative impacts on the success of the partnership.

3. What are the Different Funding Options?

Partnerships engaging external brokers can employ several funding approaches that will ensure the integrity and independence of the broker. I have been involved in one such approach and will use this project to illustrate how this has been achieved.

This particular project formed the basis for my professional practice period, namely "*Implementing Indigenous Land Use Agreements in South Australia*". I will compare this to several other funding options and explore their benefits and limitations.

3.1 The ILUA process in SA

The Indigenous Land Use Agreement (ILUA) State-wide negotiation process commenced in 1999, when four organisations decided to come together to try and resolve native title issues within South Australia through negotiation rather than litigation. (Annex 1: Extract from MCA Paper, Alice Springs, Nov 2005)

Following an initial meeting where the four parties met to discuss whether they wished to participate, the State Government representatives sought some initial funding to support the initial costs of this process. Following this approval the parties recognised very early that to be truly equals at the table it would be preferable to have an outside facilitator to conduct an initial meeting to discuss and scope the issues.

At this time I was approached to facilitate one session to scope the negotiation process and to assist the development of a meeting protocol. I was funded by the State Government on behalf of the other parties. So in this case one of the initiating organisations was prepared to pay the costs of the independent external facilitator.

Throughout the last 6 years, this process has evolved to the stage that it now involves the State Government, four peak bodies representing Local Government, Miners, Pastoralists and Fishers together with the Aboriginal Legal Rights Movement representing some 23 native title claimant groups.

My company's (DIXON Partnership Solutions) involvement has increased such that I am now the Independent Chair of the Statewide process; we act as partnership managers to the overall process, provide Deputy Chairs when required for particular activities and also facilitate individual ILUA Negotiations on country when requested.

The funding model that has evolved for this negotiation process involves funding from both the Federal and State governments. This funding supports the various parties and the independent support activities.

This model highlights some interesting issues, such as:

- The Federal Government funding is available through the National Native Title Act provisions under specific guidelines, however the Federal Government is not a negotiating party at the table;

- A global funding proposal is submitted to the Federal Government annually on behalf of all the industry peak bodies and this is coordinated by the partnership manager who is part of our organisation and independent of the State Government;

- The State Government has also provided additional funds to engage external parties to support the process during the life of the negotiations;

- Support services are contracted by the State Government usually on an annual basis and rates are quite clear and transparent, and available to all parties on a 'commercial in confidence' basis should they wish to view.

The funding model is separate to the meeting protocol which is in fact the basis of the partnership agreement. This agreement quite clearly describes that all parties are equal at the table and highlights the need for openness and transparency.

It is interesting to note that the issues of the partnership process and ownership of this process have been separated from the funding arrangements, and the particular contributions from the funding bodies do not impact on the equity of relationships in this process.

While my organisation is accountable to all of the parties equally in terms of how we operate as the independent chairs, facilitators and partnership managers, we negotiate contracted arrangements with the State Government on an annual basis. This accountability is by way of regular reports to all the parties on our activities (generally quarterly) and an annual review and renegotiation of our agreement with the state government on behalf of all the parties. We also clearly recognise that we fulfil these roles only as long as the partners require us to do so, although we have included a 3 month notification period should our services be no longer required.

Some observations about the effectiveness of this funding model used by the ILUA process to engage independent external brokers are:

- At all times the collective ownership of the negotiation process by the parties has been reinforced, irrespective of the funding arrangements that are in place at any stage of the process;

- As there is a strong level of trust between the partners that has been established over the last 6 years, there is a high degree such that the funding to various parties has not impacted on the of openness and transparency ability of the parties to participate effectively as equals at the table;

- Funding of the external partnership broker is secondary to the needs of the partners at any time. The parties to the ILUA process decide on the facilitator for particular negotiations dependent on the skills and expertise they require;

- There is a clear recognition that an independent facilitator adds real value to the negotiation process, and the parties are committed to this approach;

- The industry parties did not have the capacity to fund themselves to participate, hence the development of a funding model that suits the context yet is transparent and actively assists the negotiation process.

3.2 Other Funding Approaches

The example detailed above highlights how funding approaches often evolve over a period of time as the partnership develops and the capacity of the parties becomes evident to all.

However, when exploring partnership processes it is useful to consider the options available and the relevant advantages and disadvantages of each approach. I have developed the following table in an attempt to explore various approaches that I have experienced:

Funding Option	Advantages	Disadvantages
Equal contributions from each Partner	• All parties committed to engagement of partnership broker and prepared to share risk • Partnership broker clearly accountable to all parties • All parties will want to understand role of external broker and perceived value add	• May disadvantage party with less funds available • May create more administration in invoicing and payment processes
One Partner who has capacity funds all broker costs	• Able to engage a partnership broker for the benefit of the partnership • May be able to engage broker when other parties are not yet committed to this role • Opportunity to develop trust and openness if process managed effectively	• May result in perception of 'broker influence or capture' by the funder • Does not require total commitment from other parties which could impact on outcomes from activity • May not encourage dialogue about role and benefits of having an external broker
Funding by more than one Partner but based on capacity to pay	• Able to engage a broker to assist all parties • Requires open negotiation as to various contributions to funding of broker • Requires discussion and clarification of role and value added • Enables balanced sharing of risk related to capacity to pay • More likely to have a balanced agreement about sharing of all resources for the partnership	• May result in perception of 'broker influence or capture' by party who funds major proportion of broker costs • May create more administration in invoicing and payment processes
Funds are provided by a donor organisation who is not a party at the table	• Reinforces independence of broker • Requires clear funding and contractual arrangements to be in place	• Could result in distancing of broker from actual accountability to partners • May create additional administration • May result in undue influence from party outside of partnership
Use Independent Not For Profit organisation at no cost to partners	• Reduced cost to partners • Perception that broker will not exploit the situation as they are contracted through an independent body • Broker not likely to be driven by profit motive or sustaining a business	• Possible lack of commitment to engagement of partnership broker as no commitment to funding required • May create perception of undue influence or capture by organisation depending on its role and stakeholder relationship with the partners

3.3 Tool for Assisting Engagement of External Broker

Based on the earlier examination of issues and then consideration of various funding approaches with which I have had some experience, I believe there may be an opportunity to develop a tool that would assist partners in deciding upon the best funding approach when engaging an external partnership broker.

This tool would need to address a series of key questions and be able to guide partners in selecting the most appropriate funding approach such that the principles of equity and transparency are maintained.

The proposed tool is a series of review questions that could be followed by the partners or potential partners as part of their partnership development process when they are considering engaging a partnership broker, as follows:

Tool for Funding Options for External Partnership Brokers	
1	Should we engage a partnership broker?
2	What are the roles and specific activities that we require the broker to undertake?
3	Should this person be internal or external?
4	If internal which party will provide and fund?
5	If external what would be the estimated cost of this engagement?
6	Can each partner fund this cost equally?
7	If not, what is the capacity of each party to fund this role?
8	How does funding for the external broker fit within the overall resource requirements for the partnership?
9	What other sources of funds may be available to fund the broker role?
10	Is it appropriate to engage a broker through an independent Not For Profit organisation?
11	How may the funding approach adopted by the partners impact on the integrity and independence of the broker?
12	How do we ensure that the funding approach does not impact on the partnership principles of equity and transparency?
13	Who should contract with the broker on behalf of the parties?
14	What review mechanisms should be in place to ensure that the broker adds value to the partnership?

4. Conclusion

This paper explores various funding approaches for engagement of external partnership brokers by partners. I have endeavoured to draw from my own personal experience both prior to and throughout my period of professional practice and to develop some frameworks and tools that may assist in the engagement process.

Above all this process has reinforced for me the absolute necessity for equity and transparency in any partnership process that involves engagement of external brokers and the absolute requirement to maintain the integrity and independence of this third party.

What also has become obvious through the experience of the ILUA process is that funding approaches may evolve and develop through the partnership process and need to be kept under constant review to ensure that the above principles are maintained.

One critical point is that brokers should not make assumptions that all partners have a clear understanding of their role and how they may add value to the process. Above all dialogue about the broker engagement process, leading to clear contractual arrangements with the broker and clear and transparent funding processes between the partners will go a long way to assisting the positive development of cross sector partnerships.

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Annex 1

Extract from paper presented to Minerals Conference of Australia (MCA) on sustainable development, Alice Springs, November 2005

Indigenous land use agreements in South Australia: a partnership for sustainable development

Presented by:
Ian Dixon – Independent Chair, and
George McKenzie – Principal Negotiator – SACOME

Further details on the ILUA process are available at www.iluasa.com.au

SOUTH AUSTRALIAN INDIGENOUS LAND USE AGREEMENT STATEWIDE NEGOTIATIONS

1.1 Introduction

Following changes to the Native Title Act in 1998, promoting the use of Indigenous Land Use Agreements (ILUAs) as an option for resolving native title issues, representatives of the South Australian Government, Aboriginal Legal Rights Movement (ALRM), South Australian Chamber of Mines & Energy (SACOME) and the South Australian Farmers Federation met in mid 1999 to consider a better way to resolve native title issues.

These organisations representing the native title claimants, government and business interests affected by native title became known as the negotiating parties and provided the initial impetus to the Statewide process. They went on to formalise negotiations at a statewide level early in 2000 and established a meeting protocol as a basis for the discussions.

As discussions continued and broadened these groups were later joined by:

- Local Government Association of South Australia (LGA)
- South Australian Fishing Industry Council (SAFIC)
- Seafood Council of South Australia (SCSA).

Currently there are 23 native title claims registered in South Australia. The claimants have formed a Congress to act as a "United Voice" and are represented directly through the Aboriginal Legal Rights Movement.

1.2 Objectives

The fundamental aim of this process is to resolve native title matters by negotiation rather than the more costly litigious route through the courts. The ultimate objective of the negotiating parties being to:

> ".. achieve certainty over access to and sustainable use of land, water and resources through negotiated recognition and just settlement."

1.3 Benefits

There are significant benefits to all parties involved in these negotiations.

While the key focus is resolution of native title issues, there is an opportunity to develop partnerships at many levels that will provide for improved economic and social outcomes for all communities into the future.

There are also better frameworks being established for sharing responsibility for land and water and recognition and better protection for Aboriginal heritage.

The Statewide approach to the ILUA negotiations enables a greater degree of coordination and utilisation of resources which will lead to far superior outcomes than tackling these issues through a piecemeal approach and result in much reduced costs versus litigation.

One of the greatest benefits of this process is the relationships that are established that will not only enable resolution of native title claims but will provide a foundation for future relationships and agreements in other areas.

1.4 How does it work?

Representatives of the negotiating parties come together at what is called the Main Table on a regular basis to guide and direct the overall process and program. This provides a forum for direct discussion between the parties to identify and agree issues, to review progress, to ratify and confirm what has been agreed and to identify the next steps.

Side Tables were established for each of the Pastoral, Minerals Exploration, Fishing and Aquaculture and Local Government sectors. The main roles of these Side Tables are to develop template ILUAs and to address specific issues for each sectoral area.

Side tables were also established to address issues related to heritage and relationship to land and water. The Relationship to Land & Water Side Table has had a key role in the process in ensuring that a strong focus has been maintained on relationship building between the parties, and has resulted in a number of tools being developed to assist the parties.

Recently the ILUA Main Table has established a Parks Side Table and is addressing the River Murray as an emerging issue, with a potential ILUA process to be established.

Following the establishment of the Main and Side Tables, a number of Pilot Negotiations were identified to test or assist with the development of specific ILUA templates that could be used in future negotiations across the State.

The overall intention is to have ILUA templates in each key sectoral area to assist the parties in their negotiations. This provides a process for the peak bodies to address issues that individual claimant groups, pastoralists, miners or fishers may not be able to deal with by themselves – issues such as employment, training and economic development.

It is important to note that the Statewide process is independent of the National Native Title Tribunal as the parties own and direct the negotiation process. However, there is a close working relationship with the Tribunal which provides support in a number of areas from facilitation of some negotiations to providing tools such as maps and, of course, processing signed ILUAs for registration once they have been agreed and signed by all parties to the specific negotiations.

Café Conversations in the Partnership Journey:

adapting organisational development tools to the partnership process

Trish Hall
Tall Poppies

Contents

1. Summary

This paper has its foundation in three unfinished conversations. The first began as an internal conversation about my own professional development at the time I applied for PBAS Part I and has gone on sharpening my thinking during Part I and Part II.

