



CONSEJO DEMOCRÁTICO MUNICIPAL DE CUQUIÓ J.A.



Togetherness:

How Governments, Corporations and NGOs Partner
to Support Sustainable Development in Latin America

Beryl Levinger and Jean McLeod

Thematic Studies Series
Inter-American Foundation

Cover: The Consejo Democrático Municipal de Cuquíó (CODEMUC), a community-based organization, is a partner in the alliance forged by ACCEDDE, profiled on page 65. Its board of directors, pictured here, meets monthly to address municipal issues and set spending priorities for 60 percent of Cuquíó's municipal budget. (Photo: Bob Sogge)

Publication Editor: Paula Durbin
Translation Supervisor: Leyda Appel
Editorial Intern: Vanessa Clemens
Layout, design and printing: United States Government Printing Office

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*by Beryl Levinger
and
Jean McLeod*

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Printed in 2002

Acknowledgements

The authors would like to extend their gratitude to the many people who contributed to this work: first and foremost, Emilia Rodríguez-Stein of the Inter-American Foundation (IAF), who conceptualized the project and saw it through from start to finish; and Rosemarie Moreken who helped with the logistics of the research trips and always came through when we asked her to track down project documents. A special thanks also goes to the IAF country representatives: Bill Barbieri, Carlo Dade, Kevin Healy, Chris Krueger and Bob Sogge, who provided background information and insights on the projects.

IAF's service contractors in each country we visited provided invaluable information on the history of the projects and graciously assisted with the logistics of the field research. We greatly appreciate the efforts of Franklin Bustillos, Rosario Aquim, Rita Murillo and the staff of SEMILLA; Baltazar Caravedo Molinari, Guadalupe Estévez and the staff of S.A.S.E.; and Telésforo González, Hector Maldonado and Sergio Martínez. Their informed perspective significantly contributed to the research.

Our local researchers in each country managed piles of data, helping us capture and make sense of the wealth of information from interviews and project documents, as well as adding once again that all-important commodity—intimate familiarity with the circumstances under which each partnership labors. The local researchers for the study were Pedro Bacca (Dominican Republic), Isabel Victoria Díaz (Peru), Rosario Gamero (El Salvador), Christian Saavedra (Bolivia), Yésica Pérez Amezcua (Mexico) and Gloria Vázquez (Mexico).

We are deeply indebted to all the partners and beneficiaries who gave so generously of their time and spoke openly with us about their projects and experiences—in particular, the representatives of grantee nongovernmental organizations (NGOs), who, in interviews, over breakfasts, lunches and dinners, during long rides to far-flung project sites, and, seemingly, in every spare minute, patiently explained to us the details of their partnerships. They are truly the ones who made our work both possible and, we hope, meaningful.

Beryl Levinger and Jean McLeod
April 11, 2002

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Methodology Report

Approach to the Study

This study, commissioned by the Inter-American Foundation, examines the experiences of selected intersectoral partnerships (ISPs) in Latin America. Through a thorough analysis of 12 cases, the authors hoped to uncover new insights related to three questions:

- What are the benefits and challenges that emerge when local governments, businesses and nongovernmental organizations (NGOs) join forces to bring about sustainable improvement in the lives of the poor?
- What can partners do to maximize the benefits and minimize the burdens of such intersectoral partnering?
- What is “best practice” for funding entities that wish to promote productive partnering?

Goals

Partnerships are the centerpiece of the Inter-American Foundation’s approach to development in Latin American and the Caribbean. The IAF believes the formation of partnerships among the public sector, nongovernmental organizations and the private sector enhances the ability to maintain a path of sustainable development. Consequently, IAF’s efforts focus on providing support to a variety of social investment partnership projects throughout the region. This particular study of IAF-supported partnership projects should help the IAF achieve the following organizational objectives:

- assess the degree to which the IAF’s partnership strategy is contributing to sustainable development in Bolivia, the Dominican Republic, El Salvador, Mexico and Peru;
- identify factors that facilitate or constrain the viability of “development” partnerships in the region;
- provide recommendations for the IAF’s grantmaking; and
- develop guidelines and lessons learned the IAF can disseminate.

The study team from the Educational Development Center (EDC) in Newton, Massachusetts, worked closely with the IAF staff in charge of this evaluation contract, consulting on a regular basis so both organizations might develop a sense of shared ownership of the methodology and the findings of the study. We viewed representatives of IAF grantees in each country as important sources of

knowledge, as well as beneficiaries of the lessons learned from the evaluation. Consequently, we addressed them as full partners and stakeholders. Beryl Levinger, principal investigator and partnership specialist, directed the EDC team that included research specialist Jean Mcleod as Dr. Levinger's primary assistant. The broader development community represented a constituency that, through background research, could contribute wisdom from partnership experience and also benefit from our findings.

Process of Induction

The approach to the *Evaluation Study of Partnership* included elements of both inductive and deductive research. The partnerships in the study had been selected by the IAF as examples of successful partnerships. Therefore, the creation of a partnership typology based on these projects was an inductive process seeking to discover and document the most important characteristics through data gathered in field visits. The study has also provided a complementary deductive approach through a review of current literature and an analysis of the correlation between key partnership characteristics and potential project impact. This was especially important as a way to critique or corroborate the inductive conclusions because the sample studied had not been randomly selected.

Methodology

Descriptive Techniques

The study team conducted field research in each of the five countries in order to develop a profile of each partnership using a typology of key characteristics. The typology was refined based on the research findings, and the data gathered were used for the analytic portion of the study. In addition to characteristics of the partnerships, the project team gathered information regarding key political, social and economic factors in the external operating environment of the organizations.

Research also focused on the outcomes of partnerships at many levels. The field research attempted to document the effects of the partnership process at the organizational level for private and public sector actors as well as NGO partners. The study also investigated partnership outputs and outcomes and their actual or potential impact on beneficiaries. The actual and potential role of the private sector in producing these outcomes was particularly emphasized.

Analytic Techniques

Through the literature review and through discussion with IAF staff, the study team developed hypotheses to be tested using the data gathered in the field. Qualitative data on the characteristics of each partnership were compared to qualitative and quantitative data on the outcomes and potential impact of the

projects for correlation (a) among partnership characteristics and (b) between partnership characteristics and project outcomes.

Data Collection

Instrumentation

Based on a review of current literature and a preliminary field visit to two project sites in the Dominican Republic, the study team selected data collection methods and designed instrumentation for the study. Data collection methods included interviews, survey research, small group discussion exercises, focus groups and a review of IAF project documentation. The instrumentation for the study included the following:

- *appreciative inquiry exercise*—administered to a small group (three to five members) representing the IAF grantee, the NGO member of the partnership;
- *key informant interviews*—consisting of questions conformed to local vocabulary and administered to at least two representatives of each sector in the partnership, identified by the team and the IAF grantee;
- *beneficiary surveys*—administered, to the extent possible, one on one by local researchers or through focus group methodology, using a sample size that varied depending on the project and whose informants were identified with the assistance of the grantee;
- *typology of partnership characteristics*—completed by the study team for each of the partnerships.

Local Researchers

Local researchers, identified through networks of universities and business schools, were trained to assist in collecting beneficiary and key informant data which they submitted to the research specialist serving as data manager. All key informant interviews were conducted by the principal investigator.

How Governments, Corporations and NGOs Partner to Support Sustainable Development in Latin America

Getting to Know a Partnership

You should respect each other and refrain from disputes; you should not, like water and oil, repel each other, but should, like milk and water, mingle together.

—Buddha

We live in a world where the pace of change is constantly accelerating. Trends emerge and then cross-pollinate, leading to exponential rather than arithmetic algorithms for vanquishing the status quo. Today's world is swirled. Such phenomena as decentralization, globalization and the growing role of civil society as a force for meeting personal and societal expectations blend to create a development context far different from anything seen before. This new context is staggering in terms of the challenges it presents, but extraordinarily rich in new opportunities for those dedicated to improving conditions for the poor and marginalized.

As the conditions under which development takes place have changed, so too have the institutional modalities embraced by development organizations. Traditional development actors such as NGOs and bilateral assistance agencies are increasingly promoting partnership as a strategy to generate resources, promote sustainability, enhance community participation and strengthen civil society. Partnership is rapidly becoming a strategy of choice for NGOs wishing to respond effectively to the needs of communities in developing countries. Of particular appeal is the power of partnership to integrate new types of actors, including community-based organizations (CBOs), corporations and municipal governments, into NGO-sponsored projects. Such partnering, advocates argue, stimulates flexibility and creativity while expanding access to private sector resources.

The Inter-American Foundation has been a pioneer in the support and promotion of intersectoral partnering in the development process. According to the IAF, the approach it champions involves, “local entities, such as civic associations, community organizations, private-sector associations, nongovernmental organizations, municipal governments, and local representatives of regional and national governments.” In the IAF partnership model, these entities form alliances that work collaboratively to identify and execute projects responsive to local social and economic priorities.

As we undertook the background research for this study, we were struck by the emphasis in the literature on North-South partnering and the general lack of empirical evidence to support the theories and guidelines proposed. Our research demonstrates that the theoretical ideals prevalent in the literature are not always in line with the practical realities of projects on the ground. The fundamental challenge underlying partnership is that the very diversity of resources—skills, values, goals and experiences—that enriches a partnership also threatens its stability. Managing that diversity, theorists and practitioners agree, is the key to successful partnership. But it is this view that creates the current emphasis in the literature on *structure*. Our work, however, as we will explain in subsequent chapters, focuses on the nature of *activities and the relationships underlying these activities*. We believe this is a more useful approach in understanding such important issues as specialization and comparative advantage in the context of intersectoral partnerships.

The fieldwork for this study was carried out between February and August of 2000. A team that included a senior researcher, a research methodology specialist and a local researcher visited each project. Those we studied were not randomly selected. Rather, the sample was designed to shed light on the workings of *functioning partnerships* with actors from at least two sectors. Constructed by IAF personnel familiar with these cases, the sample was also designed to shed light on partnerships concerned with a variety of development disciplines and project types. Details on each of these cases are presented in the section on partnership profiles.

The local nongovernmental organization serving as the IAF grantee in each partnership was the focal point of our field research. Through these NGOs, we were able to identify and meet with key business and governmental actors. We were also able to visit project sites and speak with beneficiaries. We gathered data through individual interviews, small group discussions, focus group techniques and a review of project documents. In each country, the in-country services organization (ICS), an entity contracted by the IAF to monitor and evaluate funded projects and provide support services, assisted in managing field visits and served as a valuable resource for placing individual projects in a broader context of local and national development efforts.

What Did You Call Me? The Vocabulary of Intersectoral Partnership

At the heart of this study are 12 intersectoral partnerships engaged in grassroots development projects in urban and rural settings in five countries in Latin America and the Caribbean. The key actors are generally local NGOs that work with local government, usually at the municipal level, to foster development and alleviate poverty in Latin America. Some of the partnerships also include the private sector, frequently represented by an NGO founded and funded by a business or group of businesses. Occasionally, businesses participate directly in the project. Typically, those involved are local subsidiaries of multinational corporations. Community-based organizations are also important actors in the projects. Often the CBOs are “active” beneficiaries in highly participatory projects. For example, a neighborhood committee might receive training and apply the new skills with support from an NGO. In some cases, the CBOs not only participate as beneficiaries but are involved in the design and implementation of project activities. In these cases, CBOs are listed as “partners” in their own right.

The issue of terminology arose in the earliest stages of this research. During our literature review, the apparent wealth of information on “partnership” thinned out very quickly when sources focusing on single-sector partnerships and “North-South” partnerships were eliminated. We discovered that the broad heading of “partnership” is used across categories to describe very different relationships. Yet each group of specialists, whether focused on the private sector, North-South relationships or community-based organizations, continues to use the term “partnership” to describe the relationships in question. Even when qualifiers such as “strategic” and “intersectoral” are added, the terms are used so broadly as to become practically meaningless. For example, much of the literature on intersectoral partnerships discusses projects U.S. businesses and NGOs implement in developing countries. However, the conclusions and recommendations are not necessarily applicable to partnerships involving in-country NGOs and local government, such as those examined for this study.

Even the term “intersectoral” can be problematic. Distinguishing the “sectors” in various partnerships is no easy task. Intersectoral partnerships, authors generally theorize, are “equilateral triangles” that include NGO and public (government) and private sector actors. However, in the field, informants were frequently confused by the third category, pointing out that NGOs are private institutions too. In such cases, “business sector” was the most common alternative—with the caveat that government-owned businesses were not included in this category. (There were none among the projects we visited.)

In much of the literature, the nonprofit sector is referred to as “civil society.” However, just as “private sector” was frequently construed as including nonprofit institutions, “civil society”, often used to describe all nongovernmental institutions, was also too broad a term. Furthermore, most respondents

interviewed in the field drew a distinction between NGOs and CBOs, pointing to characteristics often overlooked when all nonprofit actors are considered as one homogenous sector. NGOs tend to have legal status. They design and implement projects and cover a broad geographic area. CBOs on the other hand may not have formal legal standing; they are typically beneficiaries of development projects and work within a specific community. Therefore, we found it most useful to refer to the private, nonprofit members of the partnerships as the NGO sector. Even with these terms established, we still encountered confusion with the vocabulary of “intersectoral” partnership, since many informants used the term “sector” to describe a program area (e.g., health or education).

Table 1: Sectors Involved in Development Partnerships

Characteristics	Private, nonprofit	Private, for profit	Government
Terms	<ul style="list-style-type: none"> • Civil Society • NGO Sector 	<ul style="list-style-type: none"> • Business Sector • Private Sector • Market 	<ul style="list-style-type: none"> • Public Sector • Government

Academics and practitioners alike tend to use the single word “partnership” to represent a range of relationships and processes. However, when we asked Spanish-speaking informants from each of the 12 projects to describe the way they work together with other institutions to promote local development, a much broader vocabulary was revealed. The following are among the varied terms respondents used to describe their projects:

- Partnership
- Strategic partnership
- Collaboration
- Mutual support
- Sharing
- Complementarity
- Commitment
- Cooperation
- Coordination
- Synergy
- Co-creation
- “Marriage”
- Sum of efforts

Similarly, when asked to explain what the word “partnership” (*alianza*) meant to them, respondents from the participating projects replied that the term was very broad. A representative of EPCA in the Dominican Republic said, “[Partnership] is very broad concept for us because it goes from sharing strategies to economic commitments. In the context of our practice and experience, partnerships are based on trust and not exactly on shared visions. The basic relationships are always present, and, from them, the partnerships develop.” A repre-

representative from CODDICH in El Salvador explained, “Partnerships are formed by different sectors and they seek to reconcile differences in society.”

In general, NGOs feel the term has a positive connotation, as long as it was not used in the political realm. In countries such as the Dominican Republic and Peru, where political parties or central government are particularly strong, respondents emphasized that the word *alianza* (partnership) was commonly used to describe the self-interested, or even corrupt, dealings of politicians. The words “collaboration” (*colaboración*) and “cooperation” (*cooperación*) were also used frequently to describe working relationships in the projects studied. Sometimes respondents stated that collaboration and cooperation were stages preceding partnership. Usually they considered one of the terms—either collaboration or cooperation—more advanced than the other, but which of these terms described a more highly “evolved” partnership varied across countries, within countries and even within projects. A representative from Fundación Solidaridad in the Dominican Republic explained, “Partnerships almost always start out with collaboration. There are circumstances where collaboration is preferable to partnership, especially in political settings or with public sector organizations.”

Private sector informants also felt the term “partnership” was nebulous, but generally positive. Respondents from the private sector were more likely to offer the term “strategic partnership” (*alianza estratégica*) to describe a good intersectoral working relationship. However, representatives from the NGO and public sectors felt the term “strategic partnership” more accurately applied to business dealings. Thus, neither the literature nor the fieldwork provided a clear set of terms. Generally speaking, in the literature “partnership” is applied to a broad range of relationships. In the field, respondents used a variety of terms to describe their working relationships; the distinctions were not consistent across countries, sectors or even projects.

In our analysis of partnerships, we focus on actors from the NGO sector (private, nonprofit); the business sector (private, for profit); the government, or the public sector; and, where CBOs act as implementation partners rather than beneficiaries, the CBO sector. This is by no means a definitive categorization. It is the one that works best for this group of highly participatory local development projects partnering with municipal governments and local subsidiaries or branches of national and multinational corporations. Despite our commentary on the lack of precision in the current vocabulary of partnership, we define the “sectors” in the context of this study (i.e., actors from municipal government, corporations, NGOs and, occasionally, CBOs) and do not attempt to create a universal set of terms. The concept of partnership is not ready to be pinned down yet—not until there is more empirical data to represent the diversity of partnership solutions put forward to meet development challenges. At this point, to create a parsimonious solution to the vocabulary question would be to sacrifice the richness of the evolving discussion on partnerships.

A key finding of this study is that clear categories of actors and rigid stages of evolution are, for the most part, irrelevant to the people on the ground who make these partnerships work. Of course, academics and practitioners alike can appreciate the importance of being able to communicate clearly the new ideas and strategies emerging. To that end, this study offers a suite of new tools to gather data and discuss and analyze partnerships. And, to the greatest extent possible, these tools are based on functions and processes, not rigid categorical descriptions. Most importantly, these tools are designed to document and gather insights from real partnerships.

I Know It When I See It: Defining Intersectoral Partnership

The terms used to describe partnership vary, but what are the underlying characteristics that define intersectoral partnership? Seemingly the only “common denominator” among definitions of intersectoral partnership is the inclusion of actors from two or more sectors, who come together to achieve some common goal or objective. As one report states, “Intersectoral cooperation consists of bringing actors from the state, market and civil society sectors together to achieve mutual understanding on an issue and negotiate and implement mutually agreeable plans for tackling the issue once it is identified.”¹

Beyond this most obvious eponymous characteristic, the definitions proposed tend to be broad and often subjective. Most of the literature, dominated by Northern researchers and focused on partnerships involving at least one Northern institution, sets out an idealized structure in which actors from each of the three sectors (NGO, business and public) come together to design and implement a project. In such theoretical partnerships, all partners participate “equally” and there is little hierarchy, although one partner may be the convener or leader of the group. The partners are bound by a clear understanding of their respective roles and responsibilities, as detailed in written plans and even contracts. The fieldwork showed partnerships in the real world are not usually so clear-cut, at least with regard to structure. Nevertheless, the underlying principles respondents outlined were similar to those set out in the literature. Partners should share a common goal and a high level of trust, and they should bring complementary resources to the partnership. Where real and ideal visions of partnership sharply diverge is in the structures used to achieve these ends.

