OECD LEED **forum** on
partnerships and
local governance

successful
partnerships

a **guide**

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Content

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Introduction

Hundreds of partnerships have been formed worldwide during the past two decades. Some of them lasted only a short period; others have been operating a long time. Some concentrate on narrow local targets while others ambitiously try to co-ordinate broad policy areas in large regions where millions of people live and work. There are partnerships primarily oriented towards business circles and others focused on labour market or social issues. “Bottom up” can be seen as a key principle here, but it is good to remember that a good number of partnerships have been created as part of a central government strategy to support the delivery of programmes at the local level. Many studies have been carried out on the subject, which demonstrate that a partnership is a valuable instrument or “organisational” model to overcome weaknesses of the policy and governance framework. Nonetheless, partnerships face several obstacles: they are difficult to set up and maintain, they require political will and resources, and results are not likely to come overnight.

The aim of this Guide is not to convince anyone of the merits of partnerships in the context of modern policies. Rather, it is meant to serve as a practical manual for both the practitioners and policy makers involved in partnerships. It provides information on very concrete aspects of partnership work, gathered from those with experience – both successful and otherwise. It contains lessons from a number of experts working at different levels, and combines input from more theoretical academic knowledge with actual results from different policy approaches. Of course, something that works in a given region or country will not necessarily work the same way in another one. The approaches, methods and solutions described in this manual are therefore not to be copied exactly but carefully adapted to the reality of other contexts, taking account of differences in the policy framework, the needs of the partner and the local issues to be tackled.

Why partnerships today?

We are living in complex societies where the policy frameworks in place often seem to be fall short of providing satisfying solutions to a growing number of problems. But this does not necessarily mean that the frameworks as such are to be changed, as a) existing frameworks are a result of historic development and reflect a balance of different interest groups within the society; they are therefore not easy to alter[1], and b) it is hard to predict whether changing a policy framework will lead to a higher level of satisfaction. So naturally there is some resistance to large scale reforms. But while we may have to live with given policy settings, partnerships can be a great help in improving their performance: area based partnerships provide a mechanism for local organisations, in particular, to work together and adapt their policies to better reflect the needs of people and the economy at the local level. Partnerships are thus a key instrument of local governance.

How does this work? An area based partnership is usually designed to bring together all relevant actors within a region that can contribute to improving a given situation on an equal basis. This seemingly simple principle actually raises a number of different issues. Firstly, to bring together *all relevant actors* is not an easy task as this implies having around one table not only different government institutions (usually of different levels) – many of which are traditionally competing with or ignoring each other – but also social partners, entrepreneurs, NGOs, the education and scientific sector, representatives of the civil society and many more. The interests of such partners, and therefore their approach to certain problems will usually be rather different. Very often

[1] *A good example of this is the Austrian Convent on constitutional reform, which clearly has* not *brought about major reform because of the diverse interests of the parties involved. Thus the changes consented to will probably be only modest. It is argued that an opportunity was missed to create a more up-to date organisation model for the state and the critics may be right in this. But on the other hand it was simply not possible to agree on a different balance of power that would satisfy those apparently “losing” that their loss would lead to a bigger gain for all – including them.*

partnerships are initiated by institutions that carefully avoid inviting those partners they consider too difficult to be helpful for short-term solutions. Such institutions risk missing an opportunity to achieve wider understanding and approval of their policy.

Secondly, partners should have *equal rights* – and in cases where they don't, this should be agreed to as a partnership principle. For example, to devise a strategy it is absolutely necessary that all relevant actors agree on 1) the underlying analyses and 2) on the overall targets and principles derived from those analyses. But it is usually not possible to involve all partners in the decision-making process for the funding of single projects or measures. This would not only conflict with the assigned responsibility of government institutions for certain programmes ("Minister's responsibility principle") but also violate all competition regulations and principles, leading to sub-optimal results. Especially when it comes to the funding of entrepreneurial or NGO activities, a separation of strategic and single decisions is often necessary to avoid conflicts of interest.

The third key issue can be summarised under the term *ownership*, which stands for the partners' approach towards their partnership, its goals and its work. If partners feel they are somehow contributing to something that is not really in their interest or line of thinking; if they are dragged into another organisation's affiliated body without being given the opportunity to bring in their own approach; if the whole idea of a partnership is just a top-down enforcement of a certain administrative structure; and if no relevant output for them is expected – then certain "partners" will not be able to identify with the goals and objectives pursued. And this means that they will not support them wholeheartedly. But if on the other hand the partners have a high degree of identification with their partnership, this will be a firm foundation to build on. As stated above, partners have to agree on a common strategy based on shared (= unanimously accepted) results of analyses. This often means building consensus, and acceptance that some issues might constitute a problem for one group but not be considered as a problem by others. To discuss and accept this is an important step forward and can create the basis for a common approach.

In the end, *all problems have local ramifications*. But competences are rarely organised according to local needs: they are often instead split along different hierarchical, sectoral and/or thematic lines, and are more the result of historical and social factors than a logical division of work corresponding to need. In addition certain interest groups have found ways to influence formal decision making through informal channels while others have not. This may lead to good results for some, but does it lead to optimal results for all? Does it create the necessary basis for future development? Partnerships are a very effective way of overcoming these formal structures and involving interest groups more equitably. The partners are the stones on which to build a prosperous regional development and their adhesive mortar is the *trust* they can build among partners.

How to start a partnership

Although area based partnerships are agreements of institutions of various kinds in a local or regional setting, this is not always how they begin. There are a variety of motives for starting a partnership, and therefore also a number of different ways to start. The initial impetus can be:

- Locally driven, or bottom-up, meaning from the region itself where the need for better co-operation and co-ordination of activities is recognised;
- Policy driven, or top-down, when someone at the central level considers the partnership approach to be the right one for the solution to a certain type of problem;
- Incentive driven, in that money is offered for a certain type of activity (as was the case with the European Commission programme on partnerships).

Whatever the reason to set up a partnership, there are certain key factors to bear in mind. First, it is important to get all the *relevant actors* to join in the partnership. So who is a relevant actor? One could say any organisation/institution that is either part of the problem to be addressed or part of the solution. Failure to invite or attract some of these key actors might turn out to be an ongoing weakness, limiting options of manoeuvre and endangering results. This is of course easier said than done. In many cases there will be interest groups that can easily agree on common targets but that mistrust other organisations and have no co-operation base with them. Then why should those interested in co-operating bother with the others? – because often they will need the others to solve the problems.

Once everybody is seated around one table, it is important to get *formal commitment*, which a number of partnerships have solved through the signing of a partnership contract. It is an important step forward when organisations of different background formally sign an agreement to reach out across their respective responsibilities and interests and to co-operate on certain issues, especially when non-formal partners (*e.g.* from civil society) are involved. To do this, partners have to share a vision. However, to succeed they also have to share a strategy; and to develop that strategy they have to agree on a shared analysis of the issues at stake. Some countries have chosen to develop a more formal legal structure as a framework for partnerships. This clearly helps when it comes to tasks and rights, duties and responsibilities. As a prerequisite, the central or provincial level responsible for creating such a legal framework must have a vision on how to involve partnerships in overall policy. The question that remains however is, how much decision-making freedom will partners have once such a system is installed?

Improving work within a partnership

Partnerships are formed for diverse reasons, and each has a “life” of its own. Even if everything functions well, it does so within a given context: whenever the situation changes and new tasks are assigned to a partnership, the conditions for its work and success change. One of the complicated issues within the life of a partnership, therefore, is the changing of partners (or of their involvement) and of tasks.

A *change in partners’ involvement* happens relatively frequently, as the participation of each of the organisations involved depends to some extent on the personal commitment of their representatives and on how such representatives fulfill their roles and functions. Partnerships are organised as networks, and when members of the network change, the networks can change. This variable can be reduced by formal contractual co-operation agreements, so that organisations and institutions are committed as bodies rather than as individuals. Nonetheless the variable exists, and should not be overlooked.

Another factor that can pose problems is the *admission of new partners*. If partnerships exist for a long period and become well established within their region, then at some point new partners will almost inevitably join. New tasks may come onto the agenda that call for the involvement of additional key actors (“voluntary admission”) – but also in some cases organisations outside the partnership may decide that co-operation is now advantageous (“requested admission”). In any case, admission mechanisms have to be in place for these eventualities, which will change the network configuration and make the direction of work harder to predict. Of course things can evolve in another direction, and partners may wish to resign. This can seriously hinder the future execution of the work programme, and to avoid a downward spiral, it may sometimes be necessary to redefine the framework of a partnership.

Running a partnership is a very delicate operation requiring individuals who can really understand and work with different organisations and their requests. As the main task of partnerships is to find ways in which organisations – with their different tasks, responsibilities and approaches – can co-operate in dynamic societies, it is necessary to adapt methods and ways of working accordingly. Thus there has to be on the one hand a stable framework, and on the other hand a certain degree of flexibility to allow for all the necessary (and immediate) changes and adaptations. In addition there has to be strong communication, among the partners – so that there is maximum transparency both within and outside of the partnership.