The questions I've had as internal dialogue include:

- What do I as a partnership broker specifically have to offer partners?
- What is my core talent and competency?
- Since I have not had considerable multi-sector partnership experiences, what personal competencies will inform my early broker's practice?
- What value do these competencies add to achieving the partnership's purpose?

The second short conversation was with one of the directors of PBAS Part I, in which I began to test out the opportunities for organisational development models and methodologies to inform the multi-sector partnership phases. The third conversation was with my mentor as we discussed embedding and institutionalising the lessons of partnerships into partner organisations and what organisational development knowledge could add to these brokering initiatives.

My current position is that some organisational development models and methodologies have strong resonance and use in the multi-sector partnering process. Over the last four months I have given specific thought to:

- Cooperider's Appreciative Inquiry theory and processes (referenced and introduced later in the paper).
- Group process consultation, a model which goes beyond facilitation of groups. Group process consultation provides an intervention framework in ongoing group events and dynamics in order to help the group attain its stated end more effectively. (Adapted from Reddy and Phillips: 1998)[1]

This would be of particular value to the partnership building and maintenance phases as a preventative process for groups which are not functioning as well as they could.

I have also considered large group interventions from organisational development methodologies. My thinking is that many of these methodologies will have considerable value to multi-sector partnering. I've chosen to focus in the paper on just one example of a large group intervention: the world café methodology.

The paper is an opportunity to contribute my organisational development experience to my newer kitbag of partnership broker's knowledge and experience. This is a small beginning. I see the need to do much more thinking about the potential synergies between organisational development tools and those of the broker.

For me this will be in the spirit of the second PBAS principle: "Apply the most practicable tools at each stage of the partnering process (giving due acknowledgement to the source of any tools I may use from elsewhere) and demonstrate innovation in the development and application of new tools where appropriate" (PBAS Principles).

2. Introduction

Large group interventions for organisational and community change are methods for involving "the whole system in the change process".[2] These methodologies will have use as 'staging posts' in the 'route map' of multi-sector partnerships (Phrases used by Ros Tennyson in PBAS Part I).

They are methods initiated as part of organisational or community development when high commitment and engagement are both wanted and needed to address a strategic issue. Large group interventions allow a critical mass of people to participate in:

- understanding the need for change in a strategic direction or a critical issue
- generating ideas about how to change existing situations, processes or develop programmes
- building changes in the relationships with stakeholders
- implementing and supporting changes in structures, policies or procedures.

There are a range of methods and design features in these large group interventions.[3]

The benefits of a large group intervention instead of, or in addition to, small group methods include: speed of engagement of a range of stakeholders and the inspiration of creating significant 'staging posts' together, building understanding of differing perspectives, innovative thinking and the motivation of a larger number of stakeholders through in depth conversations. The benefits of a larger group are that it creates a wider platform for engagement in change than the more usual smaller representative groups will achieve.

This paper discusses one methodology, the World Café, as one example of the methods and principles of large group interventions. This example is chosen because it will be shown to have several potential uses in the partnership development process.

The paper outlines the World Café methodology and principles. It then discusses how, when and with what constraints this methodology can be useful to multi-sector partnerships.

3. What is World Café Methodology?

World Café conversations is a method used when a large group (best when it's over twenty and can stretch to hundreds or even thousands) are brought together "creating a living network of collaborative dialogue around questions that matter in service of the real work".[4]

The 'World Café' is a metaphor for the network of conversations that are natural and yet invisible and happen everyday in 'cafes' around the world. The methodology is designed for sharpen these natural processes for sharing collective knowledge and shaping the future.

"The Café is built on the assumption that people already have within them the wisdom and creativity to confront even the most difficult challenges. Given the appropriate context and focus, it is possible to access and use this deeper knowledge about what's important".[5]

The design of the café experience includes six principles: clarity of purpose; create a hospitable space; explore questions that matter; encourage everyone's contribution; connect diverse perspectives and listen for insights and share discoveries. Each of these will be described.

3.1 Clarity of Purpose

The earliest requirement in design is to get a clear focus on the purpose of engaging a wide group of stakeholders in an issue. For these large group interventions the issue needs to be systemic, cutting across all levels of an organisation or spectrums of stakeholders. It must be important enough so that the people involved have information to share on the subject as well as a strong desire to influence it.

Typically a small design group for the intervention/s will, through dialogue, create the purpose and the questions that will best focus the collective attention on the purpose.

For example the design group might ask itself:

- What question, if answered, could make the most difference to the future of (the specific purpose and situation)?
- What is the next level of thinking that we need to do about (the situation)?
- What assumptions do we need to test or challenge here in thinking about (our situation)?6

3.2 Create a Hospitable Space

The power of creating an appropriate space in which people feel both safe and stimulated. Based on the notion that when people feel comfortable to be themselves, they do their most creative thinking, speaking and listening. World Café methods include culturally appropriate versions of an invitation and a venue with café tables (round and with bright tablecloths or surfaces that are able to be drawn or written on), food or beverage, and some expression of nature or culture: flowers, candle, pens for artwork, music. In some cases a "talking object" on the table: a stick, a stone, a cellphone, a symbol is passed among the people at the table to signify the speaker and the listeners. When a person holds the object or has it in front of them, they are speakers and others are the listeners.

3.3 Explore Questions that Matter

This is a significant principle and a key contribution of this methodology. The key is to frame questions that matter to those participating in the café experience.

Vogt, Brown and Issacs define a powerful question as one that:

- Generates curiosity in the listener
- Stimulates reflective conversation
- Is thought-provoking
- Surfaces underlying assumptions
- Invites creativity and new possibilities
- Generates energy and forward movement
- Channels attention and focuses inquiry
- Stays with participants
- Touches a deep meaning
- Evokes more questions7.

The design group for the 'Café' experience will typically design questions to begin the dialogue and set the framework for the joint exploration. The focus may be on a single question or several questions could be developed to support a logical progression of discovery throughout several rounds of dialogue. In many cases, one of the outcomes of the café experience is discovery and consensus on what are the most significant questions that underline the situation or issue.

The powerful questioning techniques in the methodology are informed by David Cooperrider's appreciative inquiry theories and practice.[8] In short, Appreciative Inquiry contends that the questions we ask and the way they are asked will focus people's thinking and greatly affect the outcome of the inquiry. Questions that focus on 'the best of', explore when strategic issues have been at their best and the possibilities of what could be; connect the participants with why they care and what innovation is possible.

One potential pitfall noted in posing questions for large group interventions is taking the questions to the level of the nature of truth. Rather than this, what large-scale interventions can do is create a deeper shared meaning of the situation and can answer the questions:

- What are the different perspectives on truth on this issue?
- What do we find useful in this situation to move forward?

The conversations framed by these questions will create an opportunity to see the collective situation in a different light, frequently enlarging individual views as well as building a common picture of what can best be worked on in the situation.

3.4 Encourage Everyone's Contribution

"Intelligence emerges as a system connects to itself in new and diverse ways".[9]

The design group needs to create an environment early on in the café experience where this principle is stated and modelled. One way this can be done is in the welcome and setting of the purpose and process and 'etiquette' for the exchange. The design group, made up of representatives of stakeholders, needs to have some visibility in welcoming and valuing everyone's contribution. The facilitation of the 'Café' needs to model this and set the guidelines or ground-rules for the conversations.

The café methodology suggests participants engage in several 'rounds' of conversation and listening at different tables and a phase of collecting of the emerging themes and possibilities.

3.5 Connect Diverse Perspectives

"Setting up your 'Café' in conversational rounds and asking people to change tables between rounds allows for a dense web of connections to be woven in a short period of time. Each time you travel to a new table you are bringing with you the threads of the last round and interweaving them with those brought by other travellers. As the rounds progress the conversation moves to deeper levels. People who arrived with fixed positions often find that they are more open to new and different ideas."[10]

The methodology suggests that progressive (usually three) rounds of twenty to thirty minutes each, though these can be longer. People are encouraged to write, draw or doodle the key issues of the conversation on the 'tablecloths' or to note key ideas on large index cards or placemats in the centre of the table.

At the end of each round the participants are encouraged to move to new tables, achieving a new mix of participants. One person from each conversation is asked to remain at the table to act as a 'host' while others are asked to be travellers – 'ambassadors of meaning',[11] carrying the key ideas, themes and questions into their new conversation.

The table host welcomes the 'travellers' and briefly shares the main ideas, themes and questions from the previous conversation. Others at the table are asked to link and connect ideas from their previous conversation. Writing, drawing on the joint cards or placemats is encouraged.

In the final round of conversations people can return to their original tables to synthesis their discoveries or they can move to another table.

Often at this point a new question may be posed by the facilitator, the table's host or participants may have their own question that deepens the exploration.

3.6 Listen for Insights and Share Discoveries

The process encourages participants to pay attention to themes, patterns and insights in the conversation about the situation.

After several rounds of conversation, it is usual to have a whole group conversation to collect the overall themes, questions and suggestions. Each table will contribute to this.

In some examples of café experiences, graphic representations of the themes or a story board or a 'gallery' of table mats is used to display the themes at break times.

Some café experiences create recommendations for actions others create connections between people that are further developed outside the session. A multitude of formal and informal next steps is possible, depending on the purpose of the gathering and the results of the conversations.

For the design group there needs to be a plan for follow-up in place prior to the café experience. There also needs to be a thorough review process after the café experience/s to gather insights, communicate to participants and build the café recommendations into the design group's intentions for follow-up.

4. How the Café Principles and Methodology Can Be Used in Multi-Sector Partnerships

This section will discuss:

- the congruence between the principles of café experiences and partnership building;
- how the café methodology could be used or refined in the partnership phases;
- the benefits and constraints in the methodology for partnerships.

4.1 Congruence of Principles

Underlying the café experience and in a broad sense, the multi-sector partnership (MSP) process, is a 'bone-deep belief in participation'.[12] In the café methodology there is "a fundamental conviction that when people have the important information about a system and are allowed to become collaboratively and fully engaged with others around the issues they become highly motivated to take responsibility for change and improvement".[13]

The partnership approach to development holds to the principle that all main sectors in society have a role in development, sound governance and social responsibility. Partnerships are built on inclusion, empowerment and joint action, based on mutual respect and mutual benefit.[14]

A multi-sector partnership process has a strong outcome focus – creating sustainable responses to strategic issues. The large group interventions described above are more focused on participatory engagement and process outcomes.

In the large scale interventions, such as the café experience, a high value is placed on the process as signifying the change. There is a tendency to elevate the process or methodology to being the end point.

"As we have explored these methods [large group interventions] we have come to realise that the process *is* the message. Selecting the right issue is important, but the process by which we engage people around that issue is what communicates a different way of developing an organisational culture and doing business. Issues – the 'what' – will always be around. More important is the process, the methods we use to get the issues addressed."[15]

The MSP process is one which has a focus on both the process (the means) of engaging across sectors, and the end result, the sustainable outcome. Large group interventions based on the principles and methodologies illustrated above are contributions to "the route maps that indicate the way to move partnerships into the mainstream".[16] Organisational development tools of large group intervention can be useful 'staging posts' in the 'route map'.[17] They are methodologies rather than ends in themselves. In the bigger picture, MSP are mechanisms for development and equally not ends in themselves.

4.2 How and when a large group intervention, such as Café methodology, can be used in a partnering phases.

There are four significant uses for well planned large group intervention methodologies:

- Adding a new toolkit for partnership consultation;
- A method for changing mindsets when exploring partnership possibilities;
- Building new levels of engagement and commitment within and between sector groups;
- As a method of embedding and institutionalising the partnership lessons into partners' organisations.

At each phase of the partnership process an appropriately designed large group intervention would be a useful 'staging post' in the development of a well grounded partnership.

In the exploration phase of the partnership there are at least two uses. First, a café intervention could be designed for the internal organisational assessment phase. A design team could design a café process to engage the initiating organisation in discussing its interest, knowledge and resources for addressing a strategic issue.

For example: a national branch of a pharmaceutical company which has developed a global intention of social responsibility – thinking globally, acting locally – could design a café experience with a central purpose of uncovering what this strategic intent means for the particular business. It is likely that the system engaged in the café experience would be a 'vertical slice' of the organisation's staff, leaders from other country branches and could potentially include customers and suppliers and other stakeholders already engaged with the company. This grouping would represent the 'internal system' of the organisation as it currently exists. The 'café' intervention would:

- Indicate the level of potential for the initiating organisation to sustain a partnership engagement and work on the strategic issue;
- Identify allies and resources within the organisation to contribute to a partnership approach;

- Build awareness and commitment amongst a sample of staff to the strategic issue and possibilities of partnering with other sectors;
- Open minds in the organisation to the ‘questions that matter’ for moving forward on the strategic intent.