Rather than remain fixed structures with pre-assigned roles, the partnerships observed evolved organically in response to a pressing need in the respective communities. They were made up of many types of organizations in many combinations. Some of these organizations have worked together informally for years. Even within the small sample of projects, the partnerships showed such varied associations of actors that trying to identify common structures yielded little useful information. However, in spite of the structural diversity, respondents across sectors and countries agreed on fundamental principles, including common goals, trust and complementarity.

Principles of Partnership

Common Goals

A shared goal allows the partners to align all their efforts toward a common vision, even though they may be engaged in different activities or varying

¹ Archana Kalegaonkar and L. David Brown, “Intersectoral Cooperation: Lessons for Practice,” *IDR Reports* 16:2 (2000), 2.

levels of participation. Respondents felt that without a common vision, the benefits of partnering are lost and the partners are, in fact, likely to disagree, experience tension and impede one another's progress. In conversations, respondents expressed great faith that a common vision united and motivated the partners and aligned their efforts, thereby minimizing conflict and increasing impact. If all partners know where the partnership is going, they can contribute in their own way and their efforts will promote the common goal.

Trust

Respondents explained that trust is essential when working across sectors. Often the actors with whom we met did not have explicit legal obligations to the partnership; consequently, the partners had to trust each other to fulfil their duties so the project could move forward. Despite stereotypes and suspicion among the sectors, pre-existing working relationships, personal relationships and trust-worthy conveners have all helped the partners establish and maintain trust.

Complementarity

Complementarity is essential to the respondents' concept of partnership. All partners give their specialized talents to the partnership and receive the benefit of the talents of other actors. Through the partnership, actors are able to complement, optimize and take advantage of experience, existing relationships, financial resources, prestige, trust of the beneficiary population and other resources.

Although occasionally organizations contributed similar resources and capacities, respondents held up complementarity as a great advantage of, and a fundamental motivation for, partnership as a development strategy. Speaking of the alliance forged with *Fundación Solidaridad*, a municipal politician in the Dominican Republic emphasized the need for complementarity, saying, "[Partnership] is a process of two-way relationships and should be reciprocal. If there is no reciprocity, there can be no partnership." Respondents also stressed that complementarity only worked when all actors in the project had a common vision and goal, so their respective contributions moved the project forward in a coherent manner.

Structure and Partnership

Respondents across sectors felt there were distinct degrees or stages of partnership, but the criteria proposed often failed to distinguish one stage from the next. Throughout the sample, no interviews produced clear-cut, consistent indicators to define collaboration, cooperation, partnership or other related terms. There were also conflicting views. Some project representatives stated that a good partnership should be a temporary relationship, in response to a concrete need, while others felt an ongoing relationship was an indicator of an advanced partnership.

However, respondents widely agreed that partnership was more formal and more serious than other arrangements. For example, NGO representatives often described patterns of sharing ideas and resources (e.g., meeting space) with colleagues but did not consider this sort of ongoing, informal, spontaneous support to be partnership. In contrast, a conscious decision to work together toward a common goal was considered partnership.

The startling discovery was that even though respondents characterized their relationships as “formal,” they were seldom formal in a legal sense. In one case studied, the partnership was a legal entity (a foundation). But in general the partnerships studied were groups of independent organizations that had come together to implement a particular project or program. For example, FUNDADES in Peru had several bilateral agreements with various actors—mostly training organizations—but there was no legal relationship between any other two actors in the partnership nor was there any formal document binding all the actors together. As the director explained, “The rights and responsibilities are understood through bilateral written agreements, . . . [but] there are no agreements as a partnership.”

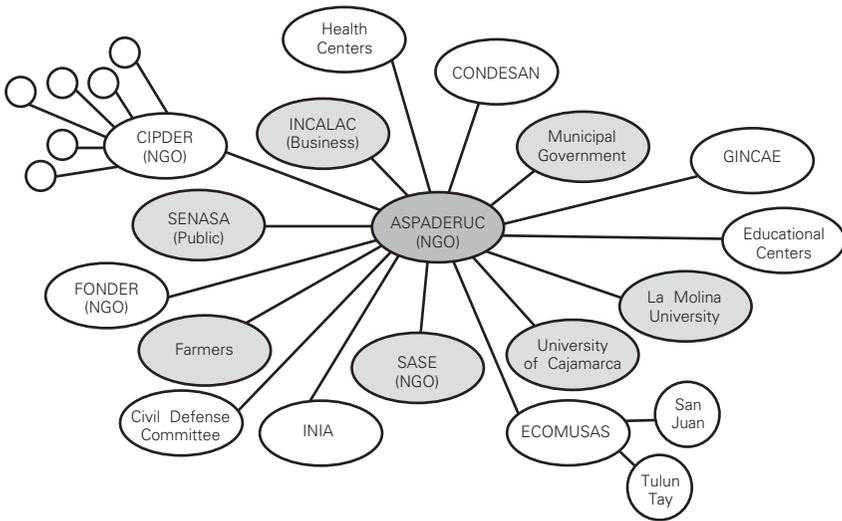
Members of the private, for-profit and public sector were more likely to mention written agreements (*convenios*) as important for a successful partnership. “In a partnership there should be written parameters to implement plans,” explained a private sector representative in the Dominican Republic with reference to the alliance with EPCA. However, the NGOs, with one exception, felt written agreements were not necessary, except in nascent relationships. In several cases, even though the local government stressed the importance of a written agreement, the project had worked for months without one. And, when a document was finally signed, it resembled a certificate of recognition or appreciation rather than a legally binding contract. The “partnership documents” we observed included the following:

- bilateral agreements for providing training or other services;
- grant agreements between micro-credit recipients and donors;
- memoranda of understanding, usually detailing funding commitments for local development funds; and
- certificates of recognition from municipal governments to NGOs, honoring their contributions to local development.

The majority of the partnerships studied had grown out of previous working relationships or personal relationships, and verbal agreements were considered sufficient among the actors because of their established level of trust. “When there is no well-developed and formulated trust, it is preferable to work under signed contracts,” said one respondent from Fundación Solidaridad in the Dominican Republic. This finding is in contrast to much of the “conventional wisdom” that more advanced partnerships involve contractual obligations, an assumption probably due to the ISP literature’s emphasis on partnerships

including “Northern” PVOs and funders or private businesses. Such groups often require legal recognition of rights and responsibilities as assurance of financial accountability for their disbursements. The fieldwork does, in fact, support the conventional wisdom that, when money changes hands, most organizations are more likely to insist upon a written agreement. But beyond this documentation needed to secure and manage funding, the partnerships studied were seldom formalized with legal contracts. This point was illustrated when respondents were invited to engage in mapping exercises. The result was typically a web-like diagram. Lines connecting the various actors demonstrated interactions. Some partners were more tightly interwoven than others, but there was no discernible hierarchy. There were no clear lines of power or authority demonstrated through the partnership’s structure.

Diagram 1: **ASPADERUC, an Illustrative Partnership**



In fact, the NGO respondents were often reluctant to place themselves at the center of these webs, saying that all partners had equal status in the partnership. Nevertheless, the NGOs typically ended up at the center of the cluster because they, as the official grantees, represented the only formal link between the funder (IAF) and other partners. Even with the NGO grantee as the central actor in each case, the type and combination of organizations present gives each of the 12 partnerships a unique structure. The types of actors, by sector, are shown in Table 2. Each partnership includes representatives from at least two sectors:

NGO, public or business. Here, CBOs are listed separately. However, they are generally best described as beneficiaries rather than partners.

Of the 12 projects, about two-thirds included the private sector in some form, while the remaining one-third had minimal or negligible private sector participation. (There are cases where business had a good relationship with NGOs as a supplier. These, however, were not deemed private, for-profit “partners” because they were simply parties to business relationships and would have been the same for any other good customer, NGO or not.) All 12 partnerships involved local government and about one-quarter worked with specialized government agencies.

Table 2: Types of Organizations Representing Different Sectors

NGO Sector	CBO Sector	Public Sector	Business Sector
<ul style="list-style-type: none"> • NGO • Association of NGOs • NGO that is an intersectoral partnership 	<ul style="list-style-type: none"> • Community-based organization 	<ul style="list-style-type: none"> • Municipal government • Departmental government • Government agency 	<ul style="list-style-type: none"> • NGO founded by business • NGO founded by business association • Private business

As previously mentioned, the “core” of these projects was an NGO grantee, but even these showed variation. Two grantee NGOs were founded by businesses, one by a business association and the other by a mining company. In two other projects, the NGO grantee partnered with a business-founded NGO. In most cases, the NGO partnered with the other two sectors (or with another NGO), but in two cases the NGO itself was actually a single-sector partnership, meaning the grantee was an association of NGOs. In just one case, the grantee was an intersectoral partnership resembling a quasi-state entity. The Departmental Corporation for the Integral Development of Chalatenango (CODDICH) was legally incorporated as a foundation in El Salvador, and its members included NGOs, CBOs and various levels of government. In projects with the private sector, business participated directly about half the time. The rest of the time, the private sector was represented indirectly through NGOs formed by business or nonprofit business associations. Adding to the structural diversity, one type of actor might have formed a variety of working relationships. For example, the three business-founded NGOs in the sample case each interacted very differently with the businesses that had founded them:

- **Asociación Yanacocha**, an NGO in Peru, was still closely connected to Minera Yanacocha, the mining company that founded it, sharing office space and even personnel.
- **Fundación Inti Raymi** was also a nonprofit founded by a mining company in Bolivia, but as an NGO it enjoyed much more operational independence, even though most of its funding still came from its founder.
- **FECHAC**, an NGO supported by a tax paid by all 29,000 members of a business association in the state of Chihuahua, Mexico, functioned in daily operations independently of the businesses represented, although local business councils approved projects in each zone where the NGO worked.

Thus, organizations of the same type operated very differently, so structure was not a particularly useful way to categorize the projects. This insight was further supported by the fact that few of the partnerships had predetermined hierarchical structures or any legal structure at all.

The most significant contractual obligation we observed was between the funder (IAF) and the NGO grantees. Unless they were jointly funding the project, the other actors had little if any legal accountability. Nevertheless, partners from all sectors describe their working relationships as formal and “serious.” In fact, most respondents felt a written contract would only be necessary in a weak partnership, not in their own where partners were truly committed to a common goal. A key factor contributing to the lack of written agreements was the long-established working relationship among participating organizations. As one respondent observed with reference to CASDEC in Bolivia, “The older partnerships are the best ones, due to the trust and the experience that has been developed. New partnerships required a written agreement for commitment.”

A relationship based on trust was fundamental to the success of these partnerships because integrity and reputation (personal and organizational) constituted the only system of accountability among the majority of these partners. Organizations put their own reputations on the line to vouch for partners to whom they were connected only by verbal agreements or bilateral written agreements. Furthermore, when asked what kind of planning and decision-making mechanisms were employed, time and again the response was “discussion among the partners.” In a few projects, notably development funds, committees voted on key decisions and funding awards. However, most decisions were made through a consensus of all partners. Even when pressed to elaborate on how difficult or highly contentious issues were resolved, virtually all respondents said simply that they are discussed until agreement was reached. The projects studied reported no problems with this fluid structure, only the occasional “inconvenience.” In the final analysis, the NGO partners seemed to have a good deal of influence on decisions, probably because they were the grantees and also tended to manage the finances and day-to-day operations of the projects. Similarly, as to planning and other processes, the responses almost universally indicated meetings and dia-

logue were the mechanisms for sharing information and reaching consensus, even though the project directors or executive directors of the NGO grantee usually had the final say.

Rather than a hierarchical structure, with decisions and instructions that move from the top down, respondents felt that a strong commitment to the goals of the project was sufficient for partners to define and execute their roles appropriately. This perception was somewhat idealized since NGOs were almost exclusively in charge of the design, implementation and management of the projects. Nevertheless, all partners were able to develop enough role complementarity to enable the partnership to achieve genuine impact on the populations served.

Partnership Decisions

Bolivia

“Differences are decided based on communal consensus. Nevertheless, the coordinator can make the final decision.”

“The process was difficult at first, given the immaturity of the partnership.”

“Decisions are made through participatory planning. There is strong supervision from the community with respect to how the projects should be carried out. The approval committee is democratic and meets four times a year.”

El Salvador

“Differences always exist and are important. The capacity and maturity to reach agreement and manage differences in a positive way strengthens partnerships.”

Peru

“The final decision is made by the executive director of the NGO. It is, nevertheless, negotiated. Suggestions are accepted from the other actors and, if necessary, the decisions are modified. The project coordinator can decide on immediate aspects of the operation.”

“The NGO has an executive secretary who makes the decisions in conjunction with the beneficiaries. The farmers provide the framework.”

Based on this *functional* rather than *structural* perspective that emerged over the course of our fieldwork, we shifted the focal point of our inquiry away from the *organization of partnership relationships*, choosing instead to focus our attention on the *outcomes and impacts of those relationships*. We hypothesized that any structure allowing actors to work together to accomplish the desired im-

part of the project was a useful structure for that particular partnership. This shift in emphasis, from *structures to outcomes*, contradicts several conventional assumptions about partnerships, in particular the idea that a binding written agreement detailing the structure of the partnership and the relationships among the actors is essential for a partnership to run smoothly. The more familiar we became with the structure of each partnership, the less promising structure seemed as a focus of analysis. In this diverse but small sample, no one structure was the most common. In fact, the partnerships we saw were like snowflakes; no two were precisely alike. Variation occurred in structural arrangements and in the roster of actors. Processes were flexible and relationships were generally “informal” despite high levels of commitment to projects. The key to understanding these partnerships lay in an examination of what they did to benefit the poor, not how they were structured.

Guidelines and articles produced by Northern NGOs offer advice on choosing a partnership model and assigning roles and responsibility to each partner. But the partnerships in the field were not formed at a single moment in time. In each case, the structure evolved organically as the partners filled the roles needed to achieve their common goal in a given context. Members of the 12 partnerships were very aware of their roles and responsibilities, but not because they were assigned in legal contracts. Thus our field research inspired us to take this new approach to describing and analyzing partnerships. This outcome-focused approach will be introduced later.

The question remained: Where there are few written documents to establish legal relationships, create structure, and assign roles and responsibilities, what binds a partnership together? How do partners understand their responsibilities? How does the partnership create the accountability necessary to ensure that all partners contribute what is required to get the job done? The answer lay in a set of guiding principles cited by nearly all the respondents. Shared goals and the ideal of complementarity guided the actions of the partners, and accountability came through trust. These partners were less like architects and more like jazz musicians. At their best, these organizations performed independently, each with its own style, but also with a great awareness of what the others were doing. They knew one another well enough to tell when to take the lead, when to blend in and how to support each other, even without rigid structures.

Common principles such as shared goals, complementarity and trust defined partnership across all five countries studied, but, as the fieldwork shows, there was no single structure that worked best or in every case. Contrary to the legalistic definition of Northern research, these partnerships were not formalized through written agreements. Mechanisms for decision making were generally informal. The partners seemed much more concerned with activity than with structure. Researchers and organizations that support partnerships can better understand the benefits and challenges of partnership by adopting this perspective. Rather than requiring or idealizing a certain structure, it is preferable first to

understand the local context and to identify actors with a strong commitment to addressing a problem. While a partnership will require some form of documentation, particularly when money is involved, it may be better to leave the roles of each partner flexible in the early stages of the project, allowing them to adapt as the project progresses. It is worth noting again that where there are few written or legalistic obligations, a high level of trust among partners is crucial.

Sink or Swim Together: Trust among Partners

The only way to make a man trustworthy is to trust him.

—Henry L. Stimson

The ideal of trustworthiness was widely cited as the most important characteristic to look for in a partner. For the NGO partners in particular, a reputation as a trustworthy organization was essential to working effectively in the community. How do organizations build trust? Trust comes from a history of working together and from personal relationships, even in cultures where people lament the influence of personal power in government bureaucracies and business dealings. Experience working with other institutions and personal relationships establish trust over time. The “seriousness” to which respondents alluded in describing their unwritten sense of commitment meant fulfilling obligations and being able to count on others to fulfil theirs. Even seemingly small gestures, such as arriving on time for meetings (often the subject of jokes in Latin America), were cited as examples of responsible behavior for partners.

Trust between institutions starts as trust between people. Almost every partnership studied had grown out of a personal contact. Even where respondents expressed general suspicion or lack of confidence in other sectors, they were willing, indeed eager, to work with those institutions in which they knew and trusted individuals. In one case, an NGO director with a long and distinguished career as a university professor enjoyed the respect of former students now working in government and in business, which facilitated relationships with both sectors. In another case, a former NGO employee had been elected to public office, which initiated a relationship between the NGO and local government. Of course the good reputations of institutions often allowed partnerships to form, even when there was no personal relationship beforehand. However, dealing with a trusted individual within an institution seemed to be the preferred way to initiate partnerships. Given the small scale of these partnerships, it was common for people in the different institutions to know one another, especially through past professional relationships.

Trust was also fundamental to the relationship between a partnership and its beneficiary groups, many of which acted as full-fledged partners, actively assisting in project design and implementation. When asked what a new organization—one without the benefit of nearly two decades of experience in the region—could do to gain the confidence of the community, the director of one well-established NGO reflected for a moment and then responded, “Partner with us.” The NGOs are proud of the trust they have earned, often through years of work with underserved and marginalized communities. Now, municipal governments and private businesses wanting to reach those communities are indeed turning to the NGOs for instant credibility.