Structures help. The individual partners' primary interest is the work of the partnership as such and not its organisation. However, as more tasks are assigned to the new entity, it becomes more important to have an agreed management structure. Agreeing on such a structure not only creates a unit independent of one single partner (whose office is attached to some other existing unit) but also stabilises the work of the partnership. The resources necessary for this entail a commitment to funding which can be seen as a key step forward in the establishment of a partnership as a medium- and long-term organisation.

As partnerships set themselves common targets they become answerable with regard to reaching these targets. They therefore have to agree on *monitoring and evaluation* as key principles. It is important to do this from the very beginning, so that questions regarding the outcome of the partnership and the funds involved can be answered and the value added of the partnership's work be made visible. And these questions will arise not only from the outside world but also from inside the partnership. Partners will need to demonstrate where and how they are successful – and if they are not, they need to indicate how their strategy is to be changed.

The Guide

This brochure addresses the issues outlined above and others. It was written by practitioners for practitioners, and is based on personal experience and knowledge. If you are looking for a theoretical framework and its surrounding science, you will want to look elsewhere. If you are looking for practical advice, read on.

Michael Förschner
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Partnership Checklist

One key motive for implementing local and regional partnerships is the belief that working together is more effective than working in isolation. Partnerships – an effective way *of* working together – operate under different local conditions, depending on the detailed nature of the problems, the institutional environment, political factors, experiences and culture. Given that requirements are always specific to these conditions, there is no one model for a successful partnership; the one linking characteristic is that partnerships are always designed to bring together relevant actors within a region to concentrate on co-ordinated activities in different thematic fields.

The objectives of this checklist are to help people either wishing to form or already in a partnership to learn more about what will make it a successful endeavour. The checklist describes the elements that need to be considered in forming partnerships and enlisting potential partners. It does not include all possible partnership-building issues and challenges.

Characteristics of good partnerships

A partnership is an agreement to do something together that will benefit all involved, bringing results that could not be achieved by a single partner operating alone, and reducing duplication of efforts. A successful partnership enhances the impact and effectiveness of action through combined and more efficient use of resources; promotes innovation; and is distinguished by a strong commitment from each partner. To achieve sustained success it is essential that basic local parameters be created and agreed upon; equally essential are political will, resourcing, and the appropriation of funds.

Co-operation within a partnership is collaborative; it will be effective if the partners share a strategic vision, pursue compatible targets, and are all equal members in a predetermined organisational structure. The notion of ownership is often used in this context to describe the emotional binding of the institutions and persons involved, which should ideally be with the partnership and not with other, outside organisations. Thus the partnership should be able to bring together different actors in collaborative action as well as in collaborative efforts to effect change.

Organisational structure and other partnership characteristics

To be efficient, a partnership should have recognisable and autonomous structure to help establish its identity. The structure should have stability and permanence as well as flexibility, and it is helpful if it has a certain degree of autonomy, *i.e.* freedom from political influence. It is also important to review lines of communication to ensure that all partners are kept informed and involved. The relevant characteristics are as follows:

- The partnership enjoys political and social acceptance.
- The partners show determination and accept the practicalities of their political responsibilities.
- There is a strong sense of ownership.
- Agreements are based on identifiable responsibilities, joint rights and obligations, and are signed by all relevant partners.
- The partnership takes an inclusive approach (relevant actors are involved in planning and implementation).
- Strong commitment from each of the partners is reflected in the fact that all partner organisations are equally present and, where possible, represented by experienced persons who have influence within their organisation.

- Responsibilities and the nature of co-operation are clarified.
- The co-ordinators of the partnership are nominated by the partners.
- Rules of conduct (e.g. good communication between actors, regular attendance of meetings, continuity of personnel, regular transfer of information among the partners) are adhered to by the partners.
- Resources, knowledge, know-how and ideas are shared within the partnership.
- Equal opportunities within the partnership are secured (partnerships will not necessarily succeed if one or a small number of the partners are perceived as dominant).
- Adequate financial and human resources are available for implementation.
- The partnership should be able to lever funding from a range of sources.
- There is a firm foundation of good practice in financial controls, accounting procedures, human resource management, etc.
- Resources and energy are devoted to monitoring and evaluation, on the basis of realistic but demanding performance indicators and targets which are clearly defined.
- A "learning culture" is fostered, i.e. one where all partners are able to learn from one another by allowing new ideas to come forward in an open exchange of experiences.
- Resources, responsibilities and tasks may differ, but the added value of the partnership to each partner is recognised.

The Programme of Work

Partnerships need to develop a long-term strategy if they are to work effectively and have a lasting effect. For area based partnerships, this strategy must include a vision for the region focusing on the outcome to be achieved, an action plan identifying shorter-term priorities, and a co-ordinated working programme including activities and measures that will contribute to the achievement of long-term outcomes. Also necessary are a shared commitment to implement the programme and arrangements for monitoring and reporting progress. Some relevant characteristics are as follows:

- The working programme is based on a concerted strategy and on a comprehensive analysis of overriding problems, as well as on an assessment of local needs and a consultation process with local actors. It should be ambitious as well as realistic.
- Common objectives are determined.
- Targets are set and are clearly defined.
- The strategy, the objectives and targets, and the working programme following from them, are reviewed and revised at regular intervals, taking into account partners' experiences as well as changes in context.
- Programme targets are compatible with relevant strategic documents (*i.e.* European or national programmes and guidelines, regional models).
- The various measures and projects are planned and correspond to the strategy and to local and regional needs.
- The nature of co-operation within the partnership is described within the programme of work.
- Budget responsibilities (including different financial sources) are also specified in the programme and illustrated with budget tables.
- Extension of the field of activities is possible where necessary through changing the partnership conditions and framework (legal, financial, economic and institutional).
- Measures for permanent monitoring and evaluation are planned.
- Public relations activities and a clear external reporting system are planned.

Building a partnership

Equity should be a guiding principle in building a partnership, as should (for many partnerships) a “bottom-up” structure. Political will and human and financial resources are also needed.

One essential step in building a partnership is to ensure that everyone involved knows what the partnership is about, who is doing what, and which outcomes are expected. If possible, a partnership should be built on appropriate structures already existing in the area. Establishing and implementing a partnership is basically a dynamic process. The procedure includes several phases: preparation, drawing up a contract (where thought necessary), establishing a work programme, implementing the work programme, and monitoring and evaluation on an ongoing basis.

Preparation

Preparatory work is crucial for developing a steady and effective partnership. Careful research into the context in which the partnership will be operating must be part of this phase. The strengths and weaknesses of the area should be assessed and effective measures designed. One of the most important aspects of this phase is to identify the right partners and establish clear roles for each. (See section on the ‘Roles and functions within partnerships’ below).

Contractual Conclusion

A partnership is often based on a formal commitment that has been established by a number of partners signing a contract. Bound by this contract, the partners will share a strategy and implement their co-ordinated working programme for a period determined by the partnership.

Establishing Working Programmes

The work programmes should indicate the interests and targets of all partners and include activities and measures that will contribute to the improvement of the territory.

Implementation

In this phase partners are in regular contact to co-ordinate implementation, to extend and supplement the working programme with new measures, and in some cases to test new approaches. Public relations activities should inform the wider public of the targets, activities and measures of the partnership.

Monitoring

To assess a partnership’s achievements, determine improvements to be made and adapt further planning, a comprehensive monitoring system should be used. A partnership should be evaluated periodically and publish reports to demonstrate the added value of its work.

Partnership members

Careful partner selection is essential for the partnership approach to be fruitful, to enable effective working relationships, and to ensure that partnership activities are sustainable.

By identifying partners who will complement each other and strengthen the partnership's goals, a solid foundation will be built. To achieve the partnership's objectives it is important to bring in the different relevant parts of the public sector as well as the business, community and voluntary sectors. The size of a partnership should reflect its aims and the issues with which it is dealing; the exact number of members will depend on territorial circumstances and priorities.

An alphabetical listing of potential partners (this list is not exhaustive):

- Associations of towns and municipalities;
- Associations of political parties;
- Business sector (*e.g.* large firms, small and medium-sized enterprises [SMEs]);
- Chambers (*e.g.* agriculture, commerce, economic, employees, labour);
- Citizens' initiatives;
- Consultants;
- Education or/and training organisations;
- Federal bodies (*e.g.* the Federal Office for Social Affairs and the Disabled);
- Federations (*e.g.* of trade unions, of industry);
- Financial institutions;
- Government institutions (on different levels and with different territorial responsibility, *e.g.* communities, provinces, countries);
- "Know-how" carriers;
- Non-governmental organisations (NGOs, *e.g.* local employment initiatives);
- Non-profit organisations (NPOs);
- Political institutions;
- Public authorities (national, regional, local);
- Public employment services;
- Regional development associations and management bodies;
- Representatives of employees and employers;
- Representatives of the civil society;
- Research institutes, universities;
- School boards;
- Social partners;
- Women's spokespersons / gender mainstreaming experts.