This café experience would be one innovative methodology for the ‘health check’ on the readiness for partnering.

Second, a café experience engaging a wider range of stakeholders will be a useful consultation methodology when the exploration phase is assessing external factors and potential partners. The initiating organisation would invite potential partners to be on the design team. Alternatively they may ask another organisation, seen as more ‘neutral’ on the issue, to take the lead on the café consultation. This would allow the initiating organisation to contribute more to the discussion and the consultation to be seen as open and exploratory. The design team experience of setting up the café consultation would provide an opportunity for a ‘trial’ of the working relationships that could progress into a partnership. It would also provide a solid foundation for a later workshop identifying the outcomes, design parameters and resources required for the specific partnership.

In the life cycle of building the partnership and maintaining it, the café methodology could be utilised to:

- Deepen the ‘whole system’s’ engagement and contribution to the strategic outcomes of the partnership;
- An input of new or renewed commitment and motivation when the partnership has plateaued;
- Provide a rich source of qualitative data on progress in achieving the outcomes
- As a tactic for institutional engagement, influencing the organisation’s cultural change, communications and “getting out of the box”.[18]

4.3 Benefits and Constraints of the Methodology for Partnerships

The café methodology, as an example of large group interventions, has the flexibility to be adapted to suit the diversity of partners and sustainability issues, without losing the integrity of its principles.

The methodology is based on group and inter-group dynamics and as such is a microcosm of the flow between small groups and large groups. This is a mirror of the interplay in the MSP methodologies between smaller groups and larger social systems.

The small group dynamics is self directed, self organising based on systems thinking rather than a mechanistic view of organisational life. MSP processes are self-directive and infinitely diverse: “a revolution without route maps”.[19]

Large group interventions have the benefit of speed and immediacy in gathering opinions information, engagement and building commitment. They can also provide rich qualitative data to brokers and partners. For partnerships, these large group interventions could be one methodology in an action plan for each partnership phase.

Large group methodologies provide access to information from people closest to the issue being addressed by the partnership. Traditional consultation methodologies such as focus groups or surveys may not illicit the same-level of information, nor would it build the level of wide engagement or commitment common in café experiences.

The diversity of participants in large group interventions often creates more innovative suggestions or solutions than a smaller representative partnership group could produce.

One of the strongest benefits and contributions of the café methodology is its foundations in strategic questioning to engage peoples' best thinking.

"In our own work with creating positive futures, we are discovering that the usefulness of our knowledge depends on the quality of the questions we ask. Clear, bold, and penetrating questions tend to open up the context for new learning and discovery, which is a key component of strategy innovation…Between our deep attachment to the answer – any answer – and our anxiety about not knowing, we have inadvertently thwarted our collective capacity for deep creativity and fresh perspectives in the face of the unprecedented challenges we face, both in our own organisations and as a global human community."[20]

Building a partnership group's capability to ask questions that evoke strategic thinking, is a core competency for a broker. The foundation work done by the originators of the café experience methodology, on building the art of powerful questions[21] is fundamental to successful large-scale interventions as well as the everyday life of a MSP.

There are constraints in the café methodology for partnerships. It requires a strong value on participation and local democracy and an openness to what will emerge in the process. If the methods are used simply to get a stamp of approval on an already decided partnership approach then the methodology will backfire. Stakeholders will become cynical of the methodology and therefore the partnership.

A café experience may not fire if the purpose is unclear, too broad or too narrowly focused. It needs to be systemic, framed as "possibility" rather than "problem" thinking. Getting agreement on the key questions from the design group, which includes partners or potential partners, may take some planning time.

Selecting the right people for the large group intervention is critical. The partnership process has a parallel requirement. In a large group intervention it does require the design group to ask: Who does the issue affect? Who has a stake? Who has information? Whose influence and perspective are important? The inclusive response of these questions can lead to "politically untenable" mixtures of people. Courageous decisions about selection need to be made which balance the outcomes wanted from the methodology and the realism of the current politics and relationships.

The methodology could be experienced as a 'talk fest' if it is not well framed within the partnership life cycle and there is follow-up both well planned and communicated. The more intangible outcomes of new thinking, broadened perspectives and new commitment and relationships, need to be acknowledged alongside the more tangible outcomes.

5. Conclusion

Large group methodologies such as the café experience can apply, at a systemic level, what people already know about the power of good conversation to inspire common purpose, new possibilities and committed action. There are real synergies between this tool and what we currently know works in building MSPs for sustainable development.

This paper is a small contribution to linking organisational development tools with those in the partnership broker's kitbag.

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The Key Challenges of an External Broker in the Partnership Cycle

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Contents

1. Introduction

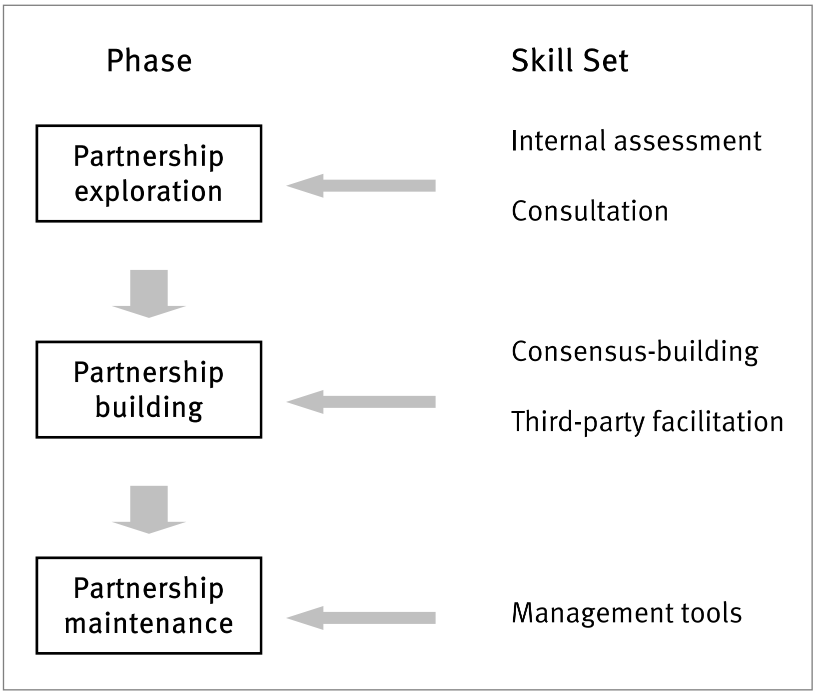
The Partnership Brokers Accreditation Scheme (PBAS) of September 2003 offered me my first exposure to systematic training in the art of brokering partnerships. In this paper, I will attempt to use the tools gained from the Scheme to revisit my past experiences in brokering partnerships, in order to find out what the key challenges were in those years of practice. Then I will seek to analyse the ways in which understanding these challenges can improve the ability to produce better and more efficient partnerships.

I have chosen to rely heavily on the works of Ros Tennyson and Michael Warner, based on the fact that the 2003 training pivoted on the thinking of these two authors. It also would appear that by focusing here on their work, there is a better chance of deepening the PBAS experience. The authors highlight the appearance of the cycle of partnership and the possible challenges that can be encountered in working a partnership through the full cycle. It is against the background of these highlights that I shall try to revisit and review my experience. However, I shall also make references to the works of other authors, from whom I drew direction and inspiration in the years of practice before my PBAS experience.

My years of practice began in April 1996 and centre on community development and community-related conflicts associated with the oil and gas industry in the Niger Delta Region of Nigeria. Over these eight years, I have brokered over ten partnerships, involving Shell Petroleum Development Company of Nigeria Limited (SPDC), its contractors, relevant arms of the host government, and the local communities impacted by the activities of Shell and its contractors. Here, I will try to move across the various partnerships and the years, drawing from them examples and cases to illustrate issues considered as challenges.

The analysis of the challenges will be presented in three phases, following the thoughts of Warner as expressed in the figure below:

Figure 1. Skills needed at different phases of the partnering process



Source: Warner, 2000: 2.

2. The Birth of a Broker

'All initiatives to build a partnership are started by someone with a good idea. Usually the good idea is born within – or soon becomes attached to – an organization.' (Tennyson and Wilde, 2000: 34)

When the words of Tennyson and Wilde are applied to my past eight years, their truth is clear. My journey into partnership building began in 1996 as a reaction to the hanging of the popular Ogoni activist Ken Saro Wiwa by the Federal Government of Nigeria. My horror at this incident led to the strong desire to find another way to deal with the Niger Delta question.

I told myself that instead of complaining about the wrong handling of the conflict, I should search for a solution. This hunt led me to the work of De Bono (1985) who, in his work *Conflicts, a better way to resolve them*, introduced to me the concept of a professional third party. De Bono described the need for a third party in the following terms:

'The plain purpose of the third party is to convert a two-dimensional fight into a three-dimensional exploration leading to the design of an outcome....It is the essential nature of the third party role in the design approach to conflict resolution that creates the concept of 'triangular thinking'. The third party is not an addition or an aid but an integral part of the process.' (De Bono, 1985: 124)

The 'idea', 'design' or 'outcome' that I finally produced was a partnership approach to managing the Niger Delta conflict. I then moved to the Niger Delta Region, calling myself (in the language of De Bono) 'a de-confliction consultant'. (Today I prefer to describe myself, as do Tennyson and Wilde, as 'a broker' of the 'pioneer' category). When I reached the Niger Delta Region, I began to look for an 'initiating organisation' that would accept my ideas and provide me with the required support in building the partnership. It was in trying to persuade Shell to become the initiating organisation for the partnership that I encountered the various challenges, bringing me face-to-face with the key qualities required by a broker. These qualities must form the core of the personality of a broker for him/her to survive the challenges and build a reliable partnership.

Within the PBAS programme, I realised that the relationship between brokering and the personality of the broker had become an issue, as scholars tried to respond to the need to professionalise brokering. There seems to be an increasing demand for scholars to achieve those broker qualities that open up the brokering experience to professional analysis and development. Warner captured this demand under the Business Partners for Development programme:

'A consistent request from the oil and mining operations with which the cluster works has been for guidance relevant to the task of formulating and managing these new partnerships. This demand reflects growing awareness within the BPD initiative as a whole that the process of developing tri-sector partnerships is complex and needs to be both systematized and professionalized.' (Warner, 2000: 2)

This same issue is confronted by Tennyson and Wilde, who looked at the key skills and attributes of a broker. This approach appears more cautious: they are not quick to detail professional attributes but rather talk of brokering being both an art and a science:

'Good partnership brokering is an art, as anyone who has witnessed a good broker in action can attest. It is equally, however a science. Brokering requires as much analysis and systematic exercising of sound judgment as it does intuitive and imaginative spontaneity.' (Tennyson and Wilde, 2000:96)

Figure 2 illustrates the balancing act required between the art and the science of brokering.

Figure 2. The balance of skills and attributes required by a partnership broker

The Art of Brokering	The Science of Brokering
• Insight, imagination and feeling	• Knowledge, analysis and thinking
• Vision of the future	• Understanding of the past
• People skills	• Administration skills
• Active listening	• Precise speaking
• Personal engagement	• Professional detachment.

Source: Tennyson and Wilde, 2000:96.

In the work of De Bono we find the same challenge, in his struggles between the personality of a third party and the detached attributes his work demands, especially when expressed at a professional level. In an effort to resolve this issue, he writes:

'*The third party should be effective and entrepreneurial and should show skill and flair. The third party role is not just a neutral administrative function that could be handled by a bureaucracy. There is a need for the flair of a good lawyer, although the style of thinking is quite different. Perhaps it should be the flair of an architect, which combines creativity with practicality in a design that has to be generally accepted.'* (De Bono, 1985:134)

So what have I been doing in the past eight years? Have I been practising art or science? Was I exhibiting the flair of a good lawyer or that of a gifted architect? Or was I just 'the engineer of human souls', as the great Russian novelist Skvorecky chose to title his 'polyphonic' novel? Looking back, I find it is difficult to decide. There were times when everything appeared certain and systematic, when I could subject the situation to the laws of science. There were also, though, moments when everything lost its sense of logic and everyone was losing hope, when a sudden twist in events would bring an unexpected height of success and relief. To me, the problem appears more like a dance with a hidden rhythm, one always present but open only to a few people who can tune their inner senses to the beat and swing by its laws. My experiences make me believe that brokering is more art than it is science: this is the only way I can interpret my past eight years. I also believe that brokering is not a profession but a vocation: a deep-seated calling to respond to the needs of the world. In terms of my life, the only feeling that has resembled what I feel as a broker is that which I had as a young man in a Catholic seminary. Being a broker is just like being a priest; it is a vocation and an art. Using this perspective has enabled me to understand the first challenge I encountered, and also to work out how I survived it.