Obviously, if working with the right partner can improve an organization's reputation, working with the wrong one can injure it. Although no such mismatch had occurred among the partnerships studied, several NGO respondents mentioned the possibility. However, if no organization had risked working with an unknown organization, then none of the relationships we studied would ever have been established. Several NGOs recommended to would-be partners that first interactions with other institutions be simple, concrete activities, such as providing or receiving technical assistance on a specific topic, perhaps for a fee and with a written agreement. Gradually, as the organizations get to know each other through positive working experiences, they might become ready and willing to partner. One respondent described this preliminary relationship as the "courtship" before the "marriage" of partnership.

Much of the literature identifies social capital—the relationships, trust and goodwill built up through interactions—as a benefit of partnering. Social capital is necessary for sustainable development.² Where social capital is abundant, a society's citizens and institutions easily work together, and norms for collaboration are well-established. The logic behind investment in social interaction is simple: increase the opportunity for actors to participate in community activities and you establish citizen demand for transparency. For example, in projects in the Dominican Republic, neighborhood committees, often working in partnership with an NGO, had become sufficiently empowered to take their demands to local government and hold officials accountable for a suitable response.

Laying the groundwork for partnership by working together is a long-term process. Frequently, organizations wish to partner as a quick and efficient way to secure the complementary resources needed in the immediate future. Business partners, new to the field of community development and lacking long-standing linkages with local development organizations, tend to expect a quick pace and short-term results from the projects in which they participate. In these cases, conveners may be able to bring together organizations that do not know each other well and facilitate a partnership based on a common goal and the other actors' trust and respect for the convener.

Facilitating Partnership: Importance of Conveners

In the partnerships visited, a well-respected NGO generally acted as a convener, bringing together the various actors, especially in NGO-CBO-local government projects. A long history of work in the community and a strong relationship with community organizations and beneficiaries had demonstrated these NGOs' commitment and trustworthiness to the local government, making them attractive partners. The experience of the NGOs was an important factor in securing the public sector's participation.

² Social Capital for Development home page:
<http://www.worldbank.org/poverty/scapital/index.htm>.

It is more difficult to see patterns in private sector response because of the smaller sample size, but the cases available suggested unique challenges for convening private sector actors that merit deeper investigation. In a few cases, the private sector had founded the NGOs and so did not need to be “invited” to the partnership. However, in other cases, the size and established nature of the NGO conveners seemed to be an important factor in securing private sector participation. Conveners of partnerships with the private sector were larger, more formal NGOs—and not necessarily, as in NGO-CBO-local government projects, the NGO central to the partnership. In Peru, a support and monitoring NGO, which promotes intersectoral partnerships and “speaks the language” of business, helped organize a partnership between a large mining company and a local NGO near the site of the mines. These more formal NGOs seemed able to mediate between smaller NGOs and business. In particular, they provided the business sector with needed assurances of NGOs’ capacity to manage funds and helped business identify appropriate partners, programs and locations, among other aspects of the project. A tentative conclusion is that businesses were reassured by the formal structures, organizational management practices and systems of accountability typical of larger NGOs and closer to their own culture. Local government, on the other hand, seemed less concerned about organizational structure but did want to see a demonstrated commitment to the community by the NGO.

Not all organizations can work together based on mutual respect and trust. The sample discussed here includes functioning partnerships. A broader sample might provide examples where trust broke down or where business or other organizations refused to partner based only on a good reputation and a handshake. This sample did not demonstrate where partnerships did not work, but it is striking for its multiple examples of partnerships that did work, based on trust and a commitment to addressing community issues, rather than on rigid structures enforced by written contracts. This powerful element of commitment is often neglected in discussions of partnership. Furthermore, it has implications for actors or donors who organize and support partnerships, namely the significance of building social capital both in anticipation of partnering and once partnering is underway.

It is worth noting that goodwill and trust, although frequently based on personal relationships, were not carried to an extreme in these partnerships. Personal contacts in other institutions might have facilitated the formation of a partnership, but the ability and willingness of an organization to contribute to the goals were what made an organization a desirable partner. Trust reassured decision-makers in an organization that their partners would follow through on those commitments. Furthermore, respondents from projects involving local development funds claimed to have policies governing conflicts of interest so that decisions on grant awards were based on the merits of the proposals received, not on personal relationships.

Through the Looking Glass: Prevailing Images and Stereotypes

The grassroots development partnerships studied brought together diverse NGO, business, government and community actors. Many of the projects built strong relationships where a short time ago there was only competition, suspicion or animosity. Respondents from all sectors saw the strengthened relationships among the sectors as a benefit of working together. Many stated that working across sectors was the only way to address systemic problems of poverty and underdevelopment in the long term. Even though respondents were very happy with the partners they already knew and worked with, there was a great deal of traditional suspicion. Stereotypes had to be overcome in order to bring in new partners.

Each of the partnerships faced the challenges that any organization implementing a grassroots development project would encounter, but the diversity of participants added yet another level of complexity. While differing viewpoints can enrich a partnership, they can also inhibit a partnership's formation, development and success. The unique institutional cultures of the nonprofit, for-profit and public sectors are frequently the cause of tension among partners.

Stereotypes of each sector were very strong. Even when respondents had very positive things to say about their partners, they still clung to general stereotypes of the other sectors. Ironically, business and nonprofits were contradictory in their criticism of government. NGOs wanted to see more participation and accountability in the public sector (even though they find delays and "red tape" frustrating), whereas the primary concern of business was to streamline and speed up government processes. An important exception to the general rule of NGO dissatisfaction with the public sector was the relationship with specialized government agencies. An NGO in Bolivia (CASDEC) works with the Regional Seed Agency to teach farmers the benefits of the certified seeds the agency researches and grows. One of the NGOs in Peru, ASPADERUC, works with SENASA, a government agency, which, through training materials and technical personnel, introduces new agricultural techniques, especially those related to livestock. These government agencies were described as very helpful and responsive partners.

When NGOs were on the receiving end, the stereotypes were once again familiar. Government was suspicious of the NGO's traditional role as "watchdog." Government and business often feared their interests ran counter to NGO goals, especially those of environmental NGOs. Businesses generally felt NGOs were not practical or efficient enough. In return, NGOs said businesses measured benefits only in financial terms. Therefore, businesses would only invest where they had operations, which one NGO project manager described as, "the 200 meters around their factories." It was understandable that businesses wanted to invest in projects benefiting their employees or communities, but this created added challenges if

there was a history of problematic relations. In other cases, NGOs might have limited themselves by considering only nearby businesses as potential partners.

NGOs also perceived the business sector as demanding observable results within short time frames. One NGO partnering with business explained that businesses preferred to see concrete, interim results—which built their confidence that a longer-term project was on track—and that incorporating such intermediate milestones into a project design was a good strategy when partnering with business. Although businesses tended to be pragmatic and look for “return on investment,” they also acknowledged intangible benefits: better relationships with the community and an improved quality of life for project beneficiaries. Nevertheless, in our sample, the NGOs founded by businesses (and reporting to businesses) showed a high concentration of infrastructure projects. They tended to rely on quantitative indicators of input when attempting to measure “impact.”

Environmental issues were often points of contention between business and NGOs or CBOs and were cited as a past or present threat to partnering with business in ongoing projects in Peru, Bolivia, El Salvador and the Dominican Republic. Except in El Salvador, businesses and business-founded NGOs avoided environmental projects. Several NGOs and CBOs were skeptical of businesses that invested in environmental projects. They felt businesses would use such projects to divert attention from other practices contributing to environmental degradation. However, disagreement over environmental issues had not prevented partnering in any of our cases.

Both the nonprofit and the for-profit private sectors were wary of government, but for opposite reasons. Virtually all business respondents voiced concern over delays and inefficiency due to government bureaucracy. NGO respondents, however, although often frustrated by public sector bureaucracy, were much more likely to criticize local government for failing to be responsive, participatory and transparent—the sort of accountability that would likely make government even slower. One NGO respondent in the Dominican Republic commented, “The greatest difficulty has been working with the municipality due to the opportunistic orientation of many of its authorities and the disorganization and lack of planning in almost all its departments and work units The political proselytism based on paternalistic and ‘clientalist’ activities and attitudes present an obstacle to partnership.”

According to a private sector participant, most difficult intersectoral relationships were with municipal authorities “due to an orientation that is more partisan than managerial.” However, the private sector’s concern over project management was not limited to the public sector. Grassroots partnerships frequently included CBOs as active partners, not merely passive beneficiaries. NGOs highly valued the participation of community organizations, but business was not always comfortable working with these informal or nascent institutions. One business representative in the Dominican Republic cited “low educational levels of the community-based organizations, along with lack of controls and

records.” Although links to a particular organization made respondents more willing to see beyond the stereotypes, the often negative assumptions about the other sectors as a whole remained unshaken by a few positive examples. Still the power of personal relationships and a history of working were essential to overcoming suspicion and preconceived notions.

Despite these difficulties, organizational differences could actually make a partnership more appealing because they reduced direct competition. Several respondents (particularly in Peru, but in other countries as well) felt it would be harder for NGOs to partner within their sector because of intense competition for limited resources. A representative of a Salvadoran NGO saw partnering with other NGOs as a particular challenge. “Partnerships among NGOs are more difficult since competition and jealousy can be very strong and can affect the relationships among them. NGOs should look for areas of complementarity,” explained the project director, although his NGO had, in fact, been very successful in its work with organizations from all three sectors.

Political Context

The political context had important implications for forming and maintaining intersectoral partnerships. The most obvious difficulty of partnering with local government was the potential for changes each election cycle—generally every four or five years, but sometimes as frequently as every year or two. Even if officials remained the same, campaigns and elections might create disruptions that could delay projects and threaten their stability and sustainability.

In Bolivia, a loophole in the law allows mayors originally elected for a five-year term to be replaced every year, and staggered elections in the Dominican Republic, designed to strengthen the local democratic process, have had the unintended consequence of creating “perpetual campaigning.” Terms in office impose short time lines on projects; many elected officials refuse to continue projects started under a predecessor because they do not want to share credit for a project’s success with another administration, particularly one of a different party. Consequently, NGOs and businesses faced the challenge of being “political” without being “partisan” in a highly politicized climate. A Dominican NGO reported its principal difficulty in working with the local government as “the partisan confrontations within the town council, between the town council and the community organizations, and especially between the municipal government and the central government in the search for coordinated solutions to problems.” In Peru, projects were also affected by the national campaign. An NGO staff member involved in a micro-credit project termed as unsustainable and politically motivated the sudden influx of funds from the national government to the community. He criticized the government programs for undermining local NGO activities already underway. “Why would [our beneficiaries] take out a loan, even with ‘comfortable’ interest when the government is giving away money?” he asked.

In all countries except Bolivia, NGOs and the private sector were highly critical of the overall ability, efficiency and effectiveness of the public sector—even when they were content with the public sector’s role in their own partnership. Local government actors seldom identified themselves or the election cycle as a difficulty or source of disruption in the projects, except in the Dominican Republic where a municipal official mentioned the struggle to receive resources from the central government as a barrier to partnering with NGOs and to implementing any local programs: “Partisan politics can affect the process” he said. “[We] try to maintain sustainability through agreements. The operation and sustainability of the partnership will depend, in the near future, on the vision of mayors. The NGO plays a large role in the continuity of these processes.”

A typical NGO complaint was that government was used to doing things its own way, with little accountability for how money was spent. When the partnership introduced tighter controls or when the NGOs managed the money themselves, government actors complained. An NGO representative in El Salvador commented, “Another problem that comes up is that the local government tries to impose its form and style of doing things on the other organizations. In this sense, the institutionalization becomes difficult since the philosophy and practice [of the partnership] is to do things together and with transparency.”

On multiple occasions, with respect to different projects and even in different countries, when asked about working with the public sector, NGO respondents initially stated the importance of being apolitical—but then reconsidered. As an engineer from one NGO reflected, “We [work in] development. Everything we do is political. We have to be *nonpartisan*.” The NGOs in the sample had been successful because they had maintained their reputation as impartial, nonpartisan entities. Nevertheless, NGOs were constantly aware that each set of elections could threaten their projects with disruption or even total dissolution. Their representatives spoke of the difficulty of remaining neutral in a highly partisan climate. Those from Peru, the Dominican Republic and El Salvador lamented the “if you’re not for me, you’re against me” attitude of many politicians. Simply working with the current administration could be seen as a political alliance, making it very difficult to work with new officials if the party in control were to change. Even a well-established Mexican NGO admitted it might face difficulties, after 12 years working with the same party, if a new party came to power.

In Peru, highly centralized government made local partnership difficult. In contrast, the Dominican Republic had been undergoing decentralization, which would appear to facilitate work with local government. However, this had not necessarily been the case. Many municipalities were struggling because resources had not followed the responsibilities and authority increasingly passed on to them. In theory, funding was decentralized, but the municipalities never received most of the 4 percent of national tax revenues to which they were entitled.

Even when financial resources are not forthcoming, projects can benefit greatly from goodwill (*buena voluntad*) on the part of the local government. For

example, a Dominican municipality's creation of a new position, director of community affairs, allowed local NGOs and CBOs to expand and enhance their partnership with the municipality, which has reformed the local budgetary process. Although hesitant at first, the mayor reported that the new participatory budget facilitated his response to community needs. Before the project, he had feared opening up the budget process would bring on a flood of demands the government couldn't meet. But community groups (trained by an NGO) learned to prioritize their requests, and, explained the mayor, they knew how far the budget will go. In the past, he said, when the municipality could not fulfill all the community's needs, people had just assumed the government was corrupt. A mayor in Mexico expressed the same sentiment.

Bolivia currently presents an ideal entry point for NGOs to partner with local government. Because the new *Ley de Participación Popular* requires local government to design annual and multi-year development plans and to coordinate projects in their region, municipalities have both the mandate and some new resources to promote local development. However, where local governments often lack skilled personnel, well-established, NGOs that have experience and strong relationships locally can provide the perfect complement.

In the face of suspicions and criticisms, NGO respondents emphasized their wish to strengthen, not usurp, local government's power so government could fully embrace its role in promoting community development. Partnerships were often a way for NGOs to meet pressing community needs governments could not address on their own, while simultaneously strengthening the local government. In this way, NGOs achieved goals of improving the local quality of life while also creating a more sustainable impact by ensuring that the government could support and maintain development efforts in the future. As several NGO respondents pointed out, government should be the most enduring institution in the community and therefore the logical choice to promote development. The challenge is to partner with the government as an institution, rather than with a specific person who might be gone after the next election.

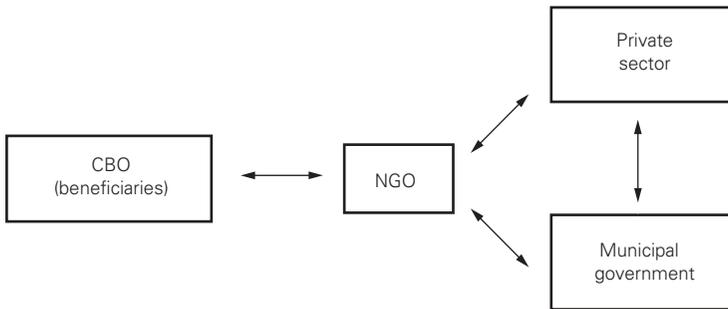
Local government actors, although sometimes hesitant in the beginning, were usually pleasantly surprised by the results of their partnership with other sectors. Municipalities found that partnering with NGOs and CBOs did not drain off their power but rather empowered them, because they built relationships with constituents and strengthened their capacity to promote local development. Admissions of an initial hesitancy to partner or of continuing wariness of other sectors imply that organizations wishing to promote partnership (e.g., funders) should encourage interaction among the sectors to help breakdown mistrust. Relationships growing out of this interaction may eventually evolve into partnerships. Once again, conveners can play an important role, either by bringing together potential partners or by building awareness of the types of projects and issues partnerships can and do address.

Participants or Partners: The Role of Beneficiaries

As previously mentioned, the status of CBOs in partnerships can be difficult to define. Generally speaking, CBOs and their members are the intended beneficiaries of the grassroots development projects in this study. However, sometimes CBOs are not passive recipients of services but active participants in project activities, especially those related to training and human capacity development. In a few cases, the CBOs are also involved in planning and design, as well as monitoring and evaluation, of the activities or services. When a project’s beneficiaries are organized into CBOs, and especially when the CBOs help in planning the project, the NGOs are likely to refer to them as partners. NGOs in this study often pointed out that their CBO partners contributed resources essential to the project, such as labor, materials and local knowledge. However, when such beneficiaries also acted as individuals, such as micro-credit recipients or grantees of a loan fund, they were more likely to be called beneficiaries (*beneficiarios or destinatarios*), even though they were active participants in the project.

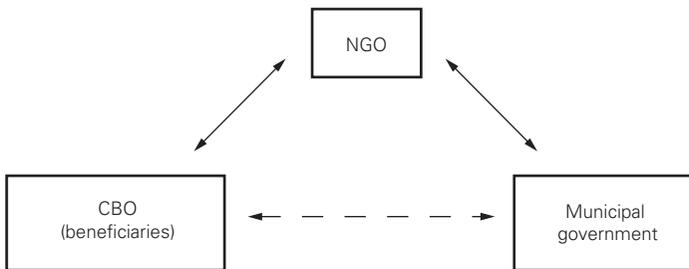
There was also a distinction between the NGO view of beneficiaries and the perspective of the business and public sectors. NGOs were much more likely to see CBOs as “full partners,” while business and governmental actors were more likely to view CBOs as passive beneficiaries of the NGO, government and business partners. When all three sectors were present in a project, the NGO often served as the link between the CBO beneficiaries and the business and governmental actors. At times the NGO even filled the role of mediator, reducing the CBO’s traditional suspicions of the private sector’s motivation or the private sector’s doubt as to the CBO’s ability to implement a project. Often, the NGO was the actor best suited to “translate” the concerns of a business or beneficiary group into terms understandable to the other partners.