Conclusion

As has been described above, a good partnership has many characteristics – although it is unlikely that one partnership will have all the characteristics listed here. Different situations will require tailored solutions and workable agreements can look totally different from agreements that have been developed before The difference between "should" and "should not" is therefore sometimes hard to judge. Generally speaking, what one gets out of a partnership will depend largely on what one puts into it and how one does this. And as in any private or business relationship, what is not specified at the beginning will surely show up as a problem sooner or later.

But there are definitely some issues that must not show up in a partnership. To avoid crucial mistakes and misunderstandings, here are some of the key features that should *not* characterise a partnership:

A Partnership is likely to be ineffective if…

- Partners do not share the same values and interests. This can make agreements on partnership goals difficult.
- There is no sharing of risk, responsibility, accountability or benefits.
- The inequalities in partners' resources and expertise determine their relative influence in the partnership's decision making.
- One person or partner has all the power and/or drives the process.
- There is a hidden motivation which is not declared to all partners.
- The partnership was established just to "keep up appearances''.
- Partnership members do not have the training to identify issues or resolve internal conflicts.
- Partners are not chosen carefully, particularly if it is difficult to "de-partner".

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Roles and Functions within Partnerships: Lessons drawn from the Territorial Employment Pacts

Every partner within a partnership should know precisely why they are there, what they bring to the alliance, what to expect from others, and of course what is to be achieved together – or in other words, what is expected of them. Unfortunately, many partnerships lack clarification as to the roles and functions of the various partners. The experience of the Austrian Territorial Employment Pacts (TEPs) points to the need for a regular clarification of roles and responsibilities.

So what roles and functions are important to a partnership approach? In relations of cooperation, partners can take on various functions – knowledge carriers, information brokers, financiers and policy makers – and various roles - visionaries, strategists, salesmen, lobbyists and coaches. Facilitators, mediators and, not least, managers are also essential to the functioning of partnerships. Each individual partner usually has more than one role and function; for example, a partner can act as a knowledge carrier, financier and visionary at the same time. In addition, all roles and functions are important to the overall success of the partnership. If for instance a partnership lacks salesmen, it will not be able to communicate its output in the best way. Similarly partnerships without moderators will almost certainly run into difficulties co-ordinating and balancing the partners' inputs. It is important that roles and functions are clarified in advance: each partnership should discuss, precisely define and jointly decide on the roles that each partner has and the functions that are necessary for their partnership. Not all of these roles are explicit or can be made explicit, however. The communicative skills required by partnerships are in particular only noticed and appreciated when they are missing from the process.

Moreover, partners' roles and functions vary over time, in particular due to:

- Shifts of emphasis in work programmes in response to changing local and regional demands;
- The changing requirements of different phases of the partnership e.g. foundation, implementation, and consolidation; and
- Fluctuations in the personnel representing the various partners, and their skills and competences.

In order to strengthen the inner fabric, efficiency and effectiveness of partnerships, an institutional development process can prove helpful. In the case of Austria, a "partnership consolidation process'', known as "Steps" has been developed to support the Territorial Employment Pacts. In course of this process, partnerships are required to reflect on their overall function, their obligations and limits, and their responsibilities and restrictions. If partnerships are uncertain as to their key function, they will become overloaded with diverse local and regional requirements. Consequently, reaching all targets, plans and ideas will become impossible. Demands can be met only if partnerships are clear about their *raison d'être* and communicate their responsibilities and competences as well as the boundaries of their abilities and capacities.

This is already a great challenge. In addition, roles and functions vary not only according to the types of partner involved, but also in relation to the overall function of the partnership. The management roles required by partnerships vary, for example, depending on the function of the partnership. For instance, if a partnership defines its key function as a "strategic board for a better co-ordination of regional policies", the main purpose of the manager of this partnership will be the "co-ordination of partners". Likewise, the functions of partners can range from "giving thematic inputs from the employer's point of view" and "developing labour market measures" to "financially supporting partnership measures". In large partnerships, it is likely that only a core group will be involved in clarifying roles and responsibilities. However, a broad consensus should in general be the aim.

A number of the above-mentioned functions can give rise to another phenomenon: the dominance of certain partners. Variations in the level of interaction and communication between partners are standard, with some partners maintaining relatively intense communication, while others only have a loose interaction. In each partnership there will be "followers" as well as "leaders" who somehow gain the "upper hand" in the partnership. The types of partner who gain the most power vary across different partnership and policy settings (*e.g.* trade unions are frequently strong partners within Italian alliances, whereas they can be relatively powerless in other societies). Partnerships often benefit from the leadership role taken by organisations in power, as leaders often turn out to be an important factor in pushing the co-operation (and related activities) forward. Dominant partners often also ensure financial contribution for the implementation of partnership measures. However, stronger partners can also hinder others – consciously or not – from making their full input. Moreover, partnerships can run the risk of overemphasising those topics that are of interests to such partners.

The main task of area based partnerships is to co-ordinate the partners and their topics in order to develop a joint strategy for the region. In particular, the development of co-operative work programmes and the implementation of measures according to agreed priorities are central activities of many alliances. At best, partnership programmes reflect the strengths of all partners and minimise the weaknesses. Partnerships can also build on the actions of individual institutions to:

- Address multi-sectoral (or cross-sectoral) challenges in order to improve the quality of support to certain target groups or sectors;
- Develop a multi-dimensional orientation (i.e. integrated approaches to multi-dimensional problems);
- Increase effectiveness and efficiency in the use of partners' resources; and
- Make the best use of synergies and prevent duplications of activities in the region.

A well-structured partnership is needed for balancing the contributions of partners to this process in the best possible way. Experience has shown that positive results are much more likely to be achieved if full-time partnership co-ordinators are appointed to manage partnerships. Whereas the partners are the core of partnerships, partnership managers are often the "drivers"; partnership performance rises and falls with their inputs and skills. In particular, those partnerships which have managers who have been in the business for some years often turn out to be more stable than others.

As regards the choice of types of partnership management, in most cases one of the following three options is pursued:

- Partnerships establish their management externally;
- The co-ordination is settled through an intermediary body; and
- Co-ordination units are built up as part of a partner's institutional structure.

Outsourced management implies up-front costs and a potential loss of power. On the other hand, it ensures a neutral role, which is especially helpful in balancing the interests and contributions of all partners. For that reason, the external option is often considered preferable. In the case of Austria, public financial support for the management of partnerships turned out to be essential, as the managers of the alliances were able to focus on their core task – co-ordination – rather than fundraising. The dominance of the public sector in the Austrian partnerships was effectively limited due to the fact that partnership management was mostly carried out externally or through an intermediary body. Above all, partners need to form positive relationships with the managers of their partnership, and thus, the fundamental basis of partnership management should be an agreement between all partners. The main experiences of the Austrian TEPs in relation to this issue are summarised in the checklist below.

Checklist on Roles and Functions

- Discuss, precisely define and jointly decide on the roles and functions of each partner;
- Reflect on roles and functions regularly;
- Clarify the obligations, responsibilities and restrictions on capacity of each partnership;
- Balance interests and contributions carefully;
- Make best use of the strengths of partners;
- Establish a strong management structure;
- Consider externalising the management function; and
- Ensure funding for partnership co-ordination.

Partnerships are communities in their own right. The roles and functions of the parties involved are important constituents of partnerships. Internal resources and relations should be considered as key factors for success and for maximising the knowledge brought to bear by the partnership. If clarity is achieved in relation to roles and responsibilities, the desired outcomes of the partnerships are more likely to be achieved. Partnerships should thus put more effort into achieving both an 'outward' and an 'inward focus' with the aim of developing further alliances through a strong and robust partnership base.

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Communication

If the organisational structure of a partnership is the glue that holds it together, then communication is the grease which allows it to operate smoothly. Communication is, however, a complicated process; and a great deal can go wrong on all sides, with both the sender and the recipient of messages sometimes making mistakes. This makes it all the more important to get communication right – otherwise the glue will all too quickly turn to sand.

Communication has both an internal and external role. Regarding the former, it is crucial to the functioning of a partnership to ensure that there are clear information flows among partners, between the partnership manager and the their own staff, and among partners themselves (and any structures in which they participate, *e.g.* the board of directors). This will help the partners to understand how their alliance really functions, the constraints under which it operates, and the respective roles of the other partners, organisations and people involved. It might be helpful to establish terms of reference for all operational structures within the partnership.