3. Partnership Exploration

The First Challenge: *Who Are You?*

The first challenge I had as an independent third party broker was answering the questions: 'Who are you?', 'Where are you coming from?', 'Why should we listen to you?' I remember an occasion in 1996 when a community liaison officer listened to my presentations and then suggested taking me to his manager. After preliminary introductions, the manager told me that he had no time to see my presentation, but could give me five minutes to summarise what I had to say. I thanked him and went straight to the point, explaining to him that I had come with the idea of serving as a neutral third party between Shell and the communities in trying to resolve communal conflicts. He cut me short, lost all the professional politeness of an external relations officer, and literally shouted a catalogue of questions at me: 'Do you know where you are? This is Shell! Shell Petroleum Development Company Nigeria Limited! You want to stand between Shell and her host communities? Who do you think you are? Are you the United Nations?' I stepped out of his office while he gave his staff a thorough dressing down, using something that appeared to be an iron brush. When the liaison officer joined me outside the manager's office, he was bleeding all over, caught between self-pity and apologies for his misjudgement of the manager.

Earlier in the day, the thought of seeing the manager had filled me with excitement. After seeing him, I was left in low spirits. Yet something in me did not break and, as I ambled my way home, that part of me grew stronger and even began to suggest to me that I go back to that manager and try to bring him over to my side and convert him into an internal supporter of my ideas. In fact, that is what I did, although it took me two years and over eighteen presentations to numerous groups and individuals to get my first break. To make Shell an initiating organisation, I had to persuade the workforce one after the other in a period in which I had no income and no financial support from any source except my family and my friends. In those two years, I experienced the full cycle of human frustration, punctuated by high points of great friendship and support from totally unexpected sources. When I reflect back on those days, I realise that the key things that kept me going were strength of character and the unyielding sense of mission with which I approached the whole experience. It is these qualities that have brought me through the most challenging periods of my career.

A broker is called to the task of finding and holding the middle ground, and then that of transforming all parties into committed preservers of it. To find and hold the middle ground takes the aforementioned sense of mission and strength of character. To transform parties into committed preservers, creating a win-win situation for all, takes tenacity and a level of integrity which must be above suspicion. These qualities are qualities of the soul, found at the core of human personality. Any training to develop them must be obtained very early in life. My experience makes me believe that without these qualities, no broker can travel far; it therefore is necessary, before you stand up to be counted as a broker, that you ask yourself the question: 'Who am I?' If you do not find a deep sense of mission in you for the task you want to perform, if your character cannot go through fire, if your personality cannot withstand frustrating turns and twists, then the business of brokering partnerships from the perspective of an independent third party is probably not for you. This is summed up in the ''good enough' partnership broker' of Tennyson and Wilde (2000: 100):

'Good-enough partnership brokers may lack certain specific skills or relevant experience, and they may make mistakes. If they have certain personal qualities, they can still be highly effective in carrying out this subtle and complicated role. The good-enough broker has it within his or her power to contribute creatively to radical and global social change.'

Figure 3. Personal qualities needed by a partnership broker

- Trustworthiness and integrity
- Willingness to take risks
- Equanimity in the face of pressure
- Personal modesty
- Dedication to the principles of partnership

Source: Tennyson and Wilde, 2000:100.

4. Partnership Building

The Second Challenge:

How Well And Fast Do You Think?

De Bono has described thinking as 'the operating skill with which intelligence acts upon experience' (De Bono, 1985:125). I also recall the words of the late Dr Chuba Okadigbo, philosopher, politician, and former President of Senate of the Federal Republic of Nigeria. As Political Adviser to former President Shehu Shagari, Dr Okadigbo was asked what he actually did. He answered: 'As political adviser, my job is to multiply options for Mr President.' To me he sounds more like a broker than an adviser.

In my experience, it is an essential part of a broker's job either to multiply or stimulate the creative options for partners. In this, I rely on De Bono's creative and lateral thinking methods. De Bono regards this function as a major role of the third party; he believes that the third party position is the most viable place from where to provide the probes and provocations that can stimulate thinking. This is put as follows:

*'Setting the focus is a skilled task. The way a problem is defined can make huge difference to how it is solved. The way a problem is broken down into sub-problems can simplify the thinking task and also avoid stock solutions….The third party is quite free to offer provocations of any sort and then to request the other thinkers to work from the provocation. … The third party is in a much better position to pursue a speculative idea and to foster a tentative idea. It is not only that the third party has less at risk but also that the mind of the third party is more free to entertain ideas.' (*De Bono, 1985:128-129)

This same concept is captured by Tennyson and Wilde (2000:107) in their effort to describe the emergent class of leadership which the partnership paradigm demands:

'We live in a world where communications systems are more efficient and far-reaching than ever before. These impressive technological advances have, however, taken us no nearer to a shared vision of sustainable global development. We need to delve beneath mechanistic and computer generated thinking to expand our imaginative capacities, in order to more creatively participate in global development – to "re-dream" our world, as Ben Okri suggests.'

In terms of the challenges that I met in my practice as a broker, most of the obstacles I met arose because I had introduced a thinking dimension completely unhindered by the fears and prejudices of the Niger Delta environment. This was unacceptable to those who, for over thirty years, had led the region in one 'thought direction'; they vehemently blocked the way to any form of progress that challenged their entrenched position.

On being confronted with such an unprogressive attitude, the broker needs to find a way to change the perspective of those elements that are resistant to change and to move things forward without confrontation. This calls for the ability for rapid creative thinking. My own experience with Shell operations in Nigeria proved to me the importance of creative thinking to the brokering process.

When I reached the Niger Delta Region in 1996 and began talking about the partnership approach to conflict management and community development, the mood was very far away from partnership. The words of Ike Okonta and Oronto Douglas (2003: 4) in their book, *Where Vultures Feast. Shell, Human Rights and Oil*, vividly describe the mood of the region:

'This is a struggle that simply does not allow for 'neutral' spectators. All must choose whose side they are on – Shell and the Nigerian Government intent on holding the oil-producing communities of the Niger Delta down or the victims who are struggling nonviolently to put an end to this tyranny.'

The divisions were sharp, the rhetoric extreme, the emotions violent and the actors poised in a war sequence of attack and defence. To construct a bridge across these extremes and get the men at polar ends to walk the bridge towards each other seemed like suicide. Yet, behind this war of words and emotions lay a pattern which, if carefully read and creatively interpreted, would yield a common purpose to be built on common ground. The challenge of the third party or the broker was to find this middle ground and move it away from something that could be called 'a neutral observatory' into something that could become a melting pot of good intentions, joint actions and healing initiatives. The confidence to do this was encouraged in me again by De Bono (1985: 131):

'From the detached and superior viewpoint, the third party is in the best position to see the whole map. As a result the third party can make connections and can show how one matter connects up with another. The third party can also show how two things, which might appear different, really have much in common. The third party can also show how under certain circumstances different aims can be reconciled. The third party can make bridges. The third party can drop in a connector which suddenly brings about an insight switch of perception.'

The only way I was able to build the first bridge across this extreme divide was indeed to 'drop in a connector' which brought about a 'switch of perception'. I convinced a unit of Shell to shift its emphasis away from reacting to activists towards seeking an open and transparent way of helping people to maximise any benefits obtained from Shell operations. I then persuaded a pilot community to move their efforts away from continuous agitation towards effective application of these benefits. I showed both parties, using a conflict audit of the past few years, the time and resources they had wasted. I emphasised the fact that more than thirty years of conflict appeared not to have delivered the desired result, and then encouraged them to try another approach, one with the potential to deliver more, especially when the common interest lay in the continuity of the oil business.

I presented a design that showed that in order to achieve this change in status, Shell did not need to increase what it offered; all that was required was for Shell to reverse its current relationship with the community whereby the only results for communities from oil exploration were either loss of land or damage to environment or personal property. I demonstrated to the Shell team that this practice had given the communities a negative access corridor to benefits from the industry. The only way to increase benefits through compensation was either to give up more land or to suffer more damages, which in turn would activate the negative disposition of the person seeking an increased benefit. This, to a large extent, is what contributed to the growing negative attitude towards the industry. It has, therefore, become necessary for the companies to find ways in which the members of the community can find constructive access to defined benefits in the oil industry. One way was to give them clear access to business opportunities and employment within the industry; this was to be matched with support in maximising such opportunities.

I further pointed out that in order to make this work, what was needed was to create a system through which to make the community members feel recognised, empowered and in control of what was happening around them. Such a system would offer equitable opportunity, to the community members alongside government and company representatives, to re-discuss the relationship and to negotiate the benefits available.

When the structure of the argument was in place, I identified key people in each of the stakeholder systems, with unquestionable integrity within their respective system, and convinced them to champion this approach. I therefore had a champion within Shell, within the target community and within government. The result was the building of our first partnership, the success of which led to the building of more and more, continuously improving in format as the concept gradually spread across all Shell operations in Nigeria. The more I review this experience the more I am convinced that without the ability to generate options quickly and consistently, this model of partnership would not have emerged when it did. In order to generate this kind of thinking, it is necessary to have the liberty that a broker has to step back and think objectively through the various interpretations, supplying a breath of fresh air. A broker not armed with this capacity will have a difficult time pulling together a partnership, especially one operating in difficult circumstances. The creative thinking skill needs to be in the portfolio of a broker, since all critical turns in the life of a partnership not only will demand but also will challenge the ability to deliver in terms of creative thinking. Krause (1995: 17) offers this advice: 'Think hard about how to benefit those you serve.'

5. Partnership Maintenance

The Third Challenge: *How Well Can You Organize?*

When a partnership structure has been created and all the parties have agreed to join, the organisational effort required to make it work is the next challenge for a broker. This challenge is purely at the operational level and is concerned with the competence required to make the partnership work on a day-to-day basis. Scholars have tried to throw light on various aspects in organising partnerships and the challenges this poses to a broker. Warner (2003: 84) brings this insight to the topic, using the thoughts of the lead character in his novella:

'It seemed … that this was all about drawing on people's core strengths, and finding a way to fit these together that visibly demonstrated their value to the others. Conversely, if there was no added value to be gained from working together, there was probably no partnership.'

Drawing from this, the broker needs to bring to the fore the core strengths of the various organisations involved in the partnership and help find a way to fit these strengths together. Thereafter, the broker should identify and secure for each partner the value to be gained from participating in the partnership. These apparently simple things require the broker to take the partnership through four minefields:

1. *'…establishing the partnership's identity as an entity separate from its constituent partner organizations…'* (Tennyson and Wilde, 2000:41)

2. Penetrating the internal dynamics of each partner organisation to help initiate communication and free up information, resources, authorisation and support for the partnership

3. *'Drawing up an effective and comprehensive partnership agreement covering all issues of accountability, power balancing, resource sharing, benefit distribution, etc.'* (Warner, 2003: 79-119)

4. Agreeing and implementing the brokering process such that the common ground is always secure. Helping the partners change boundaries as they learn to work with each other.

I have described these goals as minefields because of the myriad of problems thrown up as the broker tries to achieve them. Professor Nelson Philips of the Judge Institute of Management, University of Cambridge, enumerates some of these problems:

Cross-sectoral collaboration is extremely difficult because of:

- Different cultures
- Different systems and practices
- Often little experience of cross-sectoral collaboration
- Lack of agreement on goals
- Lack of agreement on vocabulary
- Power imbalance
- Lack of agreement on representation
- Identity problems
- Leadership exhaustion' (Philips, 2004:18-28).

From my own experience, I can add the following list:

- Overbearing emphasis on money
- Diverse and uncoordinated interest
- Competitive disposition between partners
- Obstructive institutional mandates
- Unhelpful government policies
- Lack of mutual understanding and respect
- Absence of sincerity and integrity
- Benefit capture
- Overbearing initiating/driving organisation
- Varying perceptions among partners.

Each of these problems has the capacity to destroy the partnership; what is worse is that even as the broker goes to tackle these problems, he/she faces resistance and rejection. De Bono, in highlighting the difficulties a broker might face, notes that most partners will arrive with the attitude that the whole issue is their business and that a third party is not needed. He goes on to lay down various excuses these partners will give for putting obstacles in the way of the broker:

- 'It is no business of the third party
- The third party cannot know enough about the scene
- The third party does not have the feel and idiom for the situation
- The third party has nothing at stake and does not have to live with the result
- For one reason or the other the third party is seen as favoring the other side
- The third party should be a go-between negotiator who does not seek to contribute any ideas as such
- Neither party will reveal the confidential information on which their positions are really based' (De Bono, 1985: 133-134).