Diagram 2: **NGO as Mediator**



A distinction could also be drawn between the private for-profit and the public sector interaction with beneficiaries. Although businesses tended to work through NGOs, the public sector, as represented by municipal government, often sought a more direct relationship. Several government representatives stated that, in spite of initial hesitation, they had begun to work with CBOs in a process facilitated by an NGO, and they were extremely pleased, not only with the outcome of the project, but with their new relationship with the CBOs. NGO grantees also mentioned this phenomenon, and they took pride when CBOs, which had initially relied on the NGO to help them navigate the policy process, were able to negotiate their needs and concerns directly with the local government.

Diagram 3: NGO as Facilitator



The Three C's: Adding Value through Partnership

Four brave men who do not know each other will not dare attack a lion. Four less brave, but knowing each other well, sure of their reliability and, consequently, of mutual aid, will attack resolutely.

—Ardant du Picq

In the 12 partnerships, NGOs, businesses and local government have come together to implement local development projects because they feel their work is more efficient and more effective when they join forces. In some cases, the partners came together easily; in others, the partners had to overcome a history of mistrust. In the most extreme case, groups at war in El Salvador a decade ago are now a functioning partnership and are beginning to see the results of their joint efforts as roads, telephone lines, housing, health care and other services begin to reach their region. These partners continue to see great advantages to working together or they would not continue to do so. But what, typically, are the benefits of partnering and what are the challenges?

A partnership's *value added* comes from its ability to meet three important criteria:

- **Continuity** is essential to the effectiveness of a development project or program. Most development programs are not designed to run forever. Rather, they are relatively short-term interventions, lasting three to five years, and are designed to yield a *sustainable flow of benefits*. Often, however, beneficiaries must be able to maintain their access to critical resources if the gains made through the intervention are to be sustained. For example, once a micro-credit program is over, producers must enjoy ready access to roads and transport to bring their goods to market. If their access is not ensured, then there is no *benefit continuity* and no opportunity to build on the progress achieved. Partnerships can implement complementary activities to ensure the benefits of their projects are sustainable and that the future interventions of individual partners leverage the positive effects of the initial program. When a partner builds on progress achieved through an earlier development activity, we can then say this actor has achieved continuity.

For example: Fundación Solidaridad in the Dominican Republic assisted neighborhood committees by strengthening their capacity to identify community needs and to cooperate with the local government in addressing them. This experience created confidence among neighborhood committee members. Subsequently, the local government expended its own resources to encourage and support local community organizations in efforts to address new, increasingly complex needs. Thus the neighborhood committee capacities initially developed with the support of Fundación Solidaridad

were extended, and the benefit flow to the community was enriched. One committee successfully undertook a voter awareness campaign. By building on the work of Fundación Solidaridad, the local government, which had partnered in the original activity, continued and expanded the gains and benefits achieved earlier.

- **Comprehensiveness** refers to the synergy among partnership activities, which may take multiple approaches to a complex problem. Partnerships that coordinate several lines of action can address firmly rooted systemic problems not readily resolved by a single program intervention. In some cases, partnerships provide several mutually supportive lines of service delivery. Partnerships are also well-suited to engage in resource mobilization and human resource development, which can strengthen and support the partnership's service delivery.

For example: FECHAC, a Mexican NGO, offers access to micro-credit loans to women who want to start or expand small businesses or productive activities. FECHAC also partners with government agencies to provide training in accounting and marketing to help the loan recipients manage their activities. Another government agency offers training in the production of household products which can either be sold or used within the household to save money. The comprehensiveness of the credit program allows it to benefit more women. Although some loan recipients already have a small business and only need access to affordable credit, many benefit from the additional training.

- **Coordination** relates to the partnership's ability to identify needs and gaps in coverage and allocate resources accordingly. Organizations, as a result of their partnering, are informed about what other actors in the community are doing to promote development. Furthermore, actors in successful partnerships not only coordinate internally but also use their diverse talents and resources to position projects advantageously in the broader environment.

For example: Kürmi and FUPAGEMA are NGOs that provide technical assistance to small-scale farmers in rural Bolivia. The two work together to design their programs, and each delivers services in the region where it already has extensive experience and contacts with community groups. Furthermore, the local government includes both NGOs in its development planning to ensure priority needs are met throughout the municipality.

The impact of partnership affects the partners themselves, as well as the project beneficiaries. In general, the most pronounced impact on beneficiaries takes the form of increased coverage and improved service quality. In contrast, partners tend to benefit from the more intangible effects of the partnership, such as stronger relationships and organizational learning. These "intangibles" can be summarized as *social capital*, relationships that can be drawn on for future

partnership or other working relationships, and *risk mitigation*, increased responsiveness to threats and challenges due to the diversity of skills and resources within the partnership.

Impact on Beneficiaries

Coordinating the actions of multiple actors in a single project introduces new challenges. It also offers the opportunity to increase the impact on beneficiaries' well-being. By promoting continuity, comprehensiveness and coordination, partnerships can enhance the quality and coverage of programs and services, thereby ensuring sustainability. The following are examples of ways that partnerships improve project quality:

- **Securing necessary resources.** Often, financial resources are the limiting factor in local development projects. By partnering, organizations can pull together funding to design, carry out and, occasionally, improve projects. In some instances, the partnership's resources make project activities possible. For example, the Chihuahua Businesses Foundation (FECHAC), in Mexico funds and constructs extensive health and education infrastructure (schools, dormitories, clinics, hospitals) the local government simply cannot provide in a sparsely populated region. FECHAC never would have been founded without the private sector's vision and funding. And many of FECHAC's projects would not exist at all without the NGO.

Partnering to secure resources also enhances the returns on previous investments. An example from El Salvador, the Departmental Corporation for the Integral Development of Chalatenango (CODDICH), shows how a relatively small additional investment can salvage an otherwise failing project. On two occasions, CODDICH mobilized resources to provide power for a government housing project. (In another case, an organization provided water, which had also been left out of the original housing plans.) Once the communities had electricity, owners moved into their homes; a store began to offer meat and dairy products for sale; an automotive repair shop opened. Also noteworthy is that CODDICH worked with the neighborhood association to identify the need and secure resources, which built capacity in the community. Without the partnership, none of these benefits would have occurred.
- **Engaging more actors.** Some types of development projects, by their very nature, cannot be implemented by a single institution; they require intersectoral participation. Two NGOs in the Dominican Republic, Fundación Solidaridad and EPCA, work with citizens and municipal government to build democratic participation. A reputation for impartiality attracts participation from government actors and politicians as well as community organizations. Without this level of comprehensiveness, the projects could never achieve their goals.

- **Increasing geographical coverage.** Organizations also use partnership to offer project activities over a broader geographic area. As previously mentioned, Kürmi partners with FUPAGEMA, another Bolivian NGO, to expand the coverage of its micro-irrigation and watershed management project into communities isolated due to inadequate roads. Partnership also minimizes waste by coordinating coverage. A program director in Mexico commented that in an isolated region almost 30 institutions had been working in the most accessible town, while the rest of the vast region remained completely unserved. The NGO and government actors recently formed a committee to improve efficiency by allocating projects throughout the region.

Impact on Partners

The organizations engaged in successful intersectoral partnerships see benefits for themselves as organizations. In general, these are intangible and fall into the categories of social capital and organizational learning. Some examples follow:

- **Goodwill for business.** Building a reputation as a positive actor in the community is strong motivation for the private sector to partner. Businesses interviewed felt that supporting local development served a useful marketing purpose in the short term and also contributes to growth and success in the long term. Some respondents felt a positive relationship with the community was a prerequisite for doing business in a new area.
- **Capacity building.** Partnerships were often praised as a chance for innovation. In the projects studied, working together has built understanding and respect among partners from the private, public and nonprofit sectors. However, increased familiarity with other community institutions has not necessarily led to a blending of cultures. In fact, partnership has frequently allowed organizations to build specialized skills and enhance their capacity in a single area.

A key finding of the field research was that actors from different sectors learned to work with each other, but they did not *become* each other. Otherwise, the partnership would have lost the diversity that was its source of complementarity and innovation. This finding departs from other research suggesting that as partnerships “evolve,” actors become more integrated and interdependent. The following section presents a new model that examines how partnerships work strategically to build continuity, comprehensiveness and coordination by adding partners and engaging in a range of activities, without forcing partners to lose their identity as individual organizations.

A New Partnership Model

When an analysis of legal structures and types of actors turned out to be insufficient to capture the partnership activity we observed, we set out to create a

new model. Admittedly, the literature is full of models, but they are not always empirically based and are often overly prescriptive. This model emphasizes the unifying goal of the partnership and the various lines of activity supporting that goal. Although the model does establish categories of actors (NGO, CBO, public sector and private sector) and domains of partnership activity (service delivery, human resource development, resource mobilization, research and innovation, and public information, education and advocacy), it does not dictate which activities or actors should be present, independent of the partnership's goal.

Key Functions: Partnership Domains

The partnerships we examined addressed development issues through operations in five key domains of partnership activity:

- **Service delivery.** These are social and economic activities undertaken at the grassroots level with the full participation of the poor. The aim is to sustainably improve quality of life: economic, social and personal.
- **Human resource development,** often described as empowerment, generally focuses on building the skills of disadvantaged people and/or personnel in organizations that partner with the poor. Activities are designed to help participants develop a deeper awareness of community assets and aspirations along with the skills and self-confidence needed to harness these assets in pursuit of shared development goals. Organizational capacity building is part of the human resource domain.
- **Resource mobilization** is the process of securing the financial and technical support required to carry out such project-related functions as service delivery, training, research, advocacy, evaluation and dissemination of lessons learned.
- **Research and innovation** help local people, and the development practitioners who work alongside them, test or assess new ways of responding to priority needs and problems.
- **Public information,** education and advocacy generally build upon research and field-based experience with service delivery. Often, there is a policy-oriented element to advocacy. Mobilizing public awareness, campaigning on behalf of policy reform, and advocating structural changes in institutions that impact on the lives of the poor are important activities for many NGOs.

Under this model, neither age nor structural complexity determines the maturity of the partnership. Partnerships are considered more “evolved” as they become more effective. Effectiveness is defined as increased quality and coverage of services (as determined by applying “the Three C’s”—continuity, comprehensiveness and coordination) and decreased risk of project failure. The partnership is judged on its ability to offer increasingly high quality, comprehensive products or services to a growing set of beneficiaries, and to sustain the benefits of the

project. The partnership is also considered more evolved as it is better able to respond to and influence its environment to ensure the success and sustainability of the project. Partnership increases the quality of services by *allowing each partner to build capacity*. In some cases, new capacities may come from exposure to other organizational cultures that introduce new ideas on management, administration and coordination, or even new values. But more frequently, partnerships promote capacity building by *allowing actors to specialize* and become truly proficient at their particular partnership roles. Blurring of roles, values and organizational cultures among partners is not a desirable outcome unless it leads to demonstrably improved quality and coverage.

The inherent value in partnering stems from a given partnership's ability to address development problems more *effectively* and to implement activities more *efficiently* than would occur if the individual partners were to work independently. This "value added" is essentially derived from a complementarity of roles. We therefore asked three key questions:

- What roles are necessary for a partnership to maximize its impact?
- To what extent do the actors fulfill these necessary roles in each of our cases?
- What observable patterns exist concerning the types of actors who fulfill each of the roles observed?

Diagram 4: Partnership Map

Activity Domains	Service Delivery	Human Resource Development	Resource Mobilization	Research & Innovation	Public Information, Education & Advocacy
Partners					
NGO					
CBO					
Public Sector					
Private Sector					

This "efficiency-effectiveness approach" to partnership can be represented graphically, or "mapped," by displaying the five domains of potential partnership activity as vertical columns and the partners, grouped by sector, as horizontal rows.

We were able to see general trends in the partnerships we studied. NGOs initiated or convened most of the partnerships, placing the NGO and its service delivery at the core of each partnership. Of course, the service varied across the sample, from agricultural training to micro-credit to building democracy. Over

time, the NGOs tended to collaborate more closely with other actors to deliver the same service more efficiently and effectively. Then the actors expanded into new domains. NGOs often drew in CBOs early on to strengthen their programs, either by involving the CBOs in service delivery or adding complementary human resource development efforts. Resource mobilization was another domain in which NGOs tended to seek partners early on. The evolution of a partnership can be seen through this new model as additional actors and new domains contribute to the enrichment of project outcomes.

There are also many exceptions to this pattern. Some partnerships remain largely complementary or add additional lines of service delivery, but do not branch out into other domains. The pace at which partnerships form, grow and change also varies greatly. Some of the partnerships studied added actors slowly over the course of many projects. Others were convened all at once for a particular project. The stages we hypothesized are not inevitable—or even necessary. The stages we have laid out are cyclical. The partnerships we observed were not locked into an incessant forward march. They waxed and waned, ideally in response to the community's needs and the partnership's projects, but also due to other forces: the interest of donors and actors, the economic fortunes of partners, the success of their previous activities. Nonetheless, the distinct partnerships in different countries did suggest common stages:

Potential Partnership

This stage precedes partnership, although the potential partners are already present in the environment. The actors are aware of each other and may even be working together. They are open to forming a more extensive relationship and an internal or external convener can play an important role.

Nascent Partnership

This is where partnership begins to add value; the results are greater than any single organizational actor could achieve on its own. In a nascent partnership there is complementarity, but *efficiency* is not optimized. Some resources may be lacking or duplicated. For example, an NGO and a government agency may have similar training skills but work together to deliver training. At this stage, actors carry out activities entirely or predominantly in a single domain, usually service delivery. The benefits are enhanced effectiveness and social capital for future projects.

Complementary Partnership

In the model, complementarity occurs through the addition of actors (growth takes place across rows). This is true partnership. Although not as sophisticated as “synergistic” partnership, the impact of this type of partnership should not be underestimated. It may often be the most appropriate type of partnership for concrete, short-term activities. In complementary partnership, actors once again carry out activities entirely or predominantly

in the same domain, usually service delivery. At this point, tasks and roles are well-distributed and complementarity adds significant value to project activities. Complementary partnerships gain quality and coverage, social capital for future projects, and mitigation of threats to the project, particularly in design and resource acquisition.

Synergistic Partnership

A synergistic partnership spreads across multiple partnership domains (growth takes place across columns). At this point the partnership is strategic—it can respond in an agile way to its external environment and even influence the environment through its holistic approach to a development issue. Synergistic partnerships can leverage change and have an impact on entrenched, systemic problems (e.g., poverty) by drawing on diverse skills and supporting activities in several domains at once. At this stage, the partnership displays dramatically enhanced effectiveness. Diversity mitigates internal and external risks, and the actors build social capital for future projects.

Growth of Partnerships

Diagram 6 illustrates the growth of partnerships. Potential partners come together out of a desire to move from their current reality toward a common development goal. The actors may form a nascent partnership as they learn to work together. This relationship is then “fine-tuned” or expanded to a complementary partnership or a synergistic partnership. Potential partners may also come together in partnerships characterized by high levels of complementarity and synergy from the start.

Complementary partnerships may expand into new domains to become synergistic partnerships. Partners may also fulfil their objectives through a complementary partnership and then separate until the next challenge arises. However, if the partnership has been successful, it has left the partners with greater trust and awareness. Some or all of the “potential” partners are thus likely to recognize the need for partnership and convene again when the next opportunity arises. Similarly, a synergistic partnership may focus on a certain domain and subsequently evolve into a complementary partnership. Regardless of stage, when partnerships end, they leave behind the potential for future collaborations.

A single project, even a highly successful one, cannot attain the long-term goal. Rather, the partnership moves the actors toward their goal, building trust and providing the foundation for a new generation of projects by the original partnership, or a variation of it. Complementary and synergistic partnerships move the partners most effectively because they foster continuity, comprehensiveness and coordination.

**Diagram 5: Evolution of a Partnership—
the Case of EPCA (Dominican Republic)**

Mapping can also be used over time to show dynamic change. The following maps of the **Popular Education and Communication Group** (EPCA) illustrate the type of evolution discussed earlier. The project gains complementarity by adding members (growth takes place in a single column) and then branches out, building synergy (growth takes place across columns).

Potential Partnership: EPCA started as an informal street theatre group, comprised mostly of college students.

Potential

Nascent Partnership: EPCA expanded its activities to provide training to community organizations in areas such as organizational development, project management and negotiating with government authorities.

Nascent

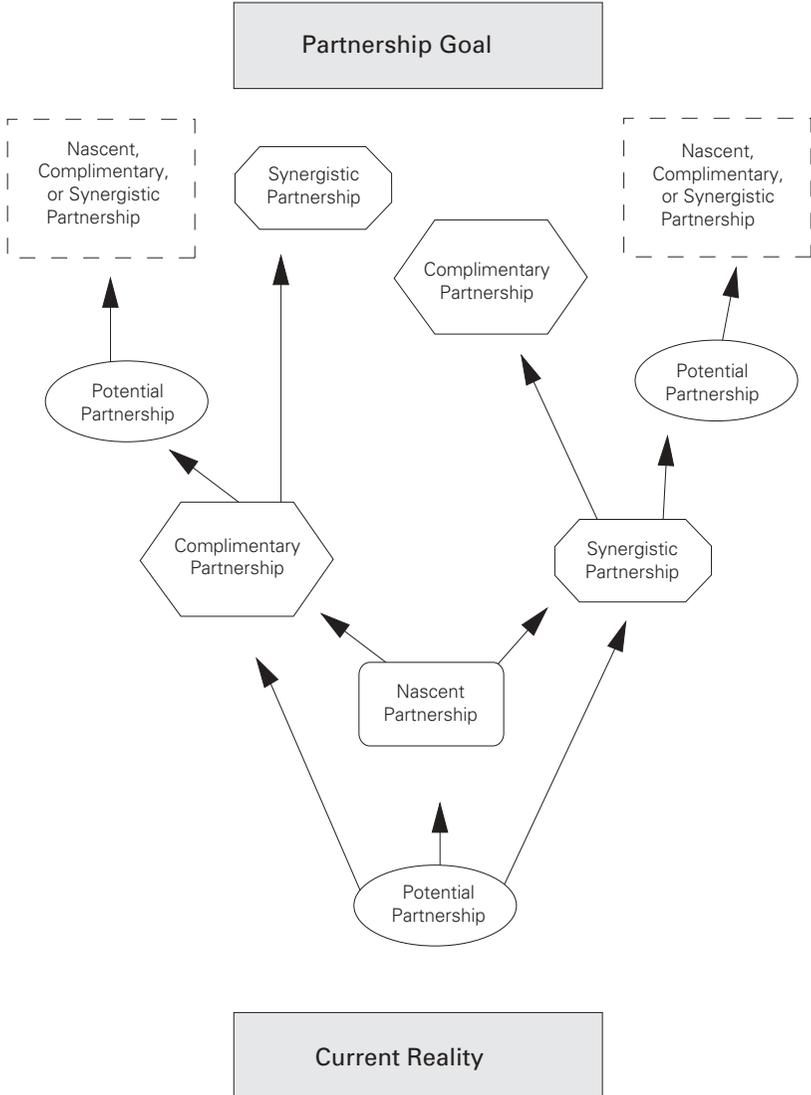
Complementary Partnership: EPCA convened government actors (officials and candidates), as well as community groups, to establish nonaggression pacts during elections and to identify community priorities for the new administration. EPCA also secured business sector participation through the *Patronato Pro-desarrollo de Haina* with the support of the Association of Business and Industry of Haina.