To make a partnership inclusive it is important that all voices within it are heard. This both requires and guarantees a balance of influence, mutual respect and care in the organisation. Good communication will facilitate meetings, decisions and interactions between partners. One should not forget that the partners have to play a two-way communication role, acting as the link points between the organisations they represent and the partnership itself.

The external role of communication is to ensure that the work of the partnership is visible, in order to organise support and funding. First, a communications strategy has to be developed – which should be linked to the partnership's overall strategic plan – and regular action plans deriving from that strategy formulated. Sufficient resources – both staff time and financial resources – need to be dedicated to communications. Designating a communications/press officer can facilitate this and help those outside the partnership know where to turn for information. Good contacts with local media are crucial, so that they can be approached quickly and effectively when needed.

To ensure that the partnership is visible and recognised within its designated area of activity, there should be ongoing, two-way communication with local communities and target groups; a permanent outreach approach can be a key component of a communications strategy. The partnership's successes should be presented regularly to policy makers, who may be involved in mainstreaming opportunities or policy development, and to funding bodies, including potential future sources of funding. There is a need to explain clearly what the partnership is and how it works, since it can sometimes be difficult for those not involved to understand. The partnership's own communication can be complemented by the communication of others, *e.g.* the partnership's beneficiaries acting in an advocacy role.

Where appropriate, co-operation with other partnerships can help to achieve a critical mass in communications activities and therefore attract more attention (whether in building media coverage or in disseminating policy recommendations). In addition, forums for the regular exchange of learning and good practice with other partnerships can be established, whether on a regional, national or international basis.

Some Thoughts about Communication Techniques

As partnerships are usually set up to find a better way to connect different policy areas and institutions working in those areas, the *networking* between these institutions and with their stakeholders is probably their most important task. “Informal” ways of networking should be complemented by structured forms of communication (websites, newsletters, etc.); this is especially useful in interaction with policy makers, opinion leaders, the general public and with other “outside” institutions with which the partnership interacts in the course of its work. One should therefore not overlook the importance of creating a stable information flow and the necessity of tailoring it to the different target groups.

Publicity materials may be needed in a variety of formats, both web- and paper-based, to explain the concept of the partnership and its work. While the web enables a partnership to reach an unlimited number of people at comparatively low cost, handing out paper-based products is still considered more effective during public relation activities. The best solution is to combine methods, *e.g.* to have regular electronic newsletters and electronic as well as printed versions of annual reports, main results etc. Regular *publication of reports* on the work of the partnership and its successes (including evaluation reports) is essential both for the partnership’s visibility and for demonstrating the evidence basis for any recommendations the partnership makes (*e.g.* for mainstreaming or for policy development). *Seminars and conferences* involving other practitioners and/or policy makers can be an effective means of disseminating information about the partnership’s work and successes; they can also serve as tools for networking and opening debate about the direction of current and future activities.

Special attention should be given to c*ommunication with local communities and target groups,* as they represent the everyday environment of a partnership’s work and will, depending on their attitude towards the activities, support, tolerate or hinder that work. Communication with them is therefore essential; it should not only provide them with a regular information flow about the work and achievements, but also engage them and help create a feeling of ownership. The local communications strategy will therefore require a range of techniques, including close contact with local media, outreach facilities, newsletters, workshops or public meetings, audits of local resources and needs, etc. Venues and materials need to take account of accessibility issues to facilitate the participation of different target groups, such as the business community and marginalised groups.

Marion Byrne
Pobal (formerly Area Development Management Ltd), Ireland

Funding Partnerships

An absolute prerequisite to the successful operation of partnerships is a stable funding structure, covering the operational budget as well as overheads. This may sound simple but the task of setting one up is far from easy and often proves a permanent burden endangering the work of partnerships.

Let us start with a simple question: does your partnership have an operational budget at all? This translates to: what is the real task of your partnership? Is it co-ordinating activities of different kinds? In that case there is probably not much operational budget needed at all, and the question of funding can be limited to the issue of who is funding the basic structures. Then the question might come up: why fund basic structures at all? A partnership can well be formed on a “self-made” basis where a “co-ordinator” – a secretary employed by one of the key actors – is asked to devote part of their working time to partnership issues, using the available office space and equipment. Many partnerships are started this way, so why not operate on this basis? The answer is obvious. A co-ordinator employed (meaning paid) by one partner can never be absolutely neutral in their action. There will always be a more or less explicit bias towards the employer and not towards the partnership, whether unconsciously (as they have worked here before and are part of the employer’s culture) or explicitly (they are told to follow the employer’s wishes). So if a real partnership is the intention, then a real – meaning independent – secretariat is needed.

This neutral secretariat of the partnership should be installed sooner rather than later. It will not only help create a stable and objective co-ordinating structure, but also send a clear signal to the outside world as well as to the partners. To those outside, someone is speaking in the name of the partnership; there are premises, a physical address, telephone, Internet, etc. Partners themselves should have a feeling of having a common secretariat and not of working with an employee at one partner’s premises (with all the natural distrust that might engender here). But it is not only office space that counts here; it is also a question of who is funding it. Ideally the contributions should come from all partners involved, as only then will the secretariat be considered everyone’s own secretariat. If the funding is only provided by one or two partners, there will be a situation similar to the one outlined above, the only difference being that there is now a legal as well as physical advantage. An interesting solution has been found in Austria, where the basic structures of Territorial Employment Pacts are funded by central government.[2] The government is not a partner to the regional partnership agreements, but considers them important to overall labour market performance and guarantees the necessary basic funding.

What is funded within these basic structures will depend on the partnership’s targets. Besides a co-ordinator, (probably) a secretary and the office equipment they require, it would be good to set some money aside for common activities. These could include a public relations campaign, a common monitoring system or evaluation, training or similar activities for its members, or even support to local/regional institutions. If a long-lasting partnership is the target, then stable structures are required and one should invest in them as a company would invest in its structures to ensure its survival.

[2] *The Ministry of Economic Affairs and Labour, using additional (co-)funding from the European Social Fund of the European Union.*

Funding Structures in Austria

Partnerships were begun in Austria with the idea that more jobs could be created where regional labour market policy intersects with social policy if the key actors in this field co-operated more fully. Of course co-operation existed before but it was limited to individual projects and programme lines, and in most cases did not have the quality of a real regional employment development programme or include a real strategy. One perceived weakness was that it did not have the stable structure co-operation requires – *i.e.* a secretariat that is responsible for co-ordinating the process in a neutral way. The government offered to help provide a structure by funding this secretariat and also making use of money available within the European Social Fund of the European Union. The operating budget still had to be provided by the partners. This was the basis for the Austrian Territorial Pacts, or TEPs.

In a second step the TEP's tasks were widened in many respects, depending mainly on the situation and development potential of the partnerships in their region. Some concentrated on strengthening co-operation in the social field; some developed local, sub-regional structures to address their goals in a better way. While this diversity is sometimes seen as a weakness of Austrian partnerships, it also reflects the true setting in their respective regions and specific needs. But it became soon obvious that there is also a need for other common activities, such as public relations, monitoring and evaluation. These activities were therefore included in the central funding. It also became clear that this approach, and especially the regional diversification it addresses, requires more attention and therefore time than a ministry could guarantee, so a nationwide co-ordination unit was created to support the partnerships in their work and also help the ministry in the policy co-ordination of the partnerships.

Nowadays the concept of the Territorial Employment Pacts is part of the bilateral funding agreement between the European Commission and Austria regarding Human Resource Development (Objective 3 of the Structural Funds Policy) and the necessary budget for funding the basic structures has been set aside until 2006. The annual costs of co-ordinating partnership activities are around EUR 2 million while the overall operational budgets negotiated and agreed on within Austrian partnerships add up to EUR 500 million annually. This clearly shows how a relatively small investment in structures helps to raise and administer large budgets.

Let us return to our first question and assume that the answer is yes, your partnership does have an operational budget. Continuing with the next question: who is providing the budget for this, and what is the decision mechanism for the use of the money? It is obvious that a partnership's operational programme of work has to draw on funds, but it is usually less clear who is contributing to them and who is going to decide about their use. A typical approach would be to have two or three key funding institutions provide the basic budget for operations; they would not create a partnership's budget on their own but rather have the partnership co-ordinate its use. What does this mean? Usually partners have a legal framework in which they operate and their own targets – set by laws and regulations or company goals or others – and they have to fulfil these goals. So these institutions use the partnership not so much out of altruistic motives, but because they have understood that this will help them to fulfil their goals in a better way. Still, that does not mean that they will allow anyone else to interfere with their decision-making process, as this is also their responsibility. And they will still want to control the money they put into the partnership.

Now let us assume there are three partners, each providing one-third of the necessary financial means to fund a project to support social inclusion – this is an overall goal of the partnership. Partner A has a labour market approach, Partner B has a social approach and Partner C is responsible for certain educational targets. (Each one will of course have their own targets within their respective responsibility.) These partners now have several possibilities for the use of the funds; choosing one requires agreement, and there are different levels of agreement. The weakest level – which is nonetheless not simple to reach – will be a mutual agreement on how each partner will use their own fund to contribute to the common goal, and how they will inform the others about the decisions they have taken. Thus it concerns common planning of activities and information about their execution.