It is clear that taking a partnership through these problems will necessitate a capacity for organisation and self-mastery. In my experience, this is what the broker is called to do; when the broker begins to walk this path, he or she will ultimately mature to the level expressed in the words of Tennyson and Wilde (2000):

'The partnership broker who can function equally well in all these roles is a highly skilled individual, perhaps coming close to joining the ranks of what Desmond Tutu describes as "people of stature who are ready to compromise for the greater good of all.'

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Risky Business: Removing Barriers to Effective Partnerships for Development

Risk Management for the Broker's Toolbox

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Contents

Summary

All relationships are inherently risky. Risk arises from uncertainty and is anything which will prevent an organisation (or partnership) from achieving its objectives. Partnerships for development by their nature operate in relatively high risk and uncertain environments. This paper proposes that the application of straightforward risk management processes, adapted from the corporate sector, to the Partnering Process Cycle will greatly enhance the opportunity for partnerships to achieve their objectives and result in a more transparent, sustainable partnership. A sample process, which has been piloted in developing country contexts by the author, is presented as a potential tool for Partnership Brokers.

1. Risk Management and Sustainable Development

All relationships and businesses have inherent risk. *Risk is anything which will prevent an organisation (or partnership) from achieving its mission or objective.* Taking risk is an important element of the corporate world, and allows growth and innovation. It can be seen as a positive as long as it is understood and managed appropriately. Risk taking in international development, while not always desirable, is inevitable. Risk arises from uncertainty and operating in often rapidly changing and unstructured environments. Partnerships in the developing world are by their very nature risky: providing challenging social outcomes to at-risk people. Yet risk has been very successfully managed in developing country conflict and emergency contexts by international agencies and corporates for many years, initially informally, and now in a more structured manner – very often through highly effective partnerships: for example, the Red Cross and the UN working with governments, NGOs and private firms to help recover from natural disaster or address pressing humanitarian needs in times of war or civil conflict.

Risk management as we know it today derived from the international aviation, insurance and finance industries and lent itself readily to disaster situations. However, the leap to applying risk management to a development (and sustainable) context has been much slower to gain currency, and has more recently been driven as a result of a focus on improving: 1) corporate governance in the non government sector and 2) aid accountability and effectiveness.

The risks involved in a tri-sector development partnership may be multiplied threefold, or more likely, may be mitigated or reduced by the very convergence of partnerships, through sharing of risk. Indeed, this is one of the very attractive aspects of multi-sectoral partnerships for development, along with the multiplier effect of pooling resources and working together to achieve shared benefits which may not have been secured by individual parties.

A widely vilified concept, beloved of bureaucrats and (unfairly) dreaded by entrepreneurs equally, effective risk management need not be a complex, time consuming or empty activity as part of development of a partnership. Conversely, it can greatly assist to remove potential barriers and pitfalls which might otherwise arise in the course of the partnership and which would prevent the partnership achieving its objectives.

Benefits of risk management for Partnerships

- Greater openness and transparency through shared understanding of the constraints facing both the partnership as a whole and the individual partners[1]

- Greater chance of achieving partnership objectives through identification, discussion and management of risks

- Improved opportunities for achievement of the partnership objective

- Enhanced likelihood of the partnership itself being sustainable through systematic examination and management of barriers and opportunities

- Fewer costly or unwelcome surprises in the course of the partnership, through preventing what is undesirable from occurring.

Ken Caplan, in 'The Purist's Partnership' notes 'cross sector partnerships hold enormous promise, but only if we start from an honest assessment of what they are, how they function, and what we should expect from them'.[2] Caplan continues, 'If a business case for each partner (more broadly than in strictly financial terms) cannot be made convincingly, then forget it'. Risk assessment is an increasingly important aspect of any business case for many sectors. The Queensland (Australia) State Government, for example has a detailed, publicly available risk management process in place for all its public-private partnerships, though the focus remains financial. Donor governments and agencies, such as AusAID,[3] are also increasingly requiring aid recipients to have effective risk management processes in place.

This paper proposes an adaptation of corporate (Australia/New Zealand Standards) business risk management processes which can be applied to the Partnership process. These processes are quite straightforward and in the field have had the added benefit of being a very effective team-building tool. The information-sharing which results from round-table discussions around risk enhances relationships and builds trust, though clearly the scene setting already undertaken by the Broker in the lead up to the risk workshop is key.

A more formal approach to risk management, as presented here, is consistent with the move towards formalizations and institutionalisation of partnerships, particularly larger, formal and more complex ones, as described by Tennyson.[4] Such processes will be familiar to the many corporates wanting to be involved in partnerships and may help to reassure them in the partnership building stages. These processes have been successfully implemented in the international development arena by a major health NGO and are adapted from the Australian Risk Standards (AS/NZ4360:1999) which can be applied to the Partnership process.

A Caution to Partnership Brokers

1. There is a misconception that risk management = not taking risks and stifling innovation. This is **not** the case and would be quite contrary to the spirit of multi-sectoral partnerships which by their nature are often created to enable innovation and operating 'outside the box'. The role of the broker may extend to reassuring partners that this will not eventuate, though this will become evident to them as they work through the risk matrix. Some risk treatments for example might include a decision to *increase* the level of risk to try and achieve a particular outcome. However, as a broker, it is essential that you are aware of personalities or background amongst partners which might encourage them to use risk management as a way to 'dumb-down' or make the project 'safe'. Using a tool such as the one proposed here, with agreed definitions helps avoid this in a way that a generalized discussion of 'risk' does not.

2. The tool proposed here typically takes half to one day to complete if all partners are involved in a round table discussion. It is time very well spent and can often make further partnership negotiations run a lot faster and smoother as it is a very structured way of facilitating partners to identify underlying interests and concerns. While this time commitment is appropriate for large and complex partnerships, it maybe too onerous for much smaller or less formal partnerships, and Brokers may opt to 'slim down'.

3. Providing a 30 minute training in the tool to partners prior to completing it is a good investment of time by the Broker. A copy of a training powerpoint presentation which has been successfully used in developing country contexts with a variety of audiences (govt, NGOs, corporates), is attached at Appendix A.[5]

2. Risk Management in the Partnership Process

It is suggested that identification and management of risk would be of real benefit in all three stage of the Partnership Process Cycle, as defined by PBAS:[6]

1. Partnership Exploration (identification of potential partners; assessment of whether a partnership is an appropriate response)

2. Partnership Building (incorporation into the Partnership Agreement)

3. Partnership Maintenance (tracking performance and assessing relationships)

2.1 Partnership Exploration

A straight forward risk assessment might appropriately be undertaken by the initiating party when identifying potential partners for the proposed initiative (PBAS Partnering Process: Stage 3). In my own experience this is a very important step to undertake and can save wasted time further along the partnership journey. It also became a useful tool during my period of professional practice when, as an internal broker, I was able to reassure a corporate partner that the partnership they had chosen was in line with their appetite for risk, and would not negatively impact on business. Developing a risk matrix with the bilateral partners was a key factor in achieving this. This could be conducted either by the initiating organisation or more beneficially, by an external broker who was more able to move between the stakeholders. Major hurdles such as inconsistent organizational cultures, lack of capacity etc can be identified and addressed as part of the risk process at this stage. The process may also help to bring out underlying and strategic interests of the partnership which will assist with the Partnership Building Stage. Once the partners have been selected and the partnership starts to formulate itself, a risk workshop conducted with all partners at the stage of identifying the design parameters (Stage 2) of the partnership initiative, would logically flow from mapping the resources and competencies of the partnership (Stage 4).

2.2 Partnership Building

As part of the negotiation of the Partnering Agreement, where the risk processes have been used and risk register/matrix developed, they should be incorporated into and through attachment, form part of the Partnering Agreement

2.3 Partnership Maintenance

For a risk management system to be worth the time and paper invested in it, it is imperative that it is monitored and reviewed on a regular basis. This is particularly so in partnerships operating in rapidly changing environments, or where key factors have changed. Regardless it is good practice to review risks on at least annually, as a partnership and this can be incorporated into the review of partnership performance. In my own experience it may take as little as 15-30 minutes, particularly if the original risk matrix was developed with consultation and commitment. During a review it is usual that many risks will remain the same, though the level of risk may often be lessened due to the control measures originally put in place. New risks may arise as a result of a change in the operating environment. These trends can all be simply documented at the review stage.

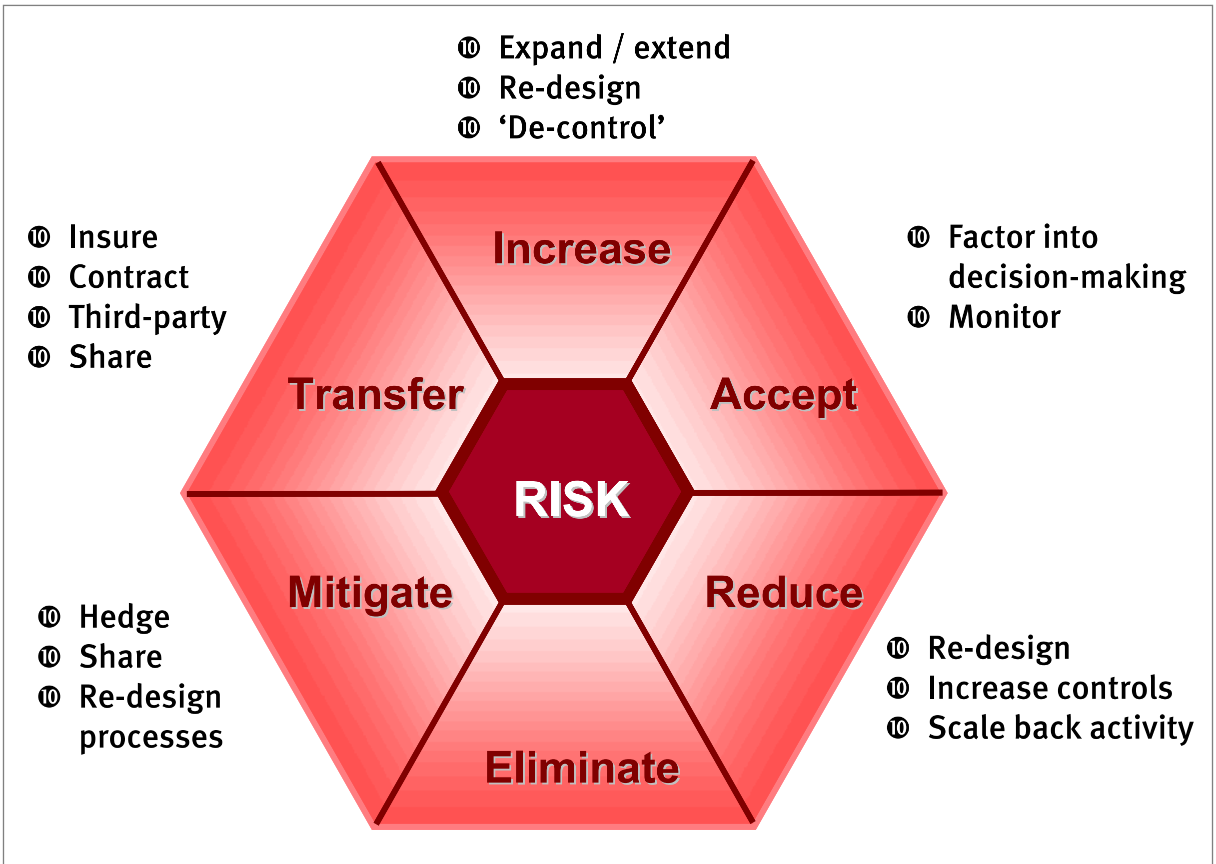
3. Risk Management

Risk management is the culture, processes and structure which can come together to optimise the management of potential opportunities and adverse effects. In the rest of this paper, I outline an example of a Risk Management Process model which can be applied to partnerships in developing country contexts. There are undoubtedly a variety of excellent risk models in place in various sectors around the world. I have found the following to be robust, logical and clear when using it amongst groups of diverse stakeholders, though it does assume a good level of literacy and the ability to conceptualise. It may not be appropriate when partnerships are made up of non-literate community representatives for example. In this case, it may be appropriate, through a guided discussion of risks, for a broker to use a more simple framework such as the AusAID matrix and then formulate and present the risk register to the group for discussion. In this case, it is still important that the 5 main categories of risk (strategic, operational, legal, financial, political/cultural), are identified.