Complementary

Synergistic Partnership: EPCA is currently working to increase government and private sector participation. It would also like to expand its current community organization and its public information, education and advocacy activities.

Synergistic

Diagram 6: How Partnerships Evolve Multiple Paths to Meet Changing Circumstances



Choosing a Partnership Path

I hand him a lyric and get out of his way.

—Oscar Hammerstein II
(on his partnership with Richard Rodgers)

The four stages of partnership (potential, nascent, complementary and synergistic) are not sequential, nor is one better than another out of context. To maximize benefit, a partnership should be designed with its ultimate goal in mind, and it should be flexible enough to adapt to unforeseen circumstances and incorporate improvements along the way. Without the synergy of effective partnership, isolated interventions will probably fail, in the long run, to address systemic problems. Conversely, partnership on a simple project can be like using a sledgehammer to drive a nail. Therefore, development practitioners, conveners and supporters must choose carefully when to engage in which stage of partnership. Before discussing what conditions favor complementary and synergistic partnership, we will look at these in greater detail.

Doing Things Better: Complementary Partnership

Whether benefits are direct or indirect, the underlying motivation for all the partnership activities we saw was to coordinate complementary resources so no single actor had to do all the work, nor did distinct actors in the same community duplicate efforts or work at cross-purposes. Respondents from all 12 projects emphasized complementarity as a fundamental characteristic and advantage of partnerships. They stressed partners should provide resources based on their unique skills, rather than contribute resources of equal monetary value, and that the greatest benefit comes from letting each organization do what it does best. NGOs, local government and the for-profit sector shared similar views of each type of partner's strengths:

- NGOs had credibility and a strong working relationship with CBOs and beneficiaries. NGOs could therefore provide access to beneficiary groups, in particular groups distrustful of or unfamiliar with government and the business sector. This ability to convene actors (*poder de convocatoria*), especially beneficiaries, was highly regarded by local government and the private sector. NGOs frequently provided specialized technical knowledge in their program area such as agriculture, health or community development. "Prestige" was also mentioned as a resource NGOs contribute. Their good reputation and visibility inspired confidence and made other organizations want to work with them.
- **Local government** brought authority and legitimacy to projects. Increasingly, local government offered marginalized groups access to policy-makers and formal decision-making. Even where government efforts were

deemed inadequate, NGO representatives said development projects were the legitimate role of government and that they wished to work with the government to build capacity at the local level, rather than create an alternative system for development. Ideally, local government coordinated the partnership's activities with other community development projects. A less typical role for local government was as funder. In theory, local government offered access to funding through federal programs or the local budget, but in many cases, due to a high degree of centralization, the financing never materialized.

- In several projects, **specialized government agencies** offered technical knowledge in program areas. These were usually federal agencies with local or regional offices that provided resources such as information, curriculum and training.
- The idealized role of the **for-profit sector** differs somewhat from what could actually be observed in the projects studied. Respondents often praised the private sector's management ability, emphasizing its efficiency, but in reality this capacity was seldom utilized since the NGOs tended to manage the day-to-day implementation of projects. The contribution of the business sector might be more properly termed "oversight." For example, businesses served on committees that approved loans and grants from development funds. The resource most frequently contributed by business was funding, but all three sectors were hesitant to overemphasize this role. They seemed to be actively searching for additional ways to capitalize on nonmonetary resources of businesses to benefit their partnerships.

Benefits of complementarity

At its most basic level, complementarity can be purely geographic. In at least one partnership, two NGOs were implementing the same activities in different regions to capitalize on each organization's years of experience and goodwill with the local population. Respondents from all sectors saw partnership as an efficient way to secure necessary material resources their own institutions lacked. Partnerships also sought to maximize the effectiveness of those resources by coordinating the efforts of a variety of actors. In the previously mentioned example from Mexico, NGOs working in a vast impoverished region with severely inadequate infrastructure began an effort to coordinate the geographic coverage of their projects, thereby reaching a much greater proportion of their target population and eliminating costly redundancy. Increasingly, partnerships coordinated efforts in order to prevent such duplication. Partnership might also have helped ensure strengthened coverage and allowed projects to reduce costs by taking advantage of economies of scale. However, although economies of scale were mentioned as an incentive to partner, a greater number of respondents described the partnership as the only way to mobilize enough resources to implement the project at all, not necessarily as a vehicle for expanding it.

Ideally, complementarity allows the various actors to take unique steps toward a common goal, filling in gaps and compounding the benefits of each other's actions. Once again, respondents pointed out, this benefit was not derived from the actors' becoming more like each other, but rather from doing what they did best. However, without communication, coordination and a clear understanding of the common goal, the benefits are lost.

Sometimes an explicit goal of the partnership is to build the capacity of one or more partners. In the partnerships studied, business and government were relatively inexperienced in local development. Several projects included the respective NGO's capacity-building or advisory activities to help train municipality staff. Respondents from the business sector also stated they did not want to be viewed as a "bank" that only contributes funding; instead they hoped to expand their activities in support of development. Presumably, a greater repertoire of skills and resources in each organization would allow the partnership more flexibility and agility in allocating and updating roles and responsibilities. To use a term from economics, partnership maximizes *comparative advantage* because it allows NGOs that used to have to implement a project single-handedly to focus on the elements of implementation to which they are best suited while the remaining partners fulfill other necessary tasks.

Doing Better Things: Synergistic Partnership

The complexity of development issues creates a need for projects addressing these problems from many angles. Synergistic partnerships are able to provide great comprehensiveness and continuity in their projects and are more likely to have the internal resources to respond strategically to their environment.

From an NGO perspective, complementary partnership is likely to permit the NGO to provide the same sorts of projects and services it has in the past, but with greater depth and coverage. Synergistic partnership allows it to branch out into new domains or to coordinate its ongoing service delivery with other organizations working in new domains. For example, a project that trains CBOs to organize and prioritize their needs for more effective presentation to their local government, must also work with local government officials to create systems and procedures for interacting with citizens and responding to their concerns. A project that increases small farmers' production through technical assistance will not ultimately help increase incomes unless it can also address infrastructure and markets. In fact, difficult economic circumstances are often a great incentive to partner. Lack of markets and lack of infrastructure to get products to market are frequently cited as factors limiting the success of agricultural projects. When production is increased, income does not necessarily improve. Even the best designed local intervention is unlikely to affect the national and international prices of commodities such as corn, milk or potatoes.

To ensure short-term benefits and long-term sustainability, NGOs must partner strategically and draw on abilities of all members of the partnership to

respond to and influence the external environment. Government decisions about investing in infrastructure are no longer an “external” force if government is brought into the partnership. Research NGOs or government agencies may provide hardier seeds or even suggest alternative products to help build markets, thereby increasing incomes and, ultimately, improving peoples’ lives.

Choosing the Best Approach to Partnership

Both complementary and synergistic partnerships can be used to strengthen projects, mitigate risk and build social capital. Determining which approach is appropriate for a given situation depends on the needs and goals of the partners as well as the issue the partnership seeks to address.

Factors Favoring Complementary Partnership

- **The project is concrete, simple and short-term** (e.g., infrastructure, disaster relief). The private sector in particular may be willing to participate in complementary partnerships that take advantage of NGOs’ technical expertise in a program area. This allows the business to support a social cause without making major investments in new personnel with specialized skills or taking the time to build from scratch a relationship with potential beneficiaries.
- **Actors are new to partnership or do not yet know each other well.** It also seems to be a common first step for businesses new to development and still wary of becoming “entangled” before acquiring experience in identifying and evaluating good projects.
- **Relationships outside the partnership address other domains.** For example, an NGO may participate in a complementary partnership that focuses on service delivery, but it may also be a member of an information network that helps meet its research and dissemination objectives.
- **Actors do not have commitment to long-term action or will not be present.** Local government actors may prefer projects that yield results visible during their term in office.
- **Members of the partnership fear they might be co-opted or dominated by one of the partners.** Discrete responsibilities and a well-defined project can help prevent one actor from dominating the goals and activities of the partnership.

Factors Favoring Synergistic Partnership

- **The problem is complex, systemic and enduring.** Without complementary programs in other domains, isolated interventions will fail in response to complex problems.
- **Results can only be achieved over an extended time frame.** Synergistic partnership provides comprehensiveness and continuity to sustain initial benefits and build toward long-range impact.

- **The project context is volatile.** In such cases, activities across domains provide diversity that acts as a “risk-hedging” strategy.

Synergistic partnerships are more complex than complementary partnerships, but both require substantial time and effort for planning and coordination, especially when partnerships must build trust and bridge the gaps that separate the NGO, business and government sectors. Careful consideration of which approach is needed can ensure the time and energy put into partnering do not outweigh the benefits of the partnership.

Whither Philanthropy? Reclaiming the Concept

As NGOs attempt to integrate business into their work and businesses become more socially conscious, the concept of intersectoral partnering has gained prestige. Respondents in multiple countries and from all sectors praised a new era of business social responsibility (BSR). But in the rush to embrace this new concept, the idea of philanthropy has been discredited and generally discarded as outdated.

Critics characterize philanthropy as patronizing because it ignores the benefits business derives from supporting social causes. Philanthropy, even when motivated by altruism, has benefits for business that range from good feelings about having assisted a deserving organization to an improved image in the community, which can translate into higher profits. Furthermore, in some cases, funding is the resource NGOs need most. To say a business should become involved in all other aspects of a project when the issue does not call it defeats the whole ideal of efficiency through partnership. Philanthropy means supporting a worthy cause. When a business donates money to an NGO, it performs a service to the community and can often receive a substantial return on its investment. *The essence of BSR is that businesses can “do well by doing good”* (i.e., their public image is enhanced by virtue of their good works). The key characteristic of this transaction is an exchange of value for value.

Whatever the motivation, businesses should be encouraged to support the community through a variety of mechanisms including intersectoral partnering and, where appropriate, traditional philanthropy. A flexible business response to the challenges of poverty—one that takes business objectives, resources, interests, capacities, the availability of potential partners and community needs into consideration—is the most advisable approach to successfully engaging the business sector in sustainable development.

Motivating the Business Sector

Although they themselves are not primarily motivated by profit, NGOs increasingly encourage business participation in their projects by presenting social causes in ways that emphasize potential payoffs. In approaching businesses in this fashion, NGOs may be inappropriately discarding other powerful incentives—traditional altruism and a sense of obligation to “give back” to the community that has been its source of prosperity.

Development literature offers several potential business advantages of partnering to support sustainable development. Interestingly, tax incentives—one of the most frequently cited advantages—were only mentioned in connection with one of the partnerships we studied. In Peru, NGO and private sector respondents reported the requirement that companies donate a certain percentage of profits to social projects. A new nationwide project to promote BSR in the Dominican Republic (also funded by IAF, but not included in this study) was

looking at the tax issue with a slightly different twist. If businesses do not address pressing social issues, then the government will have to address those problems when they reach crisis proportions. How will the government fund its response? By raising taxes. So businesses are better off investing now, when the solutions are less expensive. Furthermore, through BSR the businesses maintain some degree of control over the way their social investments are used. According to the managers of the project, this philosophy has been well-received by the large national business organizations participating in the campaign.

Interestingly, thousands of miles away in Mexico, the Chihuahua Business Foundation, previously referred to as FECHAC, reflected this same philosophy. FECHAC was founded in response to a flood which had devastated impoverished sections of the city. As explained in the earlier discussion of corporate NGOs, businesses throughout the state agreed to pay a one-time tax to fund emergency relief efforts. This experience prompted some local business leaders to question whether the investment would have been more effective had it been used to protect vulnerable groups before the natural disaster hit. They subsequently agreed to pay an ongoing tax that would fund an NGO to carry out projects throughout the state, and FECHAC was born.

In addition to tax issues, private sector respondents mentioned as potential and actual benefits a variety of incentives to partner: improving a company's reputation; increasing community acceptance; building name recognition; marketing; improving sources of inputs (e.g., raw materials and human resources); and increasing local demand for products. NGOs alluded to cases of business support for development projects as a way to counteract community frustration over perceived exploitation and environmental degradation. Although businesses denied their actions were motivated by a need to distract from or make reparations for harmful activities, several respondents stated that participating in development projects made the difference between being able to do business in the community or not.

The majority of respondents from all three sectors viewed a positive impact on core profit-making activities as the fundamental motivation for business to participate in local development projects. This view was reinforced and encouraged by NGOs. In fact, representatives of several NGOs stated unequivocally that they saw philanthropy—defined as doing good for the sake of doing good, with no hope of gaining anything in return—as irrelevant and out-dated. This perspective was most pronounced in Peru, where business sector participation was most extensive among the projects studied. We also found this view to be quite pervasive throughout the development community as a whole. Nevertheless, several comments suggested NGOs should not be too hasty in writing off altruism. According to members of the business sector in Bolivia, the Dominican Republic and El Salvador, a very human desire to contribute to the community motivated participation in grassroots development projects. In each case, the key ingredient was the personal commitment of a charismatic individ-

ual, usually a president or upper-level manager, who promoted the ideals of philanthropy. Interestingly, the projects were still described as BSR, but personal satisfaction and fulfilling a desire to help disadvantaged groups were primary among the “returns on investment.”

In the Dominican Republic where, as in Peru, the concept of BSR dominated discussions of development partnerships, a respondent from a large NGO with projects around the country described Dominican subsidiaries of multinational corporations as the most likely candidates to participate in development partnerships. He explained that small, local companies did not have the resources and that large multinational corporations did not feel a connection to the local communities. Dominican subsidiaries, however, often had a mandate from their international parent companies to support social development projects in areas where they worked and also had a strong interest in doing so because they were genuine “local” companies. This commitment to the local community implied that, even where corporate policy dictated social investment, a strong human element was key in motivating participation.

The foregoing discussion reveals that “philanthropy versus BSR” is, to a great extent, a semantic debate, since supporters of philanthropy do not see it as purely altruistic but rather as an exchange of “value for value.” At the same time, proponents of “doing well by doing good” consider goodwill a return on social investment. This suggests that rather than an outdated philosophy, philanthropy may be a significant but undervalued source of motivation. The criticism of philanthropy seems to come from the view that it is “something for nothing,” whereas BSR is an “investment.” NGOs observed emphasized the distinction in order to appeal to the profit-driven element of business culture and, presumably, to businesses that had been reluctant to participate.

Although partnership with the business sector was limited to five of the 12 cases in our sample, we can believe, based on what we observed, that NGOs should consider recapturing and reassessing philanthropy as a legitimate mechanism for business participation. In fact, fostering philanthropy may produce a much more enduring business commitment. Under the investment/return model, businesses should not invest if they do not receive their desired returns or can achieve those ends (such as marketing and securing high quality inputs) more cost-effectively elsewhere.

Intersectoral Partnership: When Philanthropy Isn’t Enough

Once a business has decided to actively promote local development, for altruistic or self-interested reasons or some combination of the two, it must decide how to go about doing so. In several observed cases, these decisions occurred simultaneously as NGOs invited businesses to join an intersectoral partnership to create a development project. Of course, intersectoral partnership is not the only way businesses can promote development. They can act as “hands-off” donors, a behavior generally not considered partnership. (Although

some NGOs described corporate or international donors as partners, they distinguished them from “partners for implementation” or donors more directly involved in day-to-day project activities.) In other cases, businesses form their own NGOs to implement projects. In three cases observed in the study, the NGO grantee was a nonprofit organization created by a business or a business association. However, these NGOs went on to partner with local government and in some cases other NGOs and businesses. The business-founded NGOs also consider the parent corporation a partner, although its control and participation varied greatly among the three cases.

Whether the partner is a business or a business-founded NGO, intersectoral partnership is a popular strategy with business sector actors. Businesses generally desire the same complementarity that motivates public and nonprofit organizations to partner. Once a business commits to promoting local development, finding an established organization to partner with is much simpler than acquiring the resources and expertise necessary to create projects single-handedly. Partnering with NGOs lowers entry costs when businesses branch out into these new activities. Business respondents often expressed dismay over the slow pace of development projects, but presumably there would have been an even longer wait for results if businesses had had to start from scratch.

Private sector respondents wholeheartedly endorsed “partnership” as a development strategy, but their enthusiasm may distract from the fact that for-profit, nonprofit and public sector actors often had very different ideas of what “partnership” entails. Businesses may think of it as a commercial transaction, especially when they are the predominant funders. They often seek control over their “investment” and feel justified in requiring strict accountability from their NGO partners. NGOs, on the other hand, tend to feel they should have free rein to implement projects. They are very aware that their experience typically exceeds that of the business (and often the governmental) partner in matters related to the project. According to the partnership literature and our own interviews, when businesses work with NGOs, there is often initial confusion about roles and rules. Some questions that typically arise include the following:

- Is the business buying services by hiring the NGO to carry out a project on its behalf?
- Is the business making an unrestricted donation to be used at the discretion of the NGO?
- What does either situation mean in terms of accountability and oversight?
- What level of business involvement is acceptable before the NGO runs the risk of becoming co-opted by business interests?