The next level would be the common funding of certain activities; the partners each agree to provide a certain amount to co-fund activities. So all partners have to agree on certain projects and then have to reach the corresponding decisions within their own institutions. The main and important difference between the first and second levels is that here we have partnership projects; while in the first model we had only partner's projects. Again, this is an important signal to the outside world as well as to the inside. The agreement is the basis for common funding, and the topics covered will probably (according to the institutional setting) be more general and regional than sectoral. Here the partners can also help each other in supporting certain activities if one of them happens to be short of budget funds for whatever reason – not so unusual a situation in public funding. A negative scenario of this model is what might be called "linking package" decision making – one partner agrees to support the funding of a project of a second partner only if the other one agrees to co-fund another project of the first partner. The political bargaining arising from concentrating on the funding issue might limit the content of the partnership.

At level three, the partners create a common fund where they will decide together on the use of the money but not allow for individual decisions. This has several severe implications. First, money has to be handed over out of one public institution's budget to the partnership, which is usually a privately organised body. It is no easy decision for a public institution to hand over money, and doing so might also be circumscribed by legal requirements or restrictions. In Austria, for example, the main problems allocating money to a non-public organisation are a) liability – it is almost impossible for an NGO/NPO to stand guarantee for funds and bank guarantees are rather costly, and b) budgetary regulations that assign responsibility to the public authority handing over the money.[3] Even if there is a positive attitude towards creating a common fund, doing so may well prove difficult.

Secondly the administration of common funds by the partnership requires a stable organisation with specially qualified personnel and the ability to cope with the tasks assigned the funding, and (especially) controlling the money. The funding departments of public institutions usually already employ this type of personnel, so the legitimate question arises: why duplicate structures and create costs that would not be necessary otherwise. A good answer to this is probably that private organisations have been found to have a better, more direct approach to project promoters and are "trusted" in a different way. This definitely applies to social projects that are often in a situation of seeking public support on an unequal negotiating basis, feeling they are not being understood or that the problem is not really being taken seriously by the deciding public authority. Thus negotiating the necessary funding with a non-public organisation might help create a better working base with the project promoters on the ground and lead to better results and a more efficient use of public money. The same negotiating situation might arise with companies and their entrepreneurial problems in a world of bureaucratic funding. If a partnership is targeting regional economic performance, a private body with an entrepreneurial touch might be well received by the business community. Summing up: it is definitely worth considering creating common funding mechanisms to reach targets more successfully, but one must be willing to overcome certain bureaucratic obstacles.

The final step of partnership integration is a common budget spent according to agreed criteria without any direct influence of the partners and where their role is limited to that of shareholder. Such a model

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[3] *Articles 112 and 113 of Bundeshaushaltsverordnung.*

will be appropriate especially when there are certain new activities that have not been on the main political agenda before, at least not in this form. New funds thus have to be found and new mechanisms created to reach the targets. This situation is not so unusual as there are more and more topics that are not covered by traditional sectoral approaches and where satisfying results cannot be reached by one institution alone.[4] The main difference from level 3 lies in the decision mechanism: partners limit their direct influence on individual decisions and agree only on certain criteria, based on a regulation and a procedure. One might ask why an institution should give up its decision-making powers with regard to budgets. There are good reasons: to generate more effectiveness and more efficiency in the use of their budgets. As effectiveness is more transparent, objective ruling should have an influence on the achieved results. And efficiency is important, as this approach can also be applied to situations where the number of decisions is simply too high to be decided by two or even more institutions on a case-by-case basis.[5]

How important is it who is contributing what to fund a partnership's activities? It is probably more important that an organisation is contributing at all, as this shows a high level of commitment: the institution considers the activities of the partnership to be so important that it is willing to devote some of its own resources to them. So if the funding structure of a partnership can be based on a large number of regionally based organisations – *e.g.* labour and social institutions, the regional government, cities and communities, the social partners, enterprises and education institutions – there is clearly real general commitment within the region. Of course this requires a lot more co-ordination of the partners, but it should pay off as this will definitely help with the execution of the programme of work and contribute to better results.

The real amount or share of contributions must be considered fair by all partners, the payer (as they will see it in relation to other investments or strategies) and the other partners (as they will place it in relation to their cost-benefit ratio). Of course there can and probably will also be non-paying strategic partners, but they cannot expect to have the same influence on decisions as those who contribute financially.

Some partnerships compete successfully for external funds and can thereby widen their budgets. This is an interesting strategy but requires that partnerships develop from pure networks to organisations capable of attracting outside donors or winning calls for tender. The donor-driven investment is *de facto* based on demonstrating local weakness and has in the long run the disadvantage that donor attention might change to other areas or topics more in need so that the funding base ceases to exist. But this does not detract from the importance of donors in certain situations, *e.g.* the rebuilding of Balkan countries in the last years would not have been possible without large investments offered by the international community. And competing for funds requires strength, which might simply not be there in the starting phase of a partnership. But generally, a partnership that can successfully compete in funding decisions will have a much better opportunity to find additional financial support for its activities. Good examples of this are Irish partnerships, which have attracted money from the European Union to co-fund their work.[6]

Of course the business world should not be forgotten as a possible source of funding for partnership activities. This of course depends on the strategy in place at the outset of the partnership and whether it is of interest to enterprises. But a number of partnerships are dealing with labour market issues and supporting

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[4] *For example, in many countries the intersection of labour market and social problems lies in the hands of different public and sometimes semi-public institutions at different administrative levels*

[5] *In some respects the Structural Funds of the European Union are administered in this way. The European Commission and the member states agree on funding certain activities on a very general programme level – the agreement is termed a decision in partnership – and the other member states give their opinion on this agreement. Those funding institutions responsible for a certain topic in the respective member state then make all individual decisions, including that regarding the European Union's co-funding. In this concept the deciding body is only partly identical with the funding partner – or, to be more precise, one partner is interpreting and executing the will of both.*

[6] *In the case of the Area-based and Community Partnerships in Ireland, one programme (Local Development Social Inclusion Programme – LDSIP) provides core funding for the partnerships, which are able to compete (along with other types of organisation,* e.g. *community groups) for other government and EU programme funds.*

regional development, so there should be some interest on the part of companies in the region lest results fall short of the targets. And as has been mentioned above: true commitment is also a question of financial contribution.

Financial Management

Whenever a partnership is dealing with money, questions of financial management become crucial – for the partners, as they (or at least some of them) are responsible for the funds and outcomes of the funded projects in legal and/or political terms; for the donors or external funding institutions, as they in return are responsible for their spending policy; and for the projects, as they need reliable funding structures. Sound financial management allows a partnership plan to be implemented fully and to achieve objectives and targets. It gives reassurance to the partners and to other stakeholders, including funders and local communities. It also allows clarity and openness about how financial decisions are made, how they are implemented, and the processes of monitoring and reporting on them. Poor financial management on the other hand will not only lead to poor outcomes, but also dry up funding flows in the long run.

Financial management is a shared responsibility and should therefore involve both partners and partnership staff. To achieve sound financial management, it is vital that partnerships adopt and agree on clear systems and procedures, document these, and maintain proper records. Funding should be provided on the basis of legal contracts between partnerships and funding bodies as well as between partnerships and projects. Detailed budgets should be prepared on an annual basis, linking strategies to specific actions, detailed costing and performance indicators. Internal financial procedures should be complemented by an external, independent audit programme, which provides assurance to stakeholders.

Sound financial management can be facilitated by the production of a detailed manual on financial procedures and practice. This manual should include guidance on issues such as the proper operation of bank accounts, the treatment of income, making payments, project files, monitoring and auditing, the management of petty cash, eligibility issues, requirements for matching funds, internal financial procedures, taxation matters, the treatment of assets, the role of the company secretarial function, and audit requirements. Training in relation to good practice in financial management should be carried out on a regular basis.

Michael Förschner
Chairman of the OECD LEED Forum
on Partnerships and Local Governance

Legal Aspects

There are two different legal aspects to partnerships: the overall juridical framework which forms their context, and the legal setting within. In a number of countries there exist special laws regarding partnerships that clearly lay down basic requirements for their recognition, approval, access to funding, and rights. In some cases a clear role is assigned to partnerships within the institutional setting of regional development.[7] Regulations may go so far as to state certain requirements in relation to membership and structures. Such conditions are often stated within funding schemes using fiscal incentives to create partnership standards[8]. Partnerships are also enabled or constrained by external laws and regulations defining co-operative action as such: there may exist certain limits to cooperation with respect to competition rules, in addition to limits on the rights of public institutions to enter into legal entities with private companies or NGOs. These criteria may be crucial to the setting up of a partnership and establishing its range of possibilities.