The objectives of risk management are to:

- Understand and manage partnership risk effectively
- Institutionalise the management of risk within the partnership
- Enable partners to make informed decisions about their participation in the partnership: aware of both opportunities and risks of the partnership
- Provide a simple, internationally accepted technique to document risk management

There are different ways to treat risk, not just to work to eliminate it, as outlined in the following diagram.



3.1 The Principles of Risk Management

Underlying risk management are some key assumptions:

- A philosophy that underlines the fact that individual partners will take on a level of risk in line with their 'appetite' for risk. Commercial and even development successes often result from successful risk-taking, the aim is to manage and control risk appropriately, NOT eliminate it.

- Fostering a partnership culture – given the environment in which many partnerships for development exist, which accepts risk is fundamental to the partnership, particularly where the partnership is aiming to be pioneering and innovative, but appreciates that risk identification and control are indispensable for the continuing strength of the Partnership (and in some cases securing donor funding)

- A commitment to institutionalisation and standardisation – a common approach to risk management & reporting is adopted to promote consistency and shared understanding in the managing, monitoring and reporting of risk leading to greater transparency and accountability within the partnership.

- A willingness by all parties to assume ownership for risk – ultimate responsibility for the management of risk lies with the Partnership – not the Broker!

3.2 Obligations of the Partnership:

For the partnership to achieve its objectives, it needs to ensure that the all extreme/high risks have been identified and *simple and effective* processes and structures are in place to deal with them. Lower-level risks are also considered, but priority should be given to high and extreme risks.

This can be achieved by:

- Incorporating a Risk Management statement into the Partnership Agreement (or for more complex, or larger partnership, a risk management charter to attach to the Partnership Agreement), which also reflect roles and responsibilities of each of the partners;

- Completing a Risk Matrix and Risk Register, which can also form an attachment to the Partnership Agreement;

- Providing an executive summary to the Partnership decision makers, highlighting Extreme/High risks and Control Implementation Plans;

- Reassessing risks and Control Improvement plans on an annual basis, as part of Partnership Maintenance Cycle.

4. A Risk Management Process for Partnerships

The model outlined below is adapted from that recommended in the Australian/New Zealand Standards (AS/NZ4360:1999) and modified to meet partnership, not-for-profit and developing country circumstances.

Step 1: Risk Assessment

The objective at this stage is to *identify risks* to the partnership and then analyse them by distinguishing between major risks and minor acceptable risks. This will then help the partnership to prioritise the risks and only focus their energies on the most critical risks.

Risks can be grouped into categories appropriate to the partnership. For example, NGOs or donors may choose to look at:

- People
- Place
- Property
- Political environment
- Goodwill (reputation)
- Finance/Revenue

Goodwill is particularly important for the not for profit sector, as involvement in a partnership which may put at risk their reputation and standing with local communities, governments, regimes or donors must be carefully considered.

The Australian Standards on which the proposed model is based suggests the following 5 key categories of risk, and I have found this a useful categorisation:

- Strategic (including reputational)
- Operational
- Legal
- Financial
- Political and cultural factors

Identification of risks in each area requires the use of judgement, assumptions and in many cases institutional knowledge and experience of the various organisations and operating environment. This can be done in a fairly short brainstorming session, either using the category heading as a prompt, or free flowing generation with risks later grouped into categories. I have found the less structured approach works better with less experienced stakeholders.[7]

Once risks are identified, estimates of *likelihood* (of the risk occurring) and *consequences* (what will happen if it does occur) are made. This is a critical step which assists in prioritising the risks, as they impact on the partners, and ensures that valuable time is not wasted on a seemingly endless litany of minor risks of little consequence which are unlikely to occur. From this discussion, a prioritised list of risks is generated. The Partnership can then decide if the risks are acceptable in light of existing ‘controls’, or need to be ‘managed’.

Step 2: Evaluate the Risks

To evaluate the significance of Risk two factors are considered:

- The *likelihood* that the risk may occur
- The *consequence* the risk would have for the partnership if the risk were to occur

To make it easier for everyone to have a shared way of evaluating the risks, common definitions should be agreed with partners which objectively outline the likelihood of the risks occurring in a quantitative way, as in the following table. This shared understanding usually leads to increased consensus and greatly facilitates the workshop discussions.

Likelihood Ratings Definitions (*Example*)

Likelihood	Rating	Description
5	Almost Certain	It is expected to occur in most circumstances Risk has more than 75% chance of occurring Risk will occur within the next 6 months
4	Likely	Will probably occur in most circumstances Risk has a 50-74% chance of occurring Risk will occur within 18 months
3	Possible	Risk might occur at some time Risk has 25-49% chance of occurring Risk will occur within 36 months
2	Unlikely	Risk might occur at some time Risk has 25-49% chance of occurring Risk will occur within 36 months
1	Rare	May only occur in exceptional circumstances Not likely to occur in the next 5 years

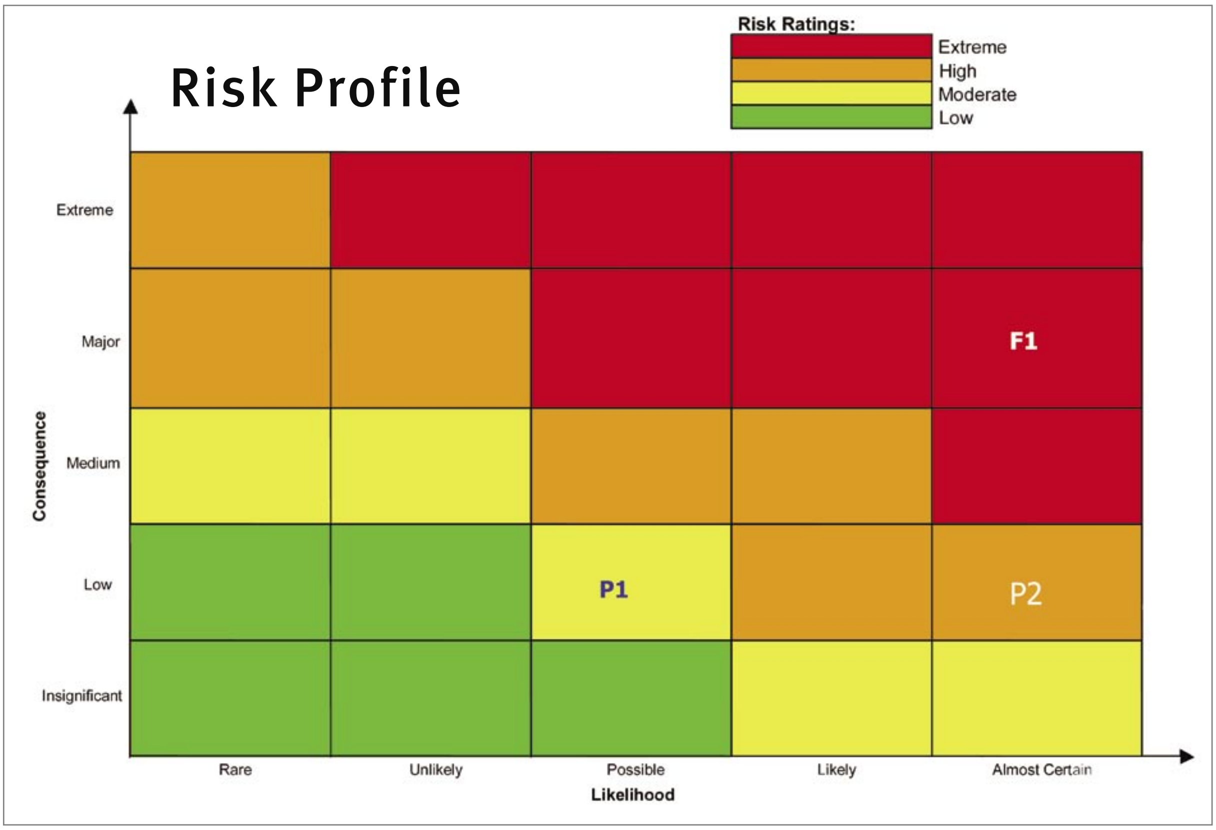
The same is true for developing a set of definitions for each partnership being assessed, which defines the seriousness of the risks:

Consequence Ratings Definitions (*Example*)

Consequence	Rating	Description
5	Extreme	• Partner 1 (Govt) Loss of economic investment in country • Partner 2 (NGO) Permanent damage to environment will result, making affected areas uninhabitable. Donor funding cancelled. • Partner 3 (Corporate) Will result in ceasing of operations in country and incur costs in excess of $200,000
4	Major	• Partner 1 (Govt) Loss of economic investment in region • Partner 2 (NGO) Medium term damage to environment will result and major impact of community livelihoods. Donor funding for project reduced. • Partner 3 (Corporate) Will result in suspension of operations in country for more than one month and incur costs of more than $50,000
3	Medium	• Partner 1 (Govt) Loss of economic investment in district • Partner 2 (NGO) Short term damage to environment resulting in temporary loss of livelihoods. Donor demanding evaluation. • Partner 3 (Corporate) Will result in suspension of operations in country for more than one week and incur costs of more than $10,000
2	Low	• Partner 1 (Govt) Economic and political disruption in the immediate district • Partner 2 (NGO) Livelihoods under threat, community members anxious about futures. Donor concerned. • Partner 3 (Corporate) Industrial relations and operational difficulties incurring costs of more than $1000
1	Insignificant	• Partner 1 (Govt) Intervention required by officials • Partner 2 (NGO) Livelihoods secure, community members have questions which can be answered satisfactorily. Routine questions from donors. • Partner 3 (Corporate) Minimal IR issues, costs of less than $1000 incurred as a result.

Step 3: Prioritise the Risks (Develop Risk Profile)

Once the risks have been identified and evaluated, they can be simply plotted onto a risk profile, which is a very simple and visually striking tool to help partners quickly identify priority areas of attention.



For example, a financial risk (F1) identified for a partnership may be that funding for the initiative is to run out in 6 months. The Partnership may assess the likelihood of this as being 'Almost Certain' and the consequences 'Major'. Plotting this onto the risk profile immediately highlights this as an 'Extreme' Risk and so worthy of attention. On the other hand, a political/cultural risk (P1) that the sexual health services being provided by the partnership clinic may offend local clergy, may have a likelihood ranking of 'Possible', but a consequence rating of 'Low' (if the clergyman was not particularly influential in the community served, for example), so this risk would be ranked as only a 'Moderate', and so on.

Once all identified risks have been plotted on the profile, the partnership has a very clear understanding of where it needs to focus its attention, for the next step.

Step 4: Manage the Risks (management strategies approved and implemented)

The next stage is to focus on those risks the partnership has assessed as being High or Extreme, and to decide whether or not the existing control strategies are adequate or need improvement. If they need improvement, then the partners agree a control plan and assign responsibility for this.

Controls and management strategies identified to manage risk should be assessed according to the following measurements:

Over
The cost of the control exceeds the likely cost of the risk
The control is duplicated such that one or more of the controls do not reduce the risk exposure

Adequate
The control provides reasonable assurance that the risk event will not occur

Requires Improvement
The control in place does not provide assurance that the risk will not occur.
There is a need to review the current controls/processes in place to manage the risk.

If the controls are assessed as Requires Improvement a 'Control Improvement Strategy' should be agreed and documented. The control improvement strategy will depend on the 'Risk Appetite' of the Partnership.

With this information, the Broker has the building blocks to fill in what is called a Risk Matrix, or Risk Register, which can be a simple one page document, or reach to a number of pages, according to the complexity of the project and the level of risk in which it operates. Ideally, this is the simply formatted table which is used throughout the process to document what has been discussed and agreed. It provides all the information required in one easy glance and can be simply attached to the Partnership Agreement. For example:

Risk	Description	Control	Risk rating: Likelihood	Risk rating: Consequence	Risk rating: Overall	Control Quality	Control Improvement Plan	Accountability
Financial F1	Funding will run out in 6 months	Have submitted request for more funding to same donor	Almost Certain	Extreme	**Extreme**	Needs Improvement	1. Submit proposal to government and other funders, review costs 2. Obtain free medical supplies 3. Provide free rent for clinic	1. NGO 2. Company 3. Community / Govt.
Cultural/ Political P1	Local clergy offended by our project activities	Meet clergy once a month to inform him of activities	Probable	Low	**Moderate**	OK	Not required	
Political P2	Local elections may disrupt service provision	Planning to close clinic for election week	Almost Certain	Low	**High**	Needs improvement	1.Hire security staff to protect property. 2.Ensure Ante natal check ups held at alternate location	1. Company 2. NGO

*Trends: ↑= risk increasing; →= risk remains constant; ↓=risk decreasing

It is important that the Extreme and High risks and suggested controls are approved by the decision makers of all members of the partnership.