These issues often become apparent once the partnership is underway and rule or role revision is difficult. Recent research and literature have described the typical conflicts that arise in intersectoral partnerships based on the institutional culture of different actors. Despite the abundance of available descriptive infor-

mation on these conflicts, no single structure has evolved to overcome them. This is another reason why we have proposed the new functional model. We also recommend the mapping techniques, described later, as a way to open up discussion on the relationships and the desired outcomes of projects implemented through partnership.

When asked why they choose to work with other sectors, most NGOs responded that their projects are “more efficient” and “more effective” when they partnered. By partnering they could design and install irrigation systems in more areas or train more community leaders or reach more farmers with credit and technical assistance. Partnering may have expanded the scope and the range of project activities, but it was considered a means to an end. NGOs tended to partner to enhance the activities in which they were already engaged. Similarly, local governments described partnering as a way to design and deliver better services to their constituents—things they had already been trying to do, albeit with inadequate results.

In contrast, the for-profit sector tended to partner with NGOs when it wanted to branch out into a new area, namely grassroots development. In this particular sample, most of the business partners participated in projects unrelated to their core activities, although the projects may still have affected their business interests both directly and indirectly. The one exception to the trend of participating in unrelated projects was a technical assistance program for small agricultural producers in Peru. A local processing plant ensured an adequate supply of high quality milk by supporting the project, which reached many of the small producers supplying the company’s main raw material.

The majority of business partners in the sample, however, supported projects such as micro-lending through development funds, training in participatory democracy, and building or repairing schools and clinics, even though their core business activities included mining, bottling soft drinks, producing power and, in the case of the two business associations, countless other pursuits. Although unrelated to a company’s core activities, projects could still have an effect on business and profits. In one case, a business participated in a housing project to relocate displaced persons residing illegally on company property. This served a direct business interest by allowing the company to then use the land. Since the company did not have any expertise in the housing sector, it partnered with local NGOs and government to carry out the project.

In other cases, contributing to development partnerships served business interests less directly. Several private companies in the sample support health and education programs in their communities because they considered a positive relationship with the community and an image as “good citizens” essential to success as for-profit entities. In El Salvador, private sector respondents expressed the opinion that businesses could only prosper in “healthy” communities. In “unhealthy communities,” local problems eventually limited a company’s growth and prosperity.

In contrast to their reputation among the other sectors and in the literature for preferring short-term projects, businesses actually expressed an interest in projects yielding hard-to-quantify, long-term benefits. “Businesses understand the concept of investing for the long term . . . as long as they are confident there will be a return on the investment,” explained the director of a business association that supported educational projects. In addition to the broad societal good they hoped to achieve by investing in education programs, businesses pointed out possible direct benefit to the company if today’s students became tomorrow’s employees. In this same vein, some employers lamented the difficulty of finding qualified workers locally and hoped supporting education would help remedy that issue in the future. Other long-term or subjective benefits businesses sought through partnership were related to reputation (by establishing a reputation as a responsible “citizen” or overcoming a reputation as a polluter) and marketing (by improving name recognition, building goodwill and opening or developing potential markets).

Although respondents from the private sector mentioned a variety of long-term benefits, the practical reality was that many of them still sought immediate, quantifiable results to justify their investments of time, funding and human resources. NGOs generally did little to overcome this short-term orientation and often took great pains to frame projects and results in terms of quantity and efficiency. They reported to partners or potential partners in the business sector using quantitative indicators, such as number of beneficiaries served, emphasizing input indicators and short-term, tangible results—often assuming businesses were unwilling or incapable of grasping and valuing the more subjective impact of the projects. Efforts to “speak the language of business” might, in fact, distract from the unique values and mission, a fundamental source of the complementarity that inspires business to partner with NGOs in the first place.

Getting by with a Little Help from My Friends: Partnering to Mitigate Risk

Every development project is fraught with risk. Throughout the project cycle there are multiple opportunities for failure. Tasks such as project design, activity implementation, milestone monitoring, outcome evaluation and effective advocacy are all laden with opportunities to jeopardize project success. Diversifying partner types and roles can serve as a strategy to hedge against risks to project success that are either internal (e.g., design weaknesses) or external (e.g., unforeseen contextual changes). When partners present a wide range of skills and resources, a project can respond in an agile way if and when problems arise. In this way, partner diversity enhances project sustainability since partner diversity represents a strategy of hedging risk. It is less likely, for example, that government will change policies crucial to achieving project goals when the government is also a partner in the undertaking.

Risk Mitigation Case Studies

The following four case studies describe ways in which the partners we studied mitigated risk through their joint activities. A risk-mapping tool introduced in the next chapter can be used for analysis of a partnership and also incorporates a “meta-map” that we used to observe patterns across the 12 partnerships.

Mitigating Risk through Partnership: Case #1

CASDEC is an NGO in Bolivia that helps indigenous communities improve their agricultural production through micro-irrigation systems and through the introduction of “environmentally friendly” agricultural techniques. Its technical staff speaks the local Quechua dialect and lives in the community for weeks at a time. CASDEC’s partnership with different levels of government demonstrates the risk mitigation that can come from complementary skills.

Many organizations engaged in development activities run the risk of poor project design due to unfamiliarity with cultural norms of the beneficiary population. Another factor that may contribute to poor project design is a lack of technical knowledge, in this case, the engineering skills required for micro-irrigation projects. This partnership benefits from CASDEC’s extensive knowledge of the traditional system of water rights in the community. As the engineers explained, at times the communities seem to want water to “run uphill” to particular fields, and if these cultural elements are not integrated, even the best-engineered system will not be accepted and used by the community.

Due to a changing legal context, the municipal government has taken a greater role in planning and coordinating local development. Even if the municipality had the necessary resources to hire the best engineers, any projects it undertook would first require a long and difficult process of building trust with the

community. Furthermore, if successful, the project would still only address one issue (water) in one community, while other priorities of the municipality would remain unmet. Partnering with CASDEC has allowed the municipality to support a well-designed project, without having to wait years to develop the expertise on its own—which would not be feasible given its resources and responsibilities. CASDEC has gained legitimacy in its role as a promoter of local development and also benefited from the municipal government’s coordination of broader development issues.

The cases below demonstrate how intersectoral partnership can enable projects to respond strategically to the external environment or bring elements of that external environment into its sphere of influence. This occurs as partnerships build synergistic relationships (i.e., add activities in more partnership domains). By responding to and influencing their external environment, partners can substantially reduce risks to project sustainability.

Mitigating Risk through Partnership: Case #2

Elections and changes of administrations pose a serious threat to project sustainability in many Latin American countries with strong party politics. It might seem logical for NGOs to avoid political turbulence by distancing themselves from the public sector, but two NGOs in the Dominican Republic chose the opposite approach. Bringing local government into these projects actually helped overcome the political scene’s challenges and achieve project sustainability.

The Popular Education and Communication Group (EPCA) and Solidarity Foundation (Fundación Solidaridad), both NGOs, work in very distinct environments: EPCA in an urban setting near Santo Domingo, the capital city, and Fundación Solidaridad in a rural, tobacco-growing region. What both have in common is their successful use of partnership to facilitate interactions between community groups and local government toward promoting democratic participation and government responsiveness to citizens’ needs.

In the case of Fundación Solidaridad, community groups have received training and then worked with local government in a participatory budgeting process. Their capacity has grown to the point where the groups now propose and implement their own activities, although Fundación Solidaridad continues to offer guidance and support. The current government has been very supportive of the project, but that could change dramatically as elections take place. Because of strong party loyalties in the Dominican system, new administrations are loath to continue their predecessors’ initiatives, preferring instead to start their own projects. However, the groups working with Fundación Solidaridad are now prepared to identify and prioritize community needs and work with the government to address them. The partnership among local government, NGO and CBO actors has created an organized constituency familiar with the struc-

ture and processes of the municipality and capable of participation regardless of the party in power.

In the case of EPCA, the level of integration with the municipality has been more difficult to achieve. Even when the government is supportive, there are seldom financial resources available for a project. The lack of funding for community-identified projects is often disheartening and takes the “momentum” out of community groups. Therefore, the partnership is also working with the business sector through the local business association (*Patronato Pro-desarrollo de Haina*) to find ways to fund community initiatives.

Mitigating Risk through Partnership: Case #3

Improving agricultural production is a common strategy for alleviating rural poverty. However, such projects are vulnerable to threats from all sides. Environmental degradation, lack of infrastructure and price fluctuations often put the desired outcomes of these initiatives at risk. ACCEDDE (Mexico), CASDEC (Bolivia) and ASPADERUC (Peru) demonstrate how partnership can be used to mitigate these diverse risks.

Both CASDEC and ASPADERUC work with government agencies as well as the local municipal government. The government programs offer technical resources such as certified seeds, training materials and qualified trainers. But even with additional technical resources, small producers often find they are at the mercy of difficult market forces. First, a lack of infrastructure may limit their access to markets or add to transportation costs, making their prices uncompetitive. Secondly, producers frequently find themselves powerless because they are simply too small to influence market prices.

ACCEDDE and ASPADERUC deal with these economic threats through partnership. ACCEDDE has supported the work of the Jalisco Farmers’ Organization (OCIJ) to organize small corn producers into small farmer organizations and a second-level cooperative (an association of farmer organizations) which coordinates the sale and transportation of large amounts of corn. This activity makes the transactions more efficient and more profitable for its members. Members of OCIJ, the same groups of small producers who receive credit and services through ACCEDDE, also benefit from being able to store their harvest in OCIJ’s warehouses.

While ACCEDDE helps small producers unite to negotiate with buyers outside the partnership, ASPADERUC seeks to mitigate risk by bringing a major buyer into the partnership. INCALAC, a local processing plant of Nestlé, is the major purchaser of milk from the small-scale dairy producers ASPADERUC has helped organize. The partnership also reduces risk for INCALAC by ensuring a high quality local supply of milk for the processing plant. Since INCALAC is the only purchaser of milk in the area, the local demand depends entirely on its willingness to buy. Although the relationship is not entirely collaborative—the milk

producers still seek the highest price possible for their product and INCALAC still seeks to pay lower prices for the milk it needs—the partnership has built a relationship around technical assistance, which gives the small producers some room to negotiate with their most important customer.

Mitigating Risk through Partnership: Case #4

Micro-credit is widely praised as a successful strategy for providing disadvantaged groups with the means to earn a livelihood, but it is also a challenging strategy. There is always the risk of a downturn in demand along with the difficulty of running a small enterprise even in a strong economy. FUNDADES (Peru) and FECHAC (Mexico) use partnership to mitigate the risk of failure and help ensure success for their micro-credit clients.

FUNDADES offers micro-credit to graduates of its training program for people with disabilities. The prejudice they face adds to the already daunting challenges of micro-enterprise in Peru's difficult economic context. To further help its credit recipients succeed, FUNDADES works with private sector organizations, such as the local industrial park, for support, including free display space. FUNDADES is also working with businesses to identify job opportunities for graduates of the training program.

FECHAC offers micro-credit to women who are already self-employed or who wish to start their own business. To help the grantees succeed, FECHAC works with several state agencies to offer training in marketing, accounting and product development. FECHAC has also invited a local bank to sponsor the program's newsletter which disseminates information to current and potential participants.

Partnership Road Map: New Tools for Thinking about Partnership

After speaking with representatives from different sectors across 12 partnerships, we appreciated that there was no single blueprint for building this sort of grassroots partnership, and yet we needed a framework for analysis. We needed some way to organize the overwhelming array of actors and actions in order to understand how they contributed to partnership success. The resulting mapping techniques respond to that need. They can be used by outside observers or by partners themselves to create a dialogue about roles required, who can play them and how they contribute to the ultimate goal.

Why Map Partnerships?

Mapping is a useful strategy for identifying patterns across a group of partnerships. Understanding common patterns can help funders support partnerships more effectively. Mapping is also useful in helping actors understand their roles and in detecting gaps the partnership may choose to address. Over time, the model shows the evolution of a partnership to more complex stages of complementarity and synergy. A partnership map can also inform planning of a new partnership or expanding activities of an existing one.

Use and Interpretation

Like a road map, a partnership map cannot help you if you do not know where you want to go. Therefore, the first step is identifying the goal. From that goal, all the activities of the partnership should follow. For each partner, fill in the cells that correspond to the roles that partner plays within the partnership. A partnership is considered complementary when the preponderance of the cells filled in falls within the same columns (a pattern of verticality). A partnership is considered synergistic when the preponderance of the cells filled in falls across columns (a pattern of horizontality). In some instances (e.g., a low-level development challenge), a complementary partnership is particularly desirable. However, when development challenges are complex and threats to project success are numerous, synergistic partnerships are preferable to other arrangements.

Diagram 8 shows partnership maps for the 12 projects we studied.

Mapping the actors in the projects shows the individuality of the partnerships but also highlights some of the similarities. Key findings include the following:

- Most NGOs engage in three areas: service delivery, human resource development and resource mobilization.
- The private sector is the least common type of actor and is almost exclusively involved in resource mobilization. Although partners in this sample

Diagram 7: New Partnership Model

Partnership Goal					
Activity Domains	Service Delivery	Human Resource Development	Resource Mobilization	Research & Innovation	Public Information, Education & Advocacy
Partners					
NGO 1					
NGO 2					
CBO 1					
CBO 2					
Public Sector Entity 1					
Public Sector Entity 2					
Private Sector Entity 1					
Private Sector Entity 2					

Domain definitions:

- *Service delivery*, undertaken at the grassroots level with the full participation of the poor, aims to sustainably improve quality of life—economic, social and personal.
- *Human resource development*, often described as empowerment, generally focuses on building the skills of disadvantaged people and/or personnel in organizations that partner with the poor. These activities are designed to help participants develop a deeper awareness of community assets and aspirations, along with the skills and self-confidence needed to harness them in pursuit of shared development goals. Activities that promote organizational capacity building are part of the human resource domain.
- *Resource mobilization* is process of securing the financial and technical support required to carry out such project-related functions as service delivery, training, research, advocacy, evaluation and dissemination of lessons learned.
- *Research and innovation* are activities that help local people, and the development practitioners who work alongside them, to test or assess new ways of responding to priority needs and problems.
- *Public information, education and advocacy* generally build upon research and field-based experience with service delivery. Often, there is a policy element to advocacy. Mobilizing public awareness, campaigning on behalf of policy reform and advocating structural changes in institutions that impact on the lives of the poor are important activities for many NGOs.

Diagram 8: Partnership Micro-Maps

Domains (column headings): service delivery; human resource development; resource mobilization; research and innovation; public information, education and advocacy

Actors (row headings): NGO, CBO, public sector, private sector (business)

ACCEDDE

Fundación Solidaridad

ASPADERUC

FECHAC

CASDEC

FUNDADES

CIPDER

FUSAI

CODICH

Fundación Inti Raymi

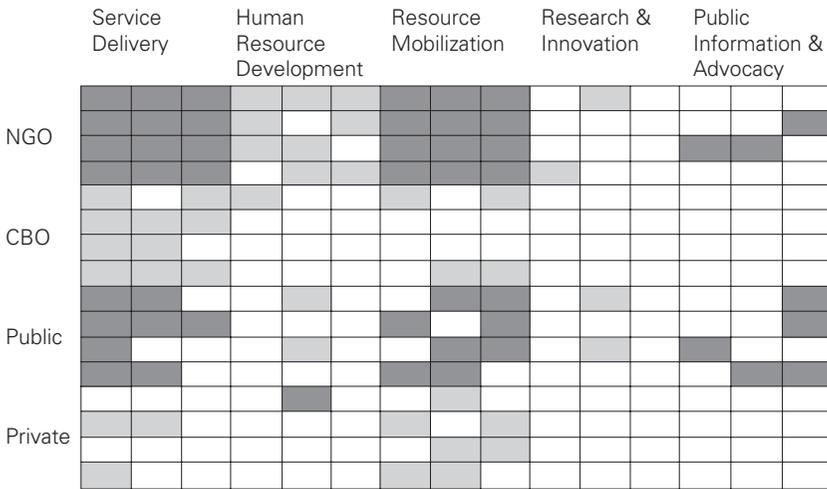
EPCA

Kürmi

involve business in creative types of resource mobilization, the private sector's role still has not expanded beyond this category.

- Research and innovation is vastly underrepresented. We should note that all 12 projects were designed as innovative projects that might be expanded. Several projects have already been replicated. However, explicit, concrete research and innovation activities, such as demonstration farms, are only present in a few of these projects.

Diagram 9: Meta-Mapping of Partnerships



These sorts of trends can be seen more clearly through “meta-mapping” or combining all of the projects into one larger map. Each cell of the meta-map includes 12 subdivisions, one for each case.

Once again, we can see that overall partnership activities are concentrated in service delivery and resource mobilization, while NGOs are also quite active in human resource development. NGOs and the public sector participate in the broadest range of domains.

Mapping Roles and Activities

In addition to simply mapping where activity occurs, the partners can use the map to analyze which roles are being filled and which may be lacking. The partnership map can also be used to identify gaps in the partnership’s coverage. Partners can brainstorm how they and/or new actors might contribute to those functions. The example in Diagram 10 does not represent any single case

Diagram 10: Sample Map of Partnership Roles

Partnership Goal	Increase household income by improving agricultural production through training in soil conservation practices.				
Activity Domains	Service Delivery	Human Resource Development	Resource Mobilization	Research & Innovation	Public Information, Education & Advocacy
Partners					
NGO	<ul style="list-style-type: none"> • Project Manager • Financial Administrator 	<ul style="list-style-type: none"> • Trainer 	<ul style="list-style-type: none"> • Provider of trained personnel 		
CBO 1	<ul style="list-style-type: none"> • Project Design 				
Public Sector	<ul style="list-style-type: none"> • Planner • Technical Assistance provider 	<ul style="list-style-type: none"> • Trainer 	<ul style="list-style-type: none"> • Provider of in-kind donation (land) 	<ul style="list-style-type: none"> • Researcher 	
Private Sector			<ul style="list-style-type: none"> • Funder 		
Unfilled Roles	<ul style="list-style-type: none"> • Monitor/Evaluator 				<ul style="list-style-type: none"> • Spokes person • Policy advocate

from the study, but rather is a composite showing typical roles for the sectors in each domain.