Regional Co-operation Structures in Flanders (ERSV)

- A judicial entity under the legal form of a non-profit association (NPO) recognised by the Flemish government, the ERSV is the judicial support structure for the Socio-Economic Council of the Region (SERR) and the Regional Socio-Economic Consultative Committee (RESOC), and acts as employer for their personnel.
- Structural assembling of the economics and employment policy fields.
- Composition: at least two municipalities, one province, and representatives of the employers, tradesmen and agricultural organisations.
- A maximum of 15 structures are provided for the entire Flemish region, substituting for the present Regional Platforms (Streekplatformen) and the Sub-regional Employment Committees (STCs).
- Chairmanship: political mandates.

All partnerships operate on the basis of a legal construct. This can be a legal entity, for instance an NGO or a partnership in the true sense of the term where the partners are each accountable in accordance with their own legal basis. Partnerships that have a legal entity are characterised by a legal body that can be held accountable for its actions and deeds, providing a transparent structure for outside observers. The socio-economic policy partnerships RESOC and SERR in Flanders (Belgium) are a good example of this approach. In other cases, like in Ireland, area-based community partnerships take the form of a company with limited responsibility. The NGO status held by a number of partnerships is usually inspired by the non-profit nature of most of the partners themselves. In such a construct, typically governmental, non-governmental and private partners combine forces in an equal partnership that aims to lever financing for socio-economic development to the benefit of the whole community or region. Of course, when the partnership aims more specifically at enterprise development, the organisational character and the legal entity should be adjusted accordingly.

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[7] *See for example the Flemish decree on socio-economic sub-regional policy from 2004.*
[8] *See for example the criteria for the Austrian Territorial Employment Pacts as defined in the funding requirements.*

Accontale partnerships

The form of the legal identity is important because most partnerships are in the business of planning, investigating, stimulating and taking action with the aim of changing the socio-economic environment of a certain region. This is a high ambition, and to fulfil the associated tasks and expectations, it is absolutely necessary that the partnership not only be recognised as a partnership, but also be accepted as a reliable institution able to perform accordingly. Accountability is an important aspect and a prerequisite for fulfilling the kind of role described above. And the many cases of socio-economic partnerships that involve local and provincial authorities as well as (local) social partners and other NGOs can perform better and more effectively when they are able to bind themselves formally and appear fully responsible and accountable. They have to be able to make deals, sign contracts and do business.

Partnership recognition

Due to their actual potential for gathering and binding partners and being a dynamic partner for socio-economic development in a region or community, partnerships can become recognised as central players in the areas of policy planning or action planning and implementation. The fact that they are both strategic and action-oriented often creates a strong position for partnerships in relation to local, national or sometimes even international authorities.

Recognition of the strength and value of these partnerships can nonetheless vary a great deal depending on their scope for action and proven liability. In the Flemish case the government has chosen to recognise legally the partnerships (and their legal bodies) that organise the socio-economic regional development committees and councils. In other cases partnerships may only be recognised in relation to a limited precise set of goals, tasks and actions, which are worked on within an agreed time frame. Recognition by governmental bodies will thereafter hinge on proven success and liability.

It is important that the recognition of partnerships does not rely too heavily on the credibility of just one or a few of the participating partners. The partnership as a whole has to earn its credibility; otherwise, sooner or later its strength will be diminished.

Partnerships as employers

Most partnerships are employers, as they hire professional staff not only to run the basic organisation but also to investigate regional socio-economic conditions, develop plans, support the execution of the programme of work and/or evaluate the actions undertaken. The way this is done naturally depends on the legal setting of the partnership. If the partnership establishes its own legal entity then this legal entity will be the actual employer dealing with all the responsibilities assigned to it and creating a clearly defined workplace for any employees. If there is no such legal framework, employment of staff members will be done by one (or even more) of the individual partners of the partnership.

There is of course a liability that every employee has to have towards his employer. Thus if the partnership itself can hire people, they will not only work for the partnership but also represent its ideas and goals; and the partnership will have a true representative body acting in its name. On the other hand, if staff are employed by partners and only assigned to some of the tasks related to partnership activities, there can never be a legal bond between the partnership and the people dealing with the necessary work. There will also be reduced personal liability. However the representation of the partnership to the outside world will be different and probably much weaker. The creation of a legal framework will therefore not only establish a more firmly rooted setting for partnership activities, but also help form a real employer-employee relationship and the possibilities this opens.

Roles and functions

Roles and functions within a partnership will vary according to its formal setting. One rule that should be fulfilled regardless of the legal agreement as such is to *lay down the basic tasks and requirements in a formal document that defines and describes the who, what and when of the partnership*. This can take the form of statutes, articles of association or a code of conduct, again depending on the legal status of the partnership and the existing overall legal framework. Clearer agreements make for better execution later, since all things not settled beforehand may cause trouble in everyday work. These statutes should not only include the tasks of the partnership and the rights and responsibilities of each partner, but also deal with the interdependency and autonomy of each of the working groups, committees, etc. that might be set up and of course the relationship between the partnership and the executive board if any.

The wider the set of activities being delivered by the partnership (whether in terms of the scale of the region or in terms of the content), the more important it will be to create stable structures within a partnership. Complex tasks require several levels of decision making, co-ordination and co-acting; it is highly necessary to agree on formal procedures that will not only cover the decision-making process as such but also lay down rules of procedure for everyday actions, meetings, working groups, employer-staff relations, etc. And it is of course indispensable to establish precisely who has the power to decide on these things, when unanimity is required, when a majority among the partners is sufficient, and what will be decided by a board, a director, or employed staff. There is no general rule to be applied; only clarity can help.

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Monitoring and Evaluation

Along with strategic planning, monitoring and evaluation are key components for a successful partnership. While planning helps identify the objectives to be reached and the work to be done from the outset, a good evaluation and monitoring process helps to assess, throughout the project, whether operations are relevant and results satisfactory, and to gauge the partnership's true impact.

Governments often fund partnerships with taxpayers' money and assign responsibilities for development to organisations and groups or to civil society. In return they want guarantees of success and accurate and reliable accountability. Moreover, partners benefit from this exercise by agreeing on the objectives to be met. Although organisations often readily recognise their obligation to be accountable and share project results, the evaluation process itself too often suggests some sort of control, and participants may resist the exercise – denouncing, among other things, the evaluators' lack of knowledge of what actually goes on in the field. It then becomes difficult to obtain reliable information and accurate results.

When it comes to evaluating projects, there are two opposing camps:[9]

- Those who support external evaluation by specialists; and
- Organisational representatives who believe that the only people in a position to evaluate a project are those actually participating in it.

Experience shows that a combination of these two approaches leads to the best results and greatest partner satisfaction. When the partners are trained to use evaluation tools and to help develop a monitoring process involving external specialists, their training helps integrate the evaluation into a wider process that continuously measures the partnership's performance.

Three principles should be taken into account when implementing an evaluation and monitoring process:

1. The partners must be involved in the exercise.

- Partners must be able, among themselves, to set the results to be reached and the impacts and outcome sought. These must be based on a sound analysis of the region and of community expectations.
- They must agree on the key indicators that will best demonstrate the relevance and efficiency of their actions and the long-term impact of the partnership.
- They must participate in developing an evaluation strategy that includes various methods (*e.g.* collection of statistical data, satisfaction surveys, etc.).
- They must identify monitoring procedures and be involved in developing data collection tools.

This level of partner involvement ensures better data collection and follow-up.

[9] *The first OECD conference on evaluation in Vienna in 2002 highlighted the different tendencies in this field.*

2. Specialists must be responsible for some of the evaluation stages.

- Specialists must lend their expertise to the partners and ensure their basic training in evaluation methods.
- They must guide the partners through the process and verify and validate their choice of key indicators or follow-up methods.
- At certain stages they must conduct satisfaction surveys among the partnership's clients or beneficiaries, and analyse the results.
- For their part, project participants must agree to compile necessary data and information.

This approach helps partners familiarise themselves with the evaluation methods and develop a certain expertise in the field, guaranteeing both the credibility of the process and the results obtained and validated by the external specialists.

The partnerships may choose among various methods of evaluation the one that best suits their case, both in terms of membership and in terms of scope and objectives. The use of an external evaluator combined with the partnership's involvement in the procedure shall ensure demonstrable optimum results. Moreover, continuous internal auditing (in a softer way than the usual entrepreneurial process) will help the partnership maintain reliability and credibility among its members. This holds especially in the case of partnerships involving a wide variety of members.

3. The evaluation and monitoring process must be implemented at the beginning of the partnership.

In order to fully appreciate the direction taken by the partnership and its results, it is important to establish the initial baseline situation as quickly as possible and to compile key data regularly and on an on-going basis. A budget must also be provided for evaluation and monitoring from the start.