Step 5: Monitor and Review

As with any management tool, the Risk Management process becomes a waste of time if it is not monitored. This does not need to be a time consuming process and can be incorporated into annual Partnership Monitoring, though in the event of a rapidly changing situation (ie a natural disaster, coup, withdrawal of one partner etc.) the risk process can be used as a management tool as and when required. The following table presents again, a simple and visual report of a review of the Partnership Risks, and has the added benefit of noting what the anticipated trend for the risk is, which helps long term planning: is it getting worse, much worse, better, remaining the same? Attached to the updated Risk Matrix, the documents present a clear and concise analysis of the risk associated with the partnership.

Date of review: (eg. Jan 2007; Year 2 of project cycle)				
Risk Category	Current rating	Trend	Action Status	Prior Rating
Strategic				
Political/Cultural				
P1	L	▶	NA	L
P2	L	▼	NA	H
Operational				
Financial				
FI	E	▲	A	E
Legal				

Key:

Risk Rating — Trend — Action Status

E	Extreme Risk	▼	risk likely to reduce	A	Action
H	High	▶	risk likely to stay the same	NA	No Action
M	Moderate	▲	risk likely to increase	?	Closely monitor
L	Low	▲	risk likely to significantly increase		

Appendix A also suggests an outline for a typical partnership risk workshop.

6. Conclusion

In this paper I have attempted to outline the arguments for institutionalising risk management into the Partnering Process. On the basis of my own professional practice, I have presented an adapted model of risk management suitable to use as a tool for both partnerships and developing country contexts. As multi-sectoral partnerships become more commonplace, so they become more sophisticated, with increased responsibilities and remit, and a concurrent increased need for transparency, good governance and accountability. Moves in the aid sector are already underway to bring development activities in line with commercial activities in terms of attention to risk issues. Proactively adopting a straightforward risk management approach and process will enable partnerships to provide long term solutions, and enhance, not restrict, the ability of partnerships to pursue innovative, flexible responses to some of our world's most challenging social issues. An added benefit is the openness and trust which develops as part of the risk workshop process when good facilitation by a broker can ensure concerns about risks are explained and shared and solutions developed as a partnership team. There is a lot of truth in the old saying, 'a problem shared is a problem halved', and this approach may help remove future potential barriers to partnership effectiveness.

Author's Note

The Risk Management process outlined here has been piloted by the author and her national and expatriate colleagues in Australia, Viet Nam, Fiji, the Philippines, China, Myanmar and Mongolia. In most cases they have been applied to bilateral partnerships for development, but in at least 2 cases applied in a multi-sectoral context. Blank templates of all the tables outlined in this paper are available to anyone who wishes to try this approach in their own brokering.

Appendix A

A typical risk workshop might include the following steps

- Step 1: Decision: Partnership team – who should be involved?
- Step 2: Training: overview of risk management (40 minutes)
- Step 3: Decide on likelihood and consequence definitions for each partner and/or the partnership as a whole
- Step 4: Complete Risk Matrix:

    Identify Risks

    Evaluate risks (Likelihood/consequence)

    Prioritise risks, record on Risk Profile (if desired)

    Agree on risk management strategies(control improvement) plan and assign responsibilities

- Step 5: Record/document on Partnership Risk Register (if desired – good visual tool)
- Step 6: Present Extreme/high risks and their management strategies to Partner decision makers for approval
- Step 7: Incorporate into Partnership Agreement

- Step 8: Monitor and reassess (including risk trends) as required

Endnotes

1 Caplan explicitly touches on the importance of understanding the risk involved for each stakeholder group as a route to accountability and transparency (Caplan, C (2003) The Purist's Partnership: Debunking the Terminology of Partnerships. Practitioner Note Series, BPD Water and Sanitation.)

2 Caplan, K, ibid, p4.

3 Refer AusGuidelines 6.3 Managing Risk, AusAID, Nov 2005, available at www.ausaid.gov.au

.4 Tennyson, R (2003) Institutionalising Partnerships: Lessons from the Front Line. Resource Centre for the Social Dimensions of business Practice, UK.

5 With thanks to Narelle Magee, Risk Management Consultant of Ernst Young Australia who has worked with the author to introduce risk management into the international aid context and provided guidance on the adaptation of the Australian corporate model.

6 The Partnering Process: Partnership Brokers Accreditation Scheme, Overseas Development Institute/International Business Leaders Forum

7 AusAID's Guideline 6.3 Risk includes a detailed list of potential risks in development projects, which can also serve as a useful prompt for less experienced partnerships. www.ausaid.gov.au

An Adaptation of the PBAS Internal Assessment

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Contents

Summary

My Final Project provides a critique of a PBAS tool, the Internal Assessment (IA). I used this tool during PBAS Part II with some success. I adapted the tool in the following ways and for the reasons stated:

1. I focused the IA on the advantages of a range of collaborative forms, including a tri-sector partnership, because:

    - No party (the private company or any other) had actually identified any interest in exploring the need for a tri-sector partnership;

    - Initial assessment of the context suggested to me there would be benefits in a tri-sector partnership for all parties, but these parties appeared to have little awareness of their possible interests in partnership.

2. Rather than a 'social theme', I produced a much more in-depth elaboration of the sectoral issues because:

    - The private company is an expert in the development sector under consideration for closer collaboration or partnership.

    - The IA must add value to the company's own reflections and assessment of their interests.

    - A 'task oriented' focus was ultimately of greatest interest to the private company.

3. I did more analysis of potential partners and secondary stakeholders; slightly less of the company's underlying interests. The reasons were:

    - Acting as an External Broker, there was more scope to assess the context and understand the interest of potential partners and secondary stakeholders.

    - Correspondingly, it was less easy to gain full access to the private company. I addressed all the key underlying interests of the company, but was less sure of what 'weight' the company attached to each.

4. The confidentiality clause in the lease restricted my exploration of partnership for the IA.

    - The lease contract between the government and private company contained an all inclusive confidentiality clause.

    - This clause limits understanding among others of the intentions behind the lease.

    - It makes it more difficult for potential partners to see why they might have an interest in tri-sector partnership.

    - It also makes trust-building difficult.

1. Introduction

My Action Plan for PBAS Part II focused on an issue which arose out of a three-year research project. The three-year project is entitled: "Getting the Incentives Right: Incorporating Strategies for Improving Services to Low-Income Consumers within Private Sector Participation Water Sector Contracts". It is being carried out by a British engineering company, Atkins, and funded by the UK Department for International Development. I have been contracted as the Sociologist on the project.

One of the case studies examines a 10 year lease contract in water and sanitation in Dar Es Salaam, Tanzania. Our role in conducting the case studies was to both observe and, where useful, offer advice and recommendations to the private company. My initial assessment of the lease contract in Tanzania between the Government (DAWASA) and the private company, City Water Services Lts, led me to propose to Atkins that I explore the scope for a tri-sector partnership. It seemed unlikely that the specifications of the lease contract alone would ensure that low income consumers received a better service.

Early in PBAS II, I had meetings with City Water and attended their workshop on Community Kiosks. During the workshop, one of the questions asked to an audience of municipal authorities, community groups and international NGOs was "whether and how City Water should cooperate with NGOs and local private companies in unplanned settlements". I spoke with City Water's CEO, and secured his agreement that I would explore the scope and need for greater collaboration with a NGO or community groups.

I went on to produce an Options Paper for City Water, modeled on the PBAS Internal Assessment tool. The IA was very useful, and this was discussed in my Logbook. My starting point in developing the IA was to draw upon the PBAS I Hand Out (Components of an IA) and the case example taken from Konkola Copper Mines, Zambia. However, I adapted the case example quite substantially, giving far more weight to some components and less or none to others. The reasons for adapting the tool are explained below.

2. Reasons for Adapting the Internal Assessment

2.1 Advantages of a range of collaborative forms

Neither the private company, City Water, nor the government partner in the private sector participation lease contract, DAWASA, had actually identified an interest in exploring the need for a tri-sector partnership. DAWASA was more confident than City Water that there was a real opportunity to 1) build a closer relationship with communities and 2) secure closer coordination with public works departments responsible for roads and drainage, through a Memorandum of Understanding (MoU) with another project. The other project is called the Community Infrastructure and Upgrading Project, and it is to be managed by an alliance between the City Council and community groups.

I initially explored the understanding of all parties concerning the proposed (as yet unsigned) MoU. It was clear that the roles and relationships of each party had not been established. Most importantly, there was a problem of sequencing. The Community Infrastructure and Upgrading Project (CIUP) had not yet secured World Bank approval, which meant that implementation was unlikely to commence before early 2005. City Water needed to begin installing community kiosks and first time domestic connections in poorer, unplanned settlements by end 2004/early 2005. However, City Water ideally needs first to have identified suitable sites for kiosks and to have CIUP provide the necessary access roads in advance.

I identified that that the key parties (especially the private company) could benefit from a tri-sector partnership. The company was under pressure to deliver results in a difficult, challenging context. There was pressure from NGOs and some donors to bring about improved affordability of the service to the poor. But there was also a really significant level of misunderstanding concerning what components of the lease contract (if any) would actually improve services for the poor. Those more knowledgeable about the lease (government and the President's Parastatal Reform Commission) realized that the whole of the lease (major rehabilitation of the water network) would serve the poor, because the poor suffer most through an inefficient and unreliable system. Some of the NGOs believed that the poor might only benefit through the community kiosks, but they were convinced that the private company would charge a high tariff for the water in order to make a large profit. They were amazed when I pointed out that the private company would be obliged to sell water from its kiosks at the government-set tariff, which are currently well below what most poor households actually pay for water. The NGOs also realized that the private company kiosk water would probably be cheaper than water provided by small-scale NGO projects.

This level of misunderstanding about the purpose of the lease and the challenges faced by the private company among those not party to the lease, meant that it was not clear why they might have an interest in and derive benefits from a tri-sector partnership. In this context, it would have been impossible to launch into an analysis of the benefits of tri-sector partnership. It was important to focus first on raising awareness and understanding of the issues and possible relationships of different parties, to build a little trust, and to explore the scope for closer collaboration, as a first step in the exploration of a tri-sector partnership.

I was also very struck by the point made a couple of times during PBAS Part I, that a tri-sector partnership is not right or feasible in every context. I was convinced that some form of closer collaboration would be beneficial and feasible in my case study, but it would have been wrong to have pushed so hard for a tri-sector partnership at this stage, without knowing if it would have worked. We risk de-valuing tri-sector partnerships if their chances of success are weak or uncertain at the outset.

2.2 Elaboration of the sectoral issues

The example of an IA we received during PBAS Part I, was based on a natural resources company. Whereas the substance of development issues and methodologies is often rather new to natural resources companies, it is much closer to mainstream business for water and sanitation companies, who often win contracts on the back of a broader development reform programme (usually World Bank led). Therefore, by writing a rather ‘light touch’ approach to the ‘social theme’ of a partnership approach (along the lines of our PBAS I example) and the organisation’s underlying interests and objectives, there was a risk that the IA would have added little value. For the water company, City Water, most of the technical engineering challenges could or should have a social or community dimension. In other words, the ‘social theme’ of a partnership approach had to relate to core business for the water company, and could be better described as a new ‘sector-wide approach’.

However, I then went through a second stage of reflection on the theme of the IA for City Water. Although I felt there was a case for tri-sector partnership in order to address a wide range of issues (related to serving customers better, making the water management system more efficient and equitable, and complying or enhancing policy in the sector), I became aware that City Water was more concerned with how it should address very specific tasks and activities. In the space between my first and second visits to Tanzania, City Water’s Chief Engineers had increased their interest in the community kiosk programme. I therefore came to the conclusion that instead of a ‘social theme’ or ‘sector-wide approach’, there should be a ‘technical task’ which served as the main motivation for a partnership.

At this time, I referred back to the PBAS reading material for further insight. I read an article by Ken Caplan (BPD, ‘Plotting Partnerships: Ensuring Accountability and Fostering Innovation’, Practitioner Note Series, 2003). Ken points out that most partnerships are generally “Task Oriented”, ie. they deliver something such as water connections, a health centre or a new road. At the other end of the spectrum, “Rules Oriented” partnerships bring together different parties to review policies, regulations, laws or standards. I realised that I had been hoping to bring potential partners together for the purposes of addressing both the tasks and the rules. This was too much to expect so early on.