An analysis of the 12 partnerships shows most used partnership to improve project design, thereby decreasing the chances of an irrelevant or unfeasible approach to the problems addressed. There are, among our 12 partnerships, examples of project designs strengthened through technical expertise and also through the transmission of important cultural information. The business sector and local government often benefited from NGOs' knowledge of the communities served, while NGOs occasionally turned to government agencies to gain increased technical knowledge.

Municipal governments and NGOs frequently partnered with CBOs to build local capacity, thereby reducing the risk that the projects' benefits would

disappear as soon as NGOs moved on to new projects or new regions. Risks related to research and innovation are not generally seen as significant threats. Although risks in public information and advocacy are considered high by a moderate number of projects, they are only mitigated through a few of the possible strategies. These findings suggest more could be done in these last two domains to ensure project sustainability.

Where Do We Go from Here? Turning Best Principles into Best Practice

Grassroots Partnerships: Defying the Conventional Wisdom

As indicated, much of the existing literature on intersectoral partnership focuses on Northern NGOs with Southern partners and is not necessarily relevant to grassroots partnerships that exclusively engage local development actors. Although the number of cases we studied was relatively small, the fieldwork and analysis we conducted was enough to seriously challenge some conventional notions of partnership. Three surprising and striking insights emerged from our fieldwork:

Partnership formality does not necessarily depend on a legal contract. The actors we observed relied on close personal and working relationships to secure commitment to the partnership. Trust among partners and the importance of maintaining a solid reputation motivate actors to fulfil their obligations to the partnership. (However, when funding obligations are involved, there is almost always written documentation.)

Greater “integration” and “interdependence” of partners is not always desirable. Partner diversity is a source of complementarity, innovation and risk mitigation. Although partners must be able to bridge organizational cultures to understand each other and work together, they do not necessarily benefit from becoming more like each other.

Altruism also motivates business to support community development. The growing trend of BSR often seeks to replace philanthropy, but business respondents reported wanting to help their communities simply because it is the right thing to do. However, business sector representatives clearly do not want to be viewed simply as a “bank” for development projects.

Optimizing Partnership Benefits: Principles of Productive Partnering

These findings have implications for organizations that are or may become engaged in partnerships, as well as for the international community that supports them. Although the findings are not validated statistically, the rich qualitative data collected suggest steps actors, conveners and donors can take to promote effective partnerships.

Principle 1: Keep your eye on the goal.

Benefits of partnership are maximized when partners come together around a unifying vision and common goal for the community. When partners are confident that they share the same goal, there is less need for time-consuming “looking over the shoulder.” Instead, partners can focus on fulfilling their responsibilities in the most efficient and effective way possible.

Recommendations

- **Actors.** Make goals and objectives explicit from the beginning of the relationship. When partners meet, spend “face time” identifying and clarifying strategic goals, especially when working styles and organizational cultures are distinct. Partners confident that they share a goal will be less concerned with the distinct mechanisms and practices exhibited by other partnership actors.
- **Conveners.** Focus on desired outcomes rather than structural issues. Identify organizations with the right skills for the project and with sufficient commitment to the proposed goal.
- **Donors.** Provide funding for building and maintaining partnerships. The more complex the project and the more diverse the actors, the more sharing and “aligning” of organizational cultures will be needed.

Principle 2: To thine own self be true.

Partnering allows organizations to share their own talents and specialize in what they do best. ISPs can allow organizations to take advantage of the unique traits of other sectors without compromising their own essence. That is not to say partners shouldn’t learn from each other. When necessary skills are lacking, partnerships also offer an opportunity to build new capacities. Maintaining, to the extent manageable, differences in outlook and approaches serves to reduce internal and external threats to development efforts.

Recommendations

- **Actors and conveners.** Design projects that build capacity in other actors. Even if the trainer (typically the NGO) has to take on additional work at the beginning, this investment will pay off in the long run by allowing partners to share work efficiently.
- Identify areas of expertise to maximize complementarity.
- If there is little trust among partners, clarify roles in writing so actors can work independently when necessary and to eliminate redundancy.

Principle 3: Cast a wide net.

If partnership is like marriage, it’s time to start dating. Awareness of other actors in the environment builds a pool of potential partners, making it easier to draw on the necessary skills when a partnership opportunity comes along.

Recommendations

- Actors. Foster a wide variety of working relationships. Not every project requires a partnership, but, if trust is built through a variety of activities, useful understandings about various actors and their capacities will emerge.
- Use mapping tools to give more attention to phasing in new activity domains as social capital is accumulated.
- Conveners and donors. Convene potential partners for exploratory activities to build the “social capital” needed to create a partnership when the time is right.
- Pay attention to the mix of partnership activities in terms of their impact on the poor. In particular, give greater priority to recruiting partners for research and innovation and more attention to recruiting partners for public information, education and advocacy.

Principle 4: Use partnership to mitigate risk.

A great benefit of partnership is the ability to respond to a changing external environment. More systematic attention to potential threats and partner diversity can foster risk mitigation for a project.

Recommendations:

- Actors and conveners: Identify potential risks or threats to projects and skills needed to respond to them.
- Donors: Recognize (and reward) diversity in partnership arrangements.
- Evaluate partnership’s potential to mitigate risks to projects when awarding grants.

Principle 5: Don’t forget philanthropy!

Not all situations call for the same type of partnership—or for partnership at all. Do not rule out any particular role or strategy ahead of time. Costs are associated with achieving synergy because it requires a higher level of coordination, planning and adaptation. In some cases a working relationship other than partnership can build social capital for the actors (potential partners) while providing projects that benefit the community.

Recommendations

- Actors. Determine what relationship best fits the actors and the issue at hand.
- Recognize when *not* to partner, for example, when the project is simple, concrete and short-term or when there is a danger of one partner co-opting the others.
- Conveners. Encourage experimentation with partnership modalities and activity domains.

Project Profiles

Strengthening Integrated Development among Regions in Jalisco

Project Description³

Citizen Action for Education, Democracy and Development (ACCEDDE) works in six municipalities of Jalisco, Mexico,⁴ to consolidate the capacities of communities, farmer associations and municipal authorities in order to develop the local economy. The NGO also supports sociopolitical development, providing opportunities for interaction within and among regions, consolidating organizations and offering training (e.g., strategic planning and program development). Partnerships with community-based organizations and governmental entities help mobilize resources, including 7,200 volunteer hours donated by professors and students of the Western Institute of Technology and Higher Education (ITESO) who bring technical support in areas such as the formulation and execution of production projects.

Key Organizational Actors (in Cuquío)

Nongovernmental Organizations

- Citizen Action for Education, Democracy and Development (ACCEDDE)
- Western Institute of Technology and Higher Education (ITESO)

Community-Based Organizations

- Democratic Municipal Committee of Cuquío (CODEMUC)
- Independent Peasant Organization of Jalisco (OCIJ)
- Rural Producers' Associations (SPRs)

Public Sector

- Municipal government of Cuquío

³ All project profiles are based on data compiled through January 2001 when this manuscript was submitted—ED.

⁴ This summary focuses on project activities in Cuquío, one of six municipalities selected to receive credit and/or capacity-building support.

Evolution of the Partnership

The relationship was initiated in 1987 when students from ITESO were invited to work with community-based peasant organizations in the municipality of Cuquío. Eight years later, these same students would incorporate as ACCEDDE and become its core. At the time, Cuquío had not yet organized as a municipality and it lacked infrastructure and basic services, according to a study undertaken by the precursor to ACCEDDE and the Independent Peasant Organization of Jalisco (OCIJ) to identify the population's problems and needs.

During the first years of the collaboration, ACCEDDE planned a variety of interventions. Although these did not have the desired impact, they did provide learning opportunities. Efforts to improve the electoral process in preparation for the 1988 elections proved to be the most difficult undertaking. Electoral fraud at the national level left OCIJ and the citizens of Cuquío exhausted and disillusioned. By the 1990s, the actors realized that to arrive at tangible improvements, they needed an organizational methodology that would build on the strengths of the population and secure crucial municipal support. For the 1992 elections, ACCEDDE concentrated on raising the political consciousness of the community, and candidates for government offices were recruited from among individuals who would focus on the needs of the local population. Thanks to those efforts, elections were, for the first time, considered free of fraud. ACCEDDE moved into an advisory role to the new administration, and together they created the Democratic Municipal Committee of Cuquío (CODEMUC), composed of citizens and NGO representatives.

The partnership has since expanded its programs to new areas, for example, the needs of Cuquío's youth. Although the municipality had established an innovative style of collaboration, it had done little to address high emigration, lack of land and substantial unemployment. Since these issues deeply concerned youth, in 1996, OCIJ, CODEMUC and ACCEDDE helped found a youth organization, *Corazón de Madera*.

Desired Impact

To increase the family income of 2,000 low-income farmers organized into 50 rural producers' associations (SPRs), by providing access to credit and marketing services; to establish and strengthen community groups, increase government efficiency and create a more democratic process for local development; to benefit, directly and indirectly, 124,000 residents of the six municipalities through these activities (and resulting development projects).

Project Logic Matrix

Hypothesis Type	Statement of Hypothesis
Causal Hypothesis (Relates the cause of the problem to the problem)	Lack of coordination among communities, farmer associations and municipal authorities, as well as their lack of organizational capacity, leads to ineffective local development that does not consider community needs.
Intervention Hypothesis (Relates the intervention to the cause of the problem)	The creation of partnerships between CBOs and local government will lead to improved coordination among communities, farmer associations and municipal authorities. Organizational development training will improve CBO capacity. Training producer groups will also allow the members to access and manage agricultural credit.
Action Hypothesis (Relates the intervention to the desired outcome)	Creating partnerships, training public sector and community organizations, and providing access to agricultural credit will lead to effective development projects that address community needs.

Activities Initially Proposed (six municipalities)

- Mobilize and channel credit for crop production and marketing to 2,000 small-scale farmers
- Construct three storage facilities and support their operations
- Complete five market analyses
- Support small-scale farmers in the formation of 12 new rural farmer associations and four second-tier farmer organizations (organizations made up of associations)
- Train members of the 54 farmer groups in administration and production techniques through 36 courses
- Promote sustainable agricultural practices through training meetings, establishment of experimental farms, cultivation of 20,000 trees and preparation of pamphlets on alternative farming
- Coordinate bimonthly meetings of farmer groups to formulate production projects

- Administer a fund that provides credit to community associations and rural farmer groups for projects that improve production
- Provide workshops in strategic planning and program development and conduct meetings that promote the integration of intra- and inter-regional actors
- Provide training sessions for local government authorities in project design, mobilization and administration of resources, participatory planning processes and conflict resolution
- Plan 72 gatherings to establish a participatory approach to municipal economic policy formulation
- Coordinate annual conferences to exchange information on plans formulated by municipalities
- Establish 25 new community organizations in three municipalities
- Integrate new community organizations into CODEMUC
- Produce pamphlets and radio and TV programs
- Establish a volunteer program for university students
- Share lessons learned in workshops on formulation of municipal policy through social communication, as well as offer training courses on strategic social communication for the various entities

Major Accomplishments to Date (Cuquío)

Citizen empowerment through participation in community planning

Members of CBOs and local government officials report that ACCEDDE's work has strengthened the relationship between citizens and the municipality. CODEMUC has expanded its coverage; now virtually every community in its territory has the opportunity to influence budget decisions through the annual participatory prioritization process that has allowed the municipal government to allocate resources in ways that address community needs and preferences. Citizens, in response, have come to appreciate the budget constraints of the municipality. Within the municipality, some communities have willingly foregone projects in order to give higher priority to needs they considered more urgent elsewhere. Thus, in addition to the infrastructure projects resulting from the process, the annual needs assessment has created a greater sense of solidarity.

Creation of micro-enterprises and production projects that benefit local youth

ACCEDDE has worked with youth to organize workshops in production crafts such as wedding and party favors, paper and dried flower arrangements, and ceramics. It works with a state training agency to locate appropriate instruc-

tors and to ensure that graduates of the training programs receive certification in their respective fields. These new skills should help young people earn a livelihood and may help reduce the high levels of emigration from the region.

Improved production and marketing of crops

With ACCEDDE's support, OCIJ has organized and consolidated SPRs throughout Cuquío and has begun to do so in neighboring municipalities. Through OCIJ and the SPRs, small producers can negotiate lower prices for inputs, such as fertilizer and rental of machinery. Farmers report their yields have increased from an average of five tons per hectare (2.47 acres) in 1992 to as high as 12 tons per hectare. Through OCIJ, farmers can store and transport large amounts of crops, resulting in greater profits. ACCEDDE's guarantee fund makes timely and reliable agricultural credit more accessible. This is especially beneficial to farmers who do not own their own land, and, in the past, would quickly fall into a cycle of debt whenever other credit sources did not disburse funds on time.

Discussion of Potential Impact

Project personnel attribute much of ACCEDDE's current success to the organization's long history in the community. ACCEDDE staff are quick to point out that change does not come overnight and that improvements probably will not come as quickly in the other municipalities where the NGO is conducting or plans to conduct similar projects. The foundation for ACCEDDE's work in Cuquío, laid over a decade ago, has permitted noteworthy gains. Agricultural projects introduce technology that makes agriculture more sustainable. Just as important, ACCEDDE seeks to create sustainable organizational structures through the relationships between the new producer groups and OCIJ. Leadership within the groups is designed and nurtured so the groups can maintain themselves without ACCEDDE's support.

In addition to helping small farmers, ACCEDDE has also established diverse lines of action to attack rural poverty from several angles. The coordinated process whereby citizens help prioritize the community's development needs gives the municipality the information it requires to be more responsive, resulting in greater transparency and increased satisfaction among the citizens. The current municipal government's active collaboration has greatly increased the project's success.

The local development partnership in Cuquío enhances the ability of the actors to coordinate efforts in different domains. ACCEDDE places local institutions in three categories: market, government and society. In all three spheres, ACCEDDE supports actors who share the common goal of local development. Because of its history in the community, ACCEDDE has the credibility necessary to serve as a convenor. For example, ACCEDDE helps facilitate the annual prioritization of public works with CODEMUC and the municipal government. AC-

CEDDE is in contact with all the actors in the partnership, so it is able to see gaps in coverage and call on resources from the partnership to address those gaps. This process of monitoring needs highlighted the lack of youth services, which led ACCEDDE to support activities targeted at young people.

The partnership facilitates communication and information sharing across sectors in Cuquío. Its work has also addressed certain threats to project success. Small producers cannot really influence market prices determined by regional and international trends. The comprehensive package of activities offered by the partners can, however, provide the SPRs with access to credit, agricultural inputs, warehousing and transportation. Strengthened by these new resources, Cuquío's farmers can better weather the challenges of a changing financial and natural environment. At the organizational level, partnering with OCIJ has provided ACCEDDE with specialized agricultural knowledge and a close relationship with producers.

Of course, intersectoral partnership cannot solve every problem, and in some cases, partnership creates new challenges—for example, the time required to reach consensus. Partners also felt they had not yet been able to effectively disseminate the lessons learned in Cuquío as a means of encouraging other municipalities to promote participatory local development. However, the overall level of satisfaction with the current partnership and its activities was very high. Partners felt that the many years invested in building relationships with the community and among institutional actors are now beginning to pay real dividends that will continue to grow in the future.

Agro-Forestry Development in the Condebamba Valley

Project Description

In Peru's Condebamba Valley, the small size of family landholdings and the application of traditional cultivation techniques work to limit the production and profitability of agricultural goods. The *Agro-Forestry Development Project for the Peasant Farm* has brought together the Association for the Rural Development of Cajamarca (ASPADERUC); INCALAC, a local milk processor and member of the Nestlé Group; SENASA, a government agency; La Molina Agricultural University; the National University of Cajamarca; and the municipal government of La Grama. The partners' goal is to increase productivity and income of the Condebamba Valley's small farms through improved technologies and management practices. The project was designed to establish 60 model farms with diverse crops, pastures and trees, and integrate them into a single system using conservation techniques to ensure sustainable agricultural development.

Key Organizational Actors

Nongovernmental Organizations

- Association for the Rural Development of Cajamarca (ASPADERUC)
- La Molina Agricultural University
- National University of Cajamarca

Public Sector

- Municipal government of La Grama
- SENASA

Private Sector

- INCALAC

Evolution of the Partnership

ASPADERUC was founded in 1978 in the region of Cajamarca. The NGO has worked with peasant farmers in capacity building, agricultural credit and conservation programs to improve incomes, education and the overall standard of living. In 1996, other NGOs began working with farmers, providing credit based on cash deposits, but, unfortunately, some of these NGOs embezzled funds. Given this disaster, ASPADERUC began its activities under the careful scrutiny of the municipal government, and it worked hard to win the farmers' trust. Through the efforts that the ASPADERUC staff coordinated with Peruvian universities, SENASA and INCALAC, small farmers received technical assistance and other resources. Although ASPADERUC was able to gather support for its activities because of the friendly relationship already established with the directors of SENASA and INCALAC, it still had to prove itself by producing results.

The partnership across sectors is viewed as a method of minimizing cost, optimizing resources and uniting actors in a common project supporting the respective institutional objectives. INCALAC needs a milk supply that meets its standards and is adequate to the demand. ASPADERUC needs to demonstrate its technical capacity to manage projects that produce benefits. The municipality hopes to alleviate poverty in La Grama, where cultivation had been abandoned and livestock raising disrupted due to the political violence. The partnership has slowly become a model for municipal development projects.

Desired Impact

To increase the capacity of small landholders to satisfy basic needs and improve their standard of living.

Project Logic Matrix

Hypothesis Type	Statement of Hypothesis
Causal Hypothesis (Relates the cause of the problem to the problem)	Limited agricultural production and profitability lead to a low standard of living for families on <i>chacras</i> (small farms).
Intervention Hypothesis (Relates the intervention to the cause of the problem)	Workshops on new practices in agriculture, livestock and environmental sustainability for a core group of small producers will improve their efficiency and production, while mitigating negative environmental impacts and demonstrating the effectiveness of these techniques to other producers in the area.
Action Hypothesis (Relates the intervention to the desired outcome)	Training in a variety of agricultural practices for small-scale farms will lead to improvements in the standard of living of families dependent on this basic unit of the rural economy.