Especially for the monitoring process, it is essential to install a mechanism friendly to the user, constructed in such a way as to facilitate the work of the partners appointed to follow up the activities and procedures. Separating the monitoring of activities from that of the partnership's own development (evolution, widening of the scope, enlargement, etc.) will help organise the internal process on the basis of crucial questions such as: "What are we planning and implementing?", "With what human and economic resources?", "What is our benefit and corresponding cost?", "In what do we see deficit or surplus (in many terms, like effort, money, ideas etc)?"

Such circumstances not only ensure a fair and accurate appreciation of the work done, but also provide an assessment of the effects and long-term impacts of the partnership in the region. Corrective action can be quickly taken if it is possible to credibly demonstrate expected results both to the community and to financial backers.

The process ultimately results in greater trust among partners and more credibility for the partnership itself.

Monitoring and Evaluation in Ireland

In Ireland, partnerships are primarily funded through the Local Development Social Inclusion Programme (LDSIP), which forms part of Ireland's National Development Plan (NDP) 2000-2006. In line with provisions of EU regulations, the NDP is subjected to *ex ante*, ongoing (including mid-term) and *ex post* evaluation. Pobal (formerly Area Development Management Ltd. - ADM), which manages the LDSIP on behalf of the government, has developed the following objectives for monitoring and evaluation:

- Develop performance indicators that reflect the (quantitative and qualitative) objectives of the LDSIP;
- Fulfil programme reporting requirements on progress;
- Undertake research to identify models of good practice and lessons learned;
- Inform the management on implementation of the LDSIP at national and local level;
- Identify the policy implications of lessons learned from good practice and complement policy submissions; and
- Facilitate horizontal learning across partnerships and vertical learning into relevant government departments.

In 2000, ADM developed a performance indicator framework in consultation with partnerships that reflects the quantitative and qualitative dimensions of the programme. Quantitative indicators include numbers of persons supported through various interventions and their progression into education and training, employment, self-employment etc. Qualitative indicators include evidence from collective processes, capacity building and participation of target groups.

The performance indicator framework facilitates monitoring and evaluation at a number of different levels. First, it facilitates reporting on progress *vis-à-vis* output and result indicators and targets, agreed at the outset. Progress reports are bi-annual and feed into the mid-term evaluation. Secondly, it facilitates more in-depth analysis of outputs and the results achieved. This information is used to inform the overall management of the programme nationally; examples include an analysis of the sustainability of employment *e.g.* full time, part time, work experience, labour market schemes; levels of educational and training attainment; target group participation in various actions; key features of specific interventions, etc.

Thirdly, the performance indicator framework facilitates ADM in supporting monitoring by partnerships and evaluating their work by feeding back analysis of their progress vis-à-vis targets and outputs on an individual and collective basis. Collective feedback and discussion of key trends take place at networking events. Partnerships are encouraged to use this analysis to inform the management on implementation of the programme locally.

Monitoring and evaluation systems and processes reflect the quantitative and qualitative dimensions of the programme objectives and the performance indicator framework. From a quantitative perspective, an online database was developed to facilitate ADM and partnerships in setting targets at national and local level and reporting on the outputs and results achieved. From a qualitative perspective, a research programme was developed on a thematic basis that reflects qualitative indicators. Partnerships participate as research partners, and the focus is on evaluation of processes/approaches to the work with a view to identifying good practice and lessons learned. The research is participatory and facilitates reflection, collective analysis and shared learning. Examples of research themes include “Equality in Education: An Examination of Community-Based Youth Initiatives Under the LDSIP” and “The Low-Income Smallholder Household Initiative: A Guide to Good Practice”.

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Lessons from partnerships in New Zealand, UK, Slovak Republic, Spain and Finland

Despite the fact that partnerships vary considerably in number of members, model, size and location, many of them contribute positively to deepening and improving local governance and democratic processes; supporting economic growth; driving a process of strategic planning; piloting new initiatives; helping harmonise diversity within communities; assuring better co-ordination in the delivery of state services; and building effective vertical and horizontal communication channels within and across different sectors.

Plenty of factors influence partnership development. In order to discover those linked to success and failure; to establish what partnerships need to do to improve their efficiency and effectiveness; and to help them crystallise their vision, five partnerships were interviewed covering various countries. This article is a synthesis of their statements:

- Finland – Central Uusimaa Partnership;
- New Zealand – Marlborough Regional Development Trust;
- Slovak Republic – Local Social Inclusion Partnership;
- Spain – Territorial Employment Pact of the Province of Barcelona; and
- United Kingdom – Coventry Partnership.

There is now an extensive literature documenting the ways in which partnerships work, however there is less guidance on how to build an effective partnership. What is clear is that the creation of an effective and long-lasting partnership requires a lot of thought, discussion, communication, understanding and mutual co-operation of partners. A precise definition of the area of interest (territory and themes) is needed as well as sufficient time to get it started. This means that partnerships need to take enough time to assess their strengths, weaknesses and opportunities. Partners should get to know one another and there should be a shared understanding of “achievement”. The involvement of partners from different sectors – public, private, voluntary and community – can bring a wide range of interests, skills, perspectives, resources and levels of knowledge but it can also bring bias, stereotype, fatigue and mistrust. What is clear from the comments and experiences of all the above partnerships is that setting up a partnership is an important step but to keep it going is just as complicated, and ongoing attention has to be maintained.

When researching partnership experiences, similarities as well as diversities are evident. Partnerships go through several stages as they develop and mature but some common characteristics of success emerge that seem to be valid regardless of the region and context. It is clear that special attention needs to be paid to:

- An understanding of cultural differences between partners and acknowledgement of those differences;
- A clear definition of the task and purpose of the partnership and realistic time frames;
- Establishment of feasible objectives and development of a clear and flexible strategy for achieving these objectives and building shared vision and trust;
- Well-considered partner selection and clarification of each partner's role and a shared understanding and commitment among the partners;
- Sufficient ongoing resources (*e.g.* knowledge, information, time, expertise and finance);
- An investment in efficient organisational structures supporting the partnership and ensuring capacity building (*e.g.* subgroups, forums, management teams);
- Adoption of knowledge-based and learning-based frameworks (*e.g.* transfer of experiences); and
- Assurance of communication and accountability.

Partnerships did not find it a difficult exercise to identify the main factors for success: they all know what positively affects their work. It is felt that procedures such as partnership management, transparent financing, capacity building, monitoring/evaluation and others must be clearly established. Targeted training and guidance are necessary – particularly in the early stages – and active communication and an information strategy for the public are also felt to be greatly important. The partnerships interviewed indicated that the following were also key factors for success:

- The involvement of all important partners and subjects of the state sector, local or regional self-government, public organisations, NGOs, non-formal communities, the business sector, individual citizens and voluntary and community sector agencies as well as effective support from national and regional government;
- Mutual confidence and respect among the partners and a high level of information exchange;
- Strong agreement among partners on a clear and simple vision and a set of outcomes that will help their core business;
- Clarity in the minds of all partners regarding their roles;
- Use of innovative tools (*e.g.* the Performance Management System[10]) and models to identify the needs of the area (*e.g.* the Relationship Cluster Model discussed below);
- Professional management and co-ordination by the co-ordinators, leaders of the partnerships and members of the partnership board;
- Sufficient resources to maintain and support the partnership (the necessary start-up funding); and
- Good communication and public relations for reporting successes.

In Finland, support and commitment by municipalities is comparatively strong. By using a bottom-up approach, partnerships successfully learn from their own experience. *"We can admit it if something that we do doesn't work – it's a valuable outcome for us. We do not and cannot know everything – this is the reason why we have built the partnership. Experts in our regional network and the employees are coming from different sectors. We work as a multi-professional team and there is a good working spirit within the team. One basic thing is that our customers, the long-term unemployed people, are also teaching us many things. We are not above them, but equal to them and we learn from each other,"* explained Erja Lindberg, project manager of Central Uusimaa Partnership.

The Coventry Partnership, a local strategic partnership in the United Kingdom, positively appraises the ability of their local authority to lead the development of the process but not to control it. Other important factors in its success are a common set of values aimed at addressing disadvantage and promoting equality**;** effective skills development for practitioners; and professional management to ensure that good relationships between organisations are maintained.

In the case of the Marlborough Regional Development Trust (MRDT), a formal partnership with the Marlborough District Council (Local Government) and New Zealand Trade and Enterprise (a central government development agency) was created five years ago, and one of its first policy developments was to conceptualise the process of building networks and developing partnerships. *"The foundation of the Relationship Clusters Model has allowed the Trust to map the regions and its external connections via function rather than organizations. This has proven an exceptionally valuable tool in identifying where networks need to exist and what partnerships should be constructed",* said Tony Smale, responsible for the Marlborough Regional Development Trust.[11]

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[10] The Performance Management System was adopted by the Coventry Partnership (United Kingdom) in January 2004. It incorporates details about the types of evidence that drives performance management and the processes, templates and tools used for reviewing progress and impact of the Coventry Community Plan.
[11] More information on the Relation Cluster Model can be found at www.mrdt.co.nz.

And in the Slovak Republic, a new member country of the European Union, the Local Social Inclusion Partnerships also see their success as stemming from an ability to decide jointly on project applications which fit with the strategy of the partnership and the needs of the region.

Typical barriers that hinder partnerships from achieving their welfare goals – as stated in the interviews – are listed below. There is definitely a difference in the factors identified as leading to risk and failure between countries with a long partnership experience (such as the United Kingdom) and countries where partnership networks were created recently. The list below is not exhaustive but covers some major statements and applies to a wide range of partnership experience:

- Financial resources limited to a certain period of time, as compared with partnership funding linked to ongoing projects;
- An aversion to conceptual thinking and vision when it comes to solving problems;
- Lack of details in relation to the partnership structure (particularly the leadership position) and an unclear division of tasks and responsibilities;
- Partners with different status, and lack of collaboration between competent and non-competent members;
- Differing values and working styles;
- Lack of skills for effective partnership operation (*e.g.* management, financial control, negotiation); and
- Self-interest and mercenary motives on the part of the partnership's members.

Without guaranteed access to public or private funding, many of the partnerships are frequently confronted with a lack of financial resources; this was indicated as one of the main obstructions to successful working.

Frequent personnel changes in the partnership board were indicated in the Slovak experience as one of the possible disincentives to continuing the partnership. On the other hand, one of the local strategic partnerships of the United Kingdom saw a fairly regular turnover of members as beneficial and healthy. The value of diversity is recognised and new members bring new ideas and thinking, which is critical to the success of the partnerships.

According to representatives of the Local Social Inclusion Partnerships (LSIPs) in the Slovak Republic, *"A lack of interest of employers, business subjects and lack of representatives of the target groups joining the partnerships and non-competent members might be serious obstacles in further partnership activities. Belated transfers of the financial means for continuation of the project activities due to slow process of certification of project expenses strongly influence the veracity and stability of the partnership."* A good example of co-operation with the business sector can be seen in the Central Uusimaa Partnership, where an effective dialogue with the entrepreneurial sector and deeper involvement in the partnership's structure encourage adequate measures and projects for long-term unemployed people.

A misunderstanding of the partnership role by legal authorities was underlined as an important failure factor by the Territorial Pacts of Barcelona Province: *"One of the main risks the Territorial Pacts are facing is that the Pacts are seen by some local agencies purely as a specific program for financing particular activities of the members of the Pact, rather than as an approach to working which should permeate not only the design and implementation of the policies of economic promotion and job creation, but also the whole field of local development.''*

There is no doubt that one of the driving forces in improving the efficiency and effectiveness of partnerships is the development of innovative management and evaluation tools. Possible hindrances can be overcome by instruments and methods that can also improve the efficiency and effectiveness of partnerships' work. The following factors are helpful in ascertaining whether a partnership is effective, and could possibly enhance its efficiency:

- Support activities to improve the processes of planning and co-operation within the partnerships;
- A precise and elaborated system of competences and duties of the managing bodies, and deeper involvement of the strategic partners and legally defined relations among them;
- Methodologies and working tools such as the Performance Management System and Total Quality Management process, using *e.g.* formal written memoranda of understanding among partners and tailored training programmes;
- Mapping of socially marginalised localities and adoption of the appropriate measures;
- Well-established information and communication strategy; and
- Participation in European or other networks.

In the Spanish case, technical support to the Pacts is provided for by the Unit for Promotion and Development (UPD) and activities such as individual support (each Pact is provided with an expert), organisation of training programmes, development of methodologies and working tools, implementation of common projects and exchange of methodologies. The experience and best practices of the partnerships are highly valued and strongly enhance the partnerships development.

The Performance Management System implemented in Coventry Partnership (United Kingdom) shows how progress in implementing the Community Plan can be systematically checked to establish what still needs to be done. David Galliers, Coventry Partnership Development Manager, explained the main principles intended to guide performance management in addressing relevant issues. *"Principles of the Performance Management System''* are:

- Be evidence-led and based on systematic evaluation;
- Create a 'safe' learning environment, which supports partners in celebrating and building upon success as well as identifying reasons for any lack of progress;
- Be focused on a small number of targets that are owned by the Partnership, reflect the added value of the work and don't duplicate what has been reviewed elsewhere; and
- Only involve the Partnership Board where they can add value – don't send reports for their own sake, but report items of relevance by exception.

Countries with newly established partnerships often see a careful choice of project manager as a key instrument to efficiency. Non-complicated administration and accountancy, activities of self-governing bodies towards the target groups, willingness to communicate and a strict legal basis for the partnerships are also understood to improve efficiency, as well as effectiveness.

As research and practice have shown, vision is one of the essentials that forms the partnership and drives it further; it also assures breakthrough improvements in approach. A clear understanding of the partnerships' vision leads to greater stakeholder support and accomplishment. Generally speaking, a vision can be defined as a common understanding of partnership development in a long-term perspective. Every partnership needs its own vision based on values, hopes and dreams, as it creates motivation for all the partners, brings dynamism into the network and links the variety of interests, helping reduce short-term incompatibilities.

Vision strongly depends on the focus of the partnership, on the partners involved and on the stage of the partnership's existence. It must be thoroughly elaborated and communicated within the network, and approved and adopted by all partners. For example, partnerships recently formed can share a vision of having at least a stable position within the territory, while "experienced" partnerships will probably concentrate more on deepening their activities and processes. The range of vision can be truly enormous.

What structure does the partnership want to have in the future? What activities does it want to embark on? Which processes should be implemented? The partnership's vision answers those questions. Concentration on innovation activities and project development for example are major features of the Finish Central Uusimaa Partnership: *"We want to have a stable role and we'll do everything we can for that. In future we'll be more and more like a project incubator for local/regional actors. Central Uusimaa Partnership will be an innovation centre – a place where new methods could be tested and piloted. We will offer alternative services with good quality to our costumers side by side with public services. Central Uusimaa Partnership will even have a stronger network with a lot of expertise which means at the same time also better results."* Erja Lindberg, Project Manager.

"My vision is that the partnership will be the central focus for organisations who wish to address disadvantage in my city. It will be the driver in identifying what needs to be done, who needs to work together to do it, and will provide the essential tools to improve services and to evaluate success," said David Galliers, Coventry Partnership Development Manager.

Representatives of the Local Social Inclusion Partnerships in Lučenec and Poprad-Levoča (Slovak Republic) cited future development as part of their vision, particularly in the legalisation of the partnership structures and adequate resources: *"The future of the SDF Partnerships is in their institutionalization and mobilization of all the partners who possess the true interest to solve the problems both in their locality and in the whole region. The existence of the Local Social Inclusion Partnerships (LSIPs) is being influenced by the financial tools and sources of Social Development Fund and by financial means, which can be fundraised by the LSIPs. Some of the LSIPs plan the establishment of the civic association as the next phase of the non-profit organization. They consider as inevitable to complete building the LSIPs' structures, beginning with the strategic partners and ending with the representatives of the target groups."*

Transformation of the pacts into agencies for local development in the future was pointed out as one of the ambitions of the Territorial Pacts of Barcelona: *"The Diputació de Barcelona wants to promote progress in the quality of the territorial pacts in the Province of Barcelona once their first five years are completed. This means not only offering more and better support but also transforming the Pacts into real agencies for local development, capable of defining a development model appropriate to each territory and putting it into practice, managing some aspects of its policies directly while mobilizing the agencies and organisations in the territory to manage others.''*

In addition, Tony Smale, representative of Marlborough Regional Development Trust, New Zealand, concluded his contribution to the research with the following statement, *"The Marlborough Regional Development Trust's model of regional development is to provide the leadership and capability so that the community can enrich the quality of life for all the people of Marlborough, present and future, through excellent economic, environmental, social and cultural performance. The ultimate vision for the organisation is to become redundant as a result of the community, community organisations and businesses having adopted a regional development perspective in everything they do. In practice, such an outcome is rarely realised. Going forward into the future it is expected that broader partnerships with many government agencies will be formed. Recent work has seen the creation of a new "space" – partway between central government and the region, in which collaborative projects can be conceived, managed and completed. This space will provide the opportunity to experiment without the often overwhelming risk aversion imposed by intense public scrutiny.''*

Partnerships vary throughout the world; their successes and barriers differ significantly, too. Success factors that work for one partnership may not help in other cases. The heterogeneity of partnerships results from their different contexts, but this is also exactly where their strength lies. They will necessarily vary according to their surroundings, their conditions and their tasks. And their overall goal is a common one – all area-based partnerships positively contribute to deepening and improving local governance and democratic processes and building effective vertical and horizontal communication channels within and between the different sectors.

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