The drawback of a task oriented partnership is that it may miss out on the opportunity to create a dialogue between different partners, and thereby be less likely to deliver long term impact and sustainability. It is, however, an important starting point in my case, because the company originally demonstrated no interest in working more closely with low income communities.

2.3 Analysis of potential partners and secondary stakeholders

The role of an External Broker brought with it both advantages and limitations. On the spectrum between Internal and External, I realized that my role was much closer to that of an External Broker, although it was not as far along the spectrum as in the case of some of the other PBAS candidates. As the Sociologist for Atkins on a research project, there was a clear understanding that we would provide advice and recommendations where appropriate. I therefore had an entry point into exploring tri-sector partnerships in principle.

The advantage of wearing the External Broker hat was that it was easier to gain access to both potential partners and secondary stakeholders. There were sensitivities concerning private sector participation, and the NGOs demonstrated mixed views and perspectives about City Water's goals and objectives. These were clear from the Stakeholder Mapping exercise I carried out. Had I come to talk to them as an employee or contracted consultant of City Water, potential partners and secondary stakeholders may have been unwilling to talk so openly with me. I may be exaggerating the point (it is difficult to know what would have happened in different circumstances), and it is possible that I would have gained different, additional insight had I spoken to them as an Internal Broker linked to the private company. However, I do believe that it was very useful to be able to bring these different perspectives to City Water at an early stage in the exploration. Had I focused almost exclusively on analyzing City Water's views and perspectives, I believe I would have been a long way from understanding whether a tri-sector partnership was feasible. Because I was not specially commissioned by City Water, but was simply choosing to provide them with advice, it was important early on that I had a good grasp of whether a partnership was feasible.

The downside of being an External Broker was that it proved less easy to gain access to the company's staff. Because City Water was very busy, because there was initially an issue over whether we (Atkins) had secured adequate buy-in from the government body to carry out our work, and because a crisis arose for City Water during my second visit, it was difficult to spend much time with key company staff. In the IA, I believe that I addressed all the key underlying interests of the company, but was less sure what 'weight' or importance the company attached to each interest.

I was aware that I might have had more time to talk with more junior staff if I had focused my communication with the company more exclusively on the Chief Engineer, who was the initial point of contact for the Atkins research project. However, if a tri-sector partnership was ever going to take shape, it seemed essential to me that I had the buy-in of the CEO. Obtaining this buy-in took time, but I believe it was worth the effort.

2.4 Confidentiality clauses and their restrictions

The lease contract between the government and private company contained an all inclusive confidentiality clause. The clause limits understanding among outsiders of the intentions behind the lease, and so makes it more difficult for potential partners to see why they might have an interest in partnership. This point relates to the first issue above – ie. potential partners know little about the lease objectives – but adds a new element – ie. it is difficult to raise awareness and understanding among potential partners because information is restricted.

The confidentiality clause needs to be understood in the context of private sector participation (PSP). PSP is an extremely sensitive issue in Africa, and in Tanzania especially, given its recent Socialist history. Despite government corruption and inefficiency being a 'known fact', the general public seem to be more suspicious when the private sector is invited to run services than when government runs them. In a number of former socialist countries, politicians frequently make speeches claiming that basic services, such as water and education, must be free for the poor. The reality is that they might be free in the very short term, but then the lack or inefficiency of revenue collection across the board means that the services fall into disrepair and the poorest usually end up paying more than anyone else, by being obliged to buy water from small-scale local private sector providers. It is more likely that the rich will not pay for their water due to inefficient metering and billing systems.

I am convinced that the confidentiality clause in the lease is all encompassing due to i.) a general government culture of not providing information, and ii.) a desire to restrict the private company from eliciting popular understanding and support for its difficult task of trying to make a dysfunctional system functional, by explaining the nature of the challenges it faces. The challenges would inevitably point a finger of blame at the government. It is therefore very important to government that the private sector respects the clause.

Given the extreme sensitivities of the confidentiality clause, it becomes difficult to broker a tri-sector partnership: to build trust and understanding, and explore mutual interests. Potential NGO partners take the view that they do not know much about what the private company does, but they do know it is there to make a big profit. They do not understand the extent of the challenges faced by the private company. They are not aware of how most of the company's work to improve the water network will benefit the poor. They are quick to point a finger of accusation at the private company. When the NGOs working in the water sector were informed at a very late stage that they could not operate in the areas designated for City Water, they blamed the private company for grabbing the best areas. They did not think to blame the government body, DAWASA, for its poor coordination and inefficiency. Of course, they may understand who is really at fault, but blaming the private sector is 'fair game', whereas blaming the government creates problems for their own operations.

All this suggests that more time may be required to build understanding and trust, than in situations in which there is greater transparency of all parties.

3. Conclusions

The adapted IA worked well in the context of my case study. The PBAS IA is a very useful tool, and the purpose in this project is not to suggest it should be substantially changed. Rather, it should be seen as a flexible tool, to be adapted as the circumstances require. The key factors which led me to make the adaptations were the fact that the private company with a potential interest in tri-sector partnerships was a specialist in a service sector, a PSP contractual relationship already existed (and contained a wide embracing confidentiality clause), and the broker was an External Broker.

Appendix 1

Options Paper:

A Strategic Approach for City Water in Unplanned Settlements

Background

City Water began operations on a ten year lease contract in the water and sanitation sector with the Government of Tanzania in 2003. The lease contract is complex but lacks detail on the strategies City Water should adopt to implement and manage certain components. City Water has to engage with a difficult political context. There is a government policy commitment to increased private sector participation in the economy (written into the Tanzania Assistance Strategy), but at the same time there is considerable scepticism and even hostility towards the (large scale) private sector among the political classes and the population. There are unrealistic expectations that City Water will deliver an improved service in a short space of time. There is political pressure to improve services, matched by donor pressure to bring about improved affordability of the service, and lobbying pressure from civil society, such as NGOs, to focus on the poor.

An improved water supply system could provide a “win-win” solution for City Water and low income communities (there is a business case for City Water providing water in low income communities, who would then pay less than they tend to pay currently for other sources of water). But there are also interests at stake among individuals in unplanned settlements who benefit from the current, poorly functioning system, as private water sellers.

Community Water Issues in Unplanned Settlements

It is clear that low income communities will benefit in large part from the whole rehabilitation of the water network, and its improved management and reliability. This is the major challenge which faces City Water. However, City Water also needs to establish how best to implement and manage certain components which will impinge very closely on low income communities, namely: the provision of public kiosks, a first time domestic connection fund and a ‘lifeline’ tariff.

The Atkins baseline questionnaire survey (2004) identified key characteristics of water usage as follows:

- In the municipalities of Konondoni, Ilala and Temeke, 45 per cent of households use water from their neighbour’s pipe as a first source of water. This suggests that a significant number of households have access to DAWASA water. We suspect that the neighbours do not pay fully or at all for the water consumed. These households could view City Water’s presence as competition and they could be threatened if they have to pay the full price of water consumed.

- The distance to the first source of water is negligible: 32 per cent of households walk up to 10 metres, and 76 per cent walk less than 100 metres. This has implications in terms of how households value their time, and how far they would be prepared to walk to a public kiosk for water sold at lower cost.

- Households tend to complain about the reliability and availability of water, but when asked factual questions about their first source of water, most (62 per cent) say it is available every day in the month. Kiosk water may therefore not appear to make such a significant impact on most people’s lives.

- The amount of water consumed appears to be far in excess of most estimates from other studies. Preliminary findings suggest that a majority of households (composed on average of 6-7 people) consume over 300 litres of water a day.

Community kiosks and the case for closer collaboration between City Water and a NGO

City Water has expressed some interest in how it should engage with communities in unplanned settlements over the provision and management of public kiosks (workshop on 30 April 2004). The kiosks are recognized by most parties (especially donors and NGOs) as the most immediate and visible aspect of City Water's operations, which will affect the lives of low income communities. The issue about the "lifeline" tariff will become more pressing at a later stage. First time domestic connections are a more complex issue. Evidence from other developing countries suggests that they are not a best option for low income households, due to payment method.

There are many reasons why City Water could benefit from closer collaboration with low income communities on its kiosk programme. These are:

- There may be conflict between local sellers of water and the City Water kiosk vendors.
  - There will be winners and losers in each community, and City Water would benefit from maintaining a close understanding of communities where kiosks are supplied.
- City Water requires certain activities to be conducted which require good community understanding and sensitivity. These include:
  - reporting illegal connections,
  - carrying out disconnections and re-connections,
  - informing and sensitizing the population.
- There will have to be an interface between the kiosk vendors and the local administration together with the Water Development Committee. It could prove difficult to establish this relationship effectively.

Underlying Interests of City Water

City Water's underlying interests relating to community kiosks include the following:

Customer Relations

- City Water needs a better understanding of customers, and how best to site kiosks and institute an effective management model for kiosks.
- Public relations: the private sector tends to suffer bad press in Tanzania. A better relationship with low income communities could improve its legitimacy and reputation.

Financial Return

- Yielding maximum revenue from kiosks (although this is not expected to be a very significant source of its profits).
- Bidding (long term) successfully for other contracts: proven experience in serving the poor adds to a company's credibility and strategic advantage in bidding for new work.

Policy and Regulatory Compliance

- The Lease is not clear on how to deliver services in unplanned settlements. The Regulator is not yet established. Therefore, City Water's understanding of needs in unplanned settlements will strengthen its defence of how it interpreted and served unplanned settlements (eg. the relative need for public kiosks versus domestic connections).

- Cooperating with national water policy (eg. vis-à-vis access, rights and needs of local water vendors, whose livelihood could be threatened by the new kiosks). Again, this is largely to be interpreted, in the absence of clear regulation of local water vendors.

Risk Management and Mitigation

- Cooperation with low income communities can mitigate risk of sabotage or vandalism to main network. A continuation in illegal connections could lower overall water pressure, resulting in failure to achieve KPIs on water pressure and regularity of supply.

- Cooperation with communities (education and awareness) can reverse negative attitudes and behaviour (not paying, assumed right to make connections at will), which are part of the present dysfunctional system.

- City Water can mitigate the risk of political pressure by showing it is keen to cooperate with communities.

Options for Greater Collaboration with Communities

Options for greater collaboration include:

- Working in closer collaboration with the Community Infrastructure and Upgrading Project (CIUP).

- Establishing more regular communication with international NGOs implementing the Community Water and Sanitation Supply Project (CWSSP).

- Contracting out aspects of the community mobilization, capacity building and/or management activities to one of the NGOs.

- Forming a partnership with one of the NGOs.

It is recommended that City Water explores the possibilities of either contracting out aspects of the kiosk programme to a NGO or establishes a partnership with a NGO. The precise parameters of the partnership would need to be explored with one or two of the most suitable candidates. There would be advantages to considering a tri-sector partnership, including DAWASA as the other party. All three CWSSP NGOs have experience of working in the areas where City Water intends to provide kiosks (some had carried out initial exploration with a view to operating there for CWSSP). Two of the three NGOs, WaterAid and CARE, have experience within their organisations of working in partnership with the private sector and government. WaterAid has the most experience in the water sector, with operational, research and policy strengths. Exploratory discussions with the NGOs suggest that there might be interest in some form of collaboration with City Water.

The other options are rejected for the following reasons. Although the kiosk programme is to be implemented in collaboration with CIUP, this will not necessarily provide City Water with the required community understanding. Establishing closer communication with NGOs could prove difficult if there is no additional incentive for meetings to take place and ideas to be exchanged. To some extent, this will occur through the DAWASA-led Steering Committee, but at a high level rather than an operational level.

Obstacles, Risks and Threats

An exploration of closer collaboration with a NGO should outline the expected outcomes, related to City Water's underlying interests, and the advantages of working in collaboration. It should also consider the possible obstacles, risks and threats of working in collaboration. These might include:

- Time required (and opportunity costs) to establish greater collaboration.
- Low level of trust among potential partners, due to inability to share information (restrictions relating to confidentiality clauses in the lease).
- DAWASA might be threatened by closer collaboration between City Water and a NGO.
- Closer collaboration would add to further complexity; there is already a working relationship with DAWASA, there will be some form of collaboration with CIUP, and there are other stakeholders to consider.
- City Water does not have a member of staff with the relevant background, skills and mandate to take this recommendation further.

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