Activities Initially Proposed

- Organize and supervise small-scale irrigation systems
- Create new producers' associations that increase women's participation
- Reduce the use of chemical pesticides by organic farming (including composting) and applying integrated pest management
- Finance both technological changes and crop production through rural credit
- Share information and experiences through visits to farms that are piloting new techniques
- Provide technical assistance in animal nutrition, pasturage, the use of sweet potato as a fodder crop, cultivation of other forage crops, and human nutrition through dialogue with professionals from the La Molina Agricultural University, the National University of Cajamarca and INCALAC
- Set up training workshops to initiate 300 other Condebamba Valley farmers in the technologies, marketing and women's promotion activities used by the 60 model farms

Major Accomplishments to Date

Revitalization of social organizations

A period of political violence followed by the embezzlement episode broke down social organizations in the Condebamba Valley, leaving local producers wary of NGO initiatives. ASPADERUC invested time and effort in understanding the community and in earning its trust. Based on this trust, ASPADERUC was able to begin rebuilding social units (in this case, groups of farmers) in order to deliver training and technical assistance. Securing the necessary level of trust and helping to re-establish community-based organizations are significant accomplishments. Thanks to this stable foundation and the collaboration of the municipality, whose representatives traveled to ASPADERUC's offices in Cajamarca, the project has progressed to the service delivery stage.

Optimization of training resources through collaboration

Partnering with SENASA, a government agency, is an efficient way to deliver technical assistance. It also introduces local producers to the resources available after the ASPADERUC project concludes. SENASA's technical assistance will improve production and support sustainable land use without ecological degradation. The relationship serves SENASA's interests as well, since the newly organized and strengthened producer groups provide a ready clientele for its services. This symbiosis means that project benefits will outlive the project, through the development of a strong social network. Two universities, La Molina and the University of Cajamarca, also support the project through research on innovative agricultural techniques appropriate to the region.

Increased agricultural production through modern techniques

Project participants report they have learned and applied new cultivation and production techniques. After training, they understand the benefits of certified seeds and are more likely to use them. Local farmers have expanded their range of crops to include fruit trees. Also, through partnership with INCALAC, farmers find their products better positioned in the local market, since INCALAC is the major buyer of milk.

Discussion of Potential Impact

At the outset of the project, intersectoral partnership was essential to ASPADERUC's entry into the community and progress to the service delivery stage. Private sector support, in the form of financial and technical resources, also facilitated service delivery, and partnering with SENASA and the universities improved its quality. Furthermore, the universities' applied research skills and ASPADERUC's accompaniment (*acompañamiento*) of the process, helped ensure the project didn't merely impart knowledge but also supported farmers as they implemented new practices. ASPADERUC's accompaniment is highly regarded by the beneficiaries.⁵

A premier benefit of this partnership is that it considers market demand—not just production—by involving the private sector (INCALAC) in identifying and building markets for agricultural products. With respect to this issue, many agricultural projects break down. Without market demand, increased production does not translate into more income for farmers. The inclusion of INCALAC in the partnership also mitigates against the risk of economic recession because the small producers have an insight into the needs of their largest customer. ASPADERUC's participatory approach to working with beneficiaries has given it a better understanding of the realities of the farmers' lives, which it has conveyed to other partners. At multiple stages, the partnership has promoted progress toward the project's outcome, which, in turn, contributes to the long-term goal of alleviating poverty in the region.

Willingness to work together from the project's inception and trust built over the life of the project were cited by several partners as key to their success. While these factors have been present, the work has not been without challenges. The lavish promotions and flow of resources in connection with the presidential election campaign have distracted from and sometimes compromised the NGO's efforts. Government offers of free seeds, interest-free credit or other services diminished the project, and, in some areas, these short-lived services created a “cul-

⁵ Beneficiaries and ASPADERUC staff explicitly preferred the word “accompaniment” (*acompañamiento*) to “monitoring” (*monitoreo*). Respondents felt that accompaniment captured their focus on two-way communication that reflects and responded to beneficiaries' ongoing experiences. They saw monitoring as focused on compliance with planned activities

ture of assistance.” Even though relationships with SENASA and the local government of La Grama are positive, the national political climate continues to exert a strong, and potentially negative, influence on project outcomes.

Coordination and communication also present challenges. The number of actors and the size of the geographic area covered by the partnership complicate the meeting schedule and attendance. Furthermore, despite commitment to a common goal, institutional representatives from multiple sectors have stated partnership cohesion is challenged by strong institutional identity and lack of a common vision. Although partnering requires extra effort, the partners’ comments suggest partnership also provides resources to ward off threats, including those confronting most grassroots development projects, such as inappropriate design and lack of technical knowledge. The partnership also encourages beneficiary participation in project planning and implementation. Partnering with the private sector assures markets, thereby addressing a major threat to the success of agricultural production projects. Taken together, these factors support project outcomes that lead to sustainable development.

Management and Conservation of Natural and Renewable Resources for Sustainable Agricultural Development

Project Description

Management and Conservation of Natural and Renewable Resources for Sustainable Agricultural Development is a three-year initiative supporting 350 families and 10 community organizations in the area of Koari and the municipality of Tiraque in Bolivia. The project has focused on countering the problems of poverty and environmental degradation caused by traditional agricultural practices and a scarcity of natural resources. It introduces techniques for natural resource management and improved agriculture and livestock production. Annual operational plans are defined by the Social Action Center for Community Development (CASDEC) and municipal and community representatives. Participating communities provide labor for the construction and installation of water systems, nurseries and terraces, and the projected planting of more than 135,000 trees and shrubs in forests and watersheds.

Key Organizational Actors

Nongovernmental Organizations

- Social Action Center for Community Development (CASDEC)

Community-Based Organizations

- Irrigation committees (*Koari*)
- Irrigation subassociation (*Koari*)
- Union subassociation (*Juntutuyu*)
- Women's association (*Yanarumi*)

Public Sector

- Municipal government of Tiraque

Evolution of the Partnership

CASDEC, CBOs and the municipal government faced common problems related to water supply, irrigation, forestation and agricultural development. The need to mobilize financial, human and material resources around an initial micro-irrigation project motivated their cooperation. Each actor's particular interests and capacities were considered when defining functions within the partnership.

Over time, a shared vision has developed. Trust, respect, clear objectives, measurable results, defined roles and use of traditional knowledge have fostered successful partnership outcomes, which motivates continued collaboration. Although most agreements are verbal, the actors may occasionally use bilateral written contracts, but no single document unites all the partners. Respondents ex-

plained that the incorporation of written agreements grew out of a desire to document the partnership process, not out of any lack of trust among the partners.

Desired Impact

Through training in conservation and management of water, soil and forest resources, to improve agricultural production and mitigate environmental degradation, thereby reducing poverty and improving the sustainability of productive activities.

Project Logic Matrix

Hypothesis Type	Statement of Hypothesis
Causal Hypothesis (Relates the cause of the problem to the problem)	Diminished natural resources and traditional agricultural techniques contribute to poverty and environmental degradation.
Intervention Hypothesis (Relates the intervention to the cause of the problem)	Training in conservation and management of water, soil and forest resources, combined with the design and installation of micro-irrigation systems, maximize scarce natural resources and improve upon traditional agricultural techniques.
Action Hypothesis (Relates the intervention to the desired outcome)	Training in conservation and management of natural resources, combined with design and installation of micro-irrigation systems, will increase agricultural production and mitigate environmental degradation, reducing poverty and improving sustainability.

Activities Initially Proposed

- Provide training and technical assistance in water use; improvement of soil, pastures and forests; natural fertilizers and pest control; cultivation of barely, alfalfa and other pasture grasses; and production of seeds and seedlings for agricultural and forest uses
- Cultivate plants in community nursery for reforestation projects
- Design, install and maintain micro-irrigation systems

- Design, produce and disseminate the necessary training materials
- Formulate project plans and municipal strategy for natural resource management

Major Accomplishments to Date

Installation of micro-irrigation and potable water systems

CASDEC has worked closely with the local irrigation committees and other community groups to design irrigation and potable water systems that blend modern technologies with traditional water rights. As a result, community members, involved throughout the process, have been willing to contribute resources to construct and maintain the systems. CASDEC's style of partnering with CBOs and drawing on indigenous knowledge has also influenced other NGOs with which CASDEC has worked.

Implementation of soil conservation techniques

CASDEC has delivered training to CBOs and worked with them on reforestation projects and construction of terraces to protect watersheds. Community members reported applying the new techniques learned. CASDEC has also established a nursery which will provide seedlings for reforestation and for erosion-prevention projects after the initial activities are completed.

Inclusion of CASDEC in the Municipal Development Plan

By law, each municipal government must create a plan for development that includes actors from other sectors, such as NGOs. CASDEC has been included in Tiraque's development plan, ensuring coordination with the municipal government and laying a foundation for future collaboration.

Discussion of Potential Impact

CASDEC's partnership with the municipality and other development actors provides continuity for project beneficiaries. At the conclusion of the project, beneficiaries will be able to draw on the new relationships with local government and NGO actors and build on the accomplishments of CASDEC's project. CASDEC's participatory approach has created forums for discussion among stakeholders that can be maintained beyond the scope of any particular project. Similarly, as an organization, CASDEC cultivates a broad range of relationships, participating in national and international networks and working groups—valuable sources of information and potential partnerships.

In project planning, design and implementation, CASDEC defers to indigenous traditions.

The CASDEC staff has extensive knowledge of, and great appreciation for, indigenous irrigation and agriculture techniques. By working with CASDEC, the municipality and other NGOs in the area, such as Water for the People, have gained valuable insight into local culture, which has enhanced the design of their

development activities. CASDEC's history in the community, the presence of CASDEC's staff on a nearly full-time basis, and the staff's fluency in the local Quechua language all contribute to the high level of trust and confidence CASDEC enjoys. Additionally, the NGO builds local knowledge and leadership so that the expertise to guide and contribute to local development projects stays in the community. Respect for biodiversity, inherent in CASDEC's project activities, sets the stage for sustainable agricultural activities beyond the life of the project.

To some extent, CASDEC is providing services and training it could offer without a partnership, but CASDEC's staff and beneficiaries alike see added value in the partnership process. Partnership with other nonprofit actors and with the public sector has presented new opportunities to coordinate and plan project activities as well as to ensure broad coverage and leverage resources. Trust among actors and the growing confidence of the community are key benefits. Not surprisingly, this partnership capitalizes on the participatory traditions of indigenous social organizations.

In spite of the partnership's success, the project still faces challenges. While current activities have supported improvements in agricultural production and conservation of natural resources, small land-holdings and reliance on a single crop—potatoes—make it difficult to achieve long-term impact on the community's quality of life. Some respondents have suggested the partnership would benefit from new members—particularly from the private sector—with distinct, complementary areas of expertise, a common vision and no particular political leanings.

The CASDEC partnership mitigates the risk of project failure, most notably by improving project design. Knowledge of the region, the terrain, the language and local cultural norms make CASDEC's project activities appropriate to the community's needs, ensuring scarce resources are not wasted. Furthermore, the strong relationship between CASDEC and the community extends legitimacy to other organizations working through CASDEC. Inclusion of the municipality helps assure continuity through changing administrations, especially in the context of the new *Ley de Participación Popular* (Law of Popular Participation) requiring the municipality plan for ongoing local development. The partnership also helps mobilize the range of necessary resources, allowing activities on a greater scale than any single partner could achieve on its own. Expanding the partnership to include the private sector would potentially address the variable market demand threatening many agricultural projects.

The Decentralized Fund to Support the Poor Sectors of Cajamarca

Project Description

The *Decentralized Fund to Support the Poor Sectors of Cajamarca* has established a local development fund to support grassroots efforts that improve the lives of marginalized groups in Cajamarca, Peru. Beyond financial support, the project targets institutional capacity development. The Inter-Institutional Consortium for Regional Development (CIPDER), in coordination with Cajamarca's provincial municipal government and the private sector, has provided loans and grants to support small-scale projects that improve production, strengthen community organization, increase skills and knowledge, and expand income and employment opportunities for rural families. In four provinces of Cajamarca, the projects support innovative ideas and proposals from community groups, such as producer associations, mothers' clubs, agricultural committees, irrigation committees and youth groups.

Key Organizational Actors

Nongovernmental Organizations

- The Inter-Institutional Consortium for Regional Development (CIPDER)
- FONDER (financial branch of CIPDER)

Public Sector

- Provincial municipal government of Cajamarca

Private Sector

- Yanacocha Mining Company/ Asociación Yanacocha

Evolution of the Partnership

CIPDER, a Cajamarca-based consortium of eight local NGOs formed under an initiative of the Peru-Canada Fund, was legally constituted in 1992 to coordinate training and technical assistance to rural families in the region. More recently, FONDER was incorporated as the financial arm of the CIPDER consortium. FONDER has experience in supporting micro-enterprises through loans. All the organizations within CIPDER share a commitment to development in a "win-win" paradigm rather than through charity.

The CIPDER partnership demonstrates the important role that outside conveners can play, even when potential partners have already been identified. The provincial municipal government was eager to partner with CIPDER. The proposed project complemented its efforts, and administration officials respected the experience and ability of CIPDER's executive director. Securing private sector participation proved more difficult. CIPDER invited INCALAC, a local Nestlé milk processing plant, to join the partnership, but INCALAC de-

clined, citing time constraints due to current business negotiations. CIPDER also approached the Asociación Yanacocha, a foundation run by the Yanacocha Mining Company. Yanacocha, which was already engaged in local development projects, was initially hesitant, but IAF staff and their colleagues from SASE, the IAF's services contractors in Peru, helped facilitate the relationship. A verbal agreement between the director of CIPDER and the superintendent of the foundation assured the commitment. CIPDER's relationship with the provincial municipal government was similarly formalized through verbal agreements and letters of intent. The entire process of securing participation took close to a year.

The history of the CIPDER partnership demonstrates the importance of flexibility to accommodate diverse partners. For example, the provincial municipal government was eager to participate in the project but, per government regulations, was not allowed to lend money. Therefore, the original concept of the loan fund was expanded to include government-funded grants. The addition of a FONDER representative to the governing board of the loan fund is another example of accommodation. Initially, CIPDER, Asociación Yanacocha and the provincial municipal government were represented on the committee that oversees the fund and awards loans or grants. FONDER functions independently of CIPDER, and its director was concerned that FONDER would administer loans and grants without having evaluated the proposals and approved the awards. To resolve the issue, the partners agreed to add a FONDER representative to the board.

Desired Impact

To improve living conditions for 1,000 families across the four provinces of Cajamarca through infrastructure and public services supported by a local development fund.

Activities Initially Proposed

- Provide loans and grants to CBOs and beneficiaries
- Create a governing board, with five representatives, to formulate fund regulations and policies as well as review, evaluate and recommend projects for funding
- Monitor progress of funded projects

Major Accomplishments to Date

Cooperation among private business, public sector and private nonprofit institutions

The CIPDER partnership has successfully brought private business, the public sector and private nonprofit institutions together in support of local development. The positive experience with successfully funded projects has created links between the partnering organizations. This "social capital" can be invested in future projects.

Project Logic Matrix

Hypothesis Type	Statement of Hypothesis
Causal Hypothesis (Relates the cause of the problem to the problem)	Lack of funding for development projects perpetuates the impoverished living conditions of marginalized groups in Cajamarca.
Intervention Hypothesis (Relates the intervention to the cause of the problem)	The local development fund will provide grants and loans to grassroots organizations to carry out local development projects.
Action Hypothesis (Relates the intervention to the desired outcome)	The fund will provide resources for local development projects, leading to improvement in the lives of marginalized groups in Cajamarca.

Support for community development projects in a variety of program areas

The development fund has supported 77 local projects benefiting, according to CIPDER’s estimates, 434 families through direct production activities and 7,909 families through community works projects. Loans have been used to create or expand small businesses, such as bakeries and stores and have also strengthened grassroots organizations.

Discussion of Potential Impact

The CIPDER partnership brings together all three sectors, reinforcing relationships between diverse actors in the community and building on their common vision for local development. According to the partnership’s structure, the three main institutional actors play similar roles: all contribute capital to the fund; all evaluate proposals and award grants or loans. However, there is also a high degree of complementarity among the partners. CIPDER brings extensive knowledge of local development issues, especially in rural areas. CIPDER, through FONDER, also provides expertise in managing micro-credit loans. The provincial municipal government brings its own experience and its position as a planning and coordinating entity for development in all sectors. Asociación

Yanacocha provides substantial funding and lends a business perspective to management and oversight. Its presence might also serve to encourage other private sector support of similar development efforts through BSR.

As previously described, forming the partnership was not a simple process, even though the major institutional actors all shared a commitment to sustainable local development. An important benefit of the partnership is the new level of trust among these institutions. Increased familiarity with the other partners' unique organizational culture and the expertise represents social capital that could facilitate future collaboration.

Respondents stated that time for meetings was a necessary cost of partnership. However, they also felt their meetings were not excessive but, in fact, quite efficient. They cited as a partnership challenge reconciling distinct organizational cultures that were at times "individualistic and isolationist." Respondents stressed the importance of working with the right level of an organization. For example, hierarchy in the public sector presented stumbling blocks to the development of local initiatives, and mid-level business personnel did not necessarily have the same understanding of BSR as senior management. Nonetheless, respondents were quite positive about the experience and the evolution of strong working relationships within the partnership.

The partnership has drawn on CIPDER and FONDER's technical expertise to help ensure an efficient, appropriate design, thereby reducing the risk of failure. Seeking partners from all sectors, in particular the private sector, has helped ensure sustained funding. While partnering has helped reduce threats to project impact locally, it has been less successful at reducing risks in the broader operating environment. For example, national presidential campaigning has detracted from the project by offering alternative programs or services not likely to be sustained beyond the election. Lack of coordination with a national development plan (because one does not exist) