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Cross-sector Partnerships in Development Cooperation

Cross-sector partnerships in development cooperation have become a focus of debate in recent years. While private sector and public sector partnerships in development are not new they took on a greater significance after the 2011 High Level Forum on Aid Effectiveness released the declaration, Busan Partnership for Effective Development Cooperation. This edition of Co-Praxis summarizes and reflects on the concepts, challenges, and good practices related to cross-sector partnerships for development.

JGG experience related to cross-sector partnerships

As a social enterprise that fuses a network structure and work methods within a private corporate entity, JGG has experimented with distinct arrangements for its internal management and its work in development cooperation. JGG has co-implemented initiatives with public institutions and non-governmental organizations that share objectives and values but possess distinct skills and alliances. JGG has also undertaken consultancies with business and human rights organizations.

Key concepts from the literature

Working definition: A cross-sector partnership is a cooperative arrangement between two or more actors from the private sector, the public sector and/or civil society, with the objective of jointly addressing a development issue. A cross-sector partnership involves the sharing of risks, responsibilities, costs, and benefits. It is important to note that some of the literature includes both business and non-profit organizations in their definition of private sector organizations.

Types of Partnerships: The literature review revealed four categories of partnerships for development: i) multi-stakeholder dialogue mechanisms and formal networks; ii) development partnerships with the private sector and either non-governmental organizations or public institutions; iii) the coalition model (multi-stakeholder initiatives often including developing country governments, donors, private sector actors, civil society, and research institutions); and iv) private sector companies contracted to implement public services. This issue of Co-Praxis focuses on the second and third categories.

Value created by cross-sector partnerships

Sustainability: In contrast to traditional aid-based development interventions, cross-sector partnerships are more financially self-sustaining due to the comparative advantages of each sector.

Positive sum gains: In cross-sector partnerships each partner brings different competencies. Beyond the deployment of these discrete competencies, the combination of each partner's core resources and expertise increases the potential development benefit. Their collaboration could create a unique blend of capabilities that constitute an innovative and more effective approach to a persistent social problem. In other words, there is synergistic value, in which the core competencies and resources of each partner are combined to achieve more than each could have separately.

Key Documents Reviewed

Austin, J.E. and M.M. Seitanidi. ***Collaborative Value Creation: A Review of Partnering between Nonprofits and Businesses: Part 1. Value Creation Spectrum and Collaboration Stages.*** Vol. 41. 2012.

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Kindornay, S., K. Higgins, and M. Olender. ***Models for Trade-Related Private Sector Partnerships for Development.*** The North-South Institute. Ottawa. 2012.

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The Colombia Ministry of Education studied 90 alliances with private companies and international organizations to identify essential values and a cross-sector model. The essential values for successful partnerships identified by the ministry are consistent with the literature reviewed: trust, transparency, respect, complementarity, and direct communication. The evaluation of partnership experiences and secondary literature enabled the ministry to define a model to guide the design and implementation of development initiatives with private sector partners. The good practice model ***(Modelo de Alianzas Publico Privadas)*** demonstrates that the partnership itself requires significant energy and tools for its management. The ministry identifies practices that are integrated through the project management cycle: continual evaluation activities, monitoring the partnership itself (e.g. through an online partnership management platform), internal and external communication and information management, and knowledge management.

Associational value: One partner may derive benefit simply from having a collaborative relationship with the other. Partners derive credibility or good reputation from the alliance.

Transferred resource value: This refers to a benefit derived by a partner from the receipt of a resource from the other partner, such as a financial contribution enabling them to access or leverage new resources.

Interaction value: Partners derive intangible benefits from the processes of working together. They may enhance their reputation and trust, gain relational capital, share knowledge, and exercise joint problem-solving. For example, a private company may pursue a development initiative in order to enhance corporate image while a non-governmental organization seeks financial resources. Cross-sector partnerships can challenge and ultimately change entrenched institutional behaviour.

Success factors and good practices

Multilateral communication and transparency: The success of an initiative can often depend on the ability of each partner to be transparent in the discussion of objectives, consequences, and short- and long-term goals. Before an initiative is undertaken, both partners' motivations should be clear and transparent in order to maximize impact.

Bridging differences and identifying complementarity: There is often a philosophical tension between the profit motive driving the private sector and the idealism that drives many development stakeholders. While this can create challenges, some of the most successful examples of cross-sector partnerships are those that optimize partner backgrounds, partner autonomy and shared accountability. Partners may have different long-term goals, but they may also have overlapping or complementary medium-term outcomes. The key is to focus on the creation of something new and effective.

The need for flexibility: Successful cross-sector partnerships require flexibility in response to changing circumstances and priorities. Overcoming philosophical tensions between the private and public sector will involve suspending one's own viewpoint of how an organization or project should be run and being open to adapting to changing conditions and demands of the environment, the project, and the people.

Challenges

Lack of effective results measurement and project evaluation: The document review highlighted a lack of accessible results measurement and the lack of effective project evaluation as two major issues impeding the assessment of cross-sector partnerships. The lack of quantitative (rather than qualitative or anecdotal) results is a particular concern. A number of documents emphasize that results measurement needs to shift from assessing outputs (designed to assess accountability) to assessing outcomes (designed to measure value). Without comprehensive evaluation, it has been difficult to conclude that cross-sector partnerships achieve stronger and more sustainable results than single-sector/party projects.

Power imbalances: Power imbalances between partners, particularly those from the private sector and civil society, can be a major challenge. The pursuit of different (and occasionally divergent) agendas can strain partnerships and limit success. Pre-existing negative stigma, intolerance, and distrust between partners from different sectors have been identified as additional challenges to overcome.

Differing priorities and perspectives: The literature identifies a major challenge arising when the partners have differing backgrounds and perspectives. These can include differences in language and organizational structure, as well as tensions caused by differences in methodology, priorities, and accountability frameworks. Some suggest that these differences be channeled into common goals in order for partnerships to succeed. Similarly, the management and modification of pre-project reputations can be a challenge for some partnerships. This was an issue for the Canadian government-funded partnership between IAMGOLD and Plan Canada (operating in Burkina Faso). Upon announcement of this partnership, Plan Canada received complaints from a number of their donors unhappy with the pairing.

JGG Reflections

Learning culture: JGG has found that partner organizations, whether private or public, that incorporate learning and knowledge development practices in their organizational culture increase their chances for successful partnerships. These partners dedicate time to innovative management and critical reflection.

Power imbalances: In some circumstances alliances between the private sector and civil society organizations are not entered into as planned voluntary initiatives between equally empowered parties. For example, national government agencies may permit natural resource extraction on or near indigenous peoples' territories. The right of indigenous peoples to free, prior and informed consent is not always respected by government duty bearers. On the other hand, some indigenous communities may decide to negotiate impact benefit agreements with mining or other companies.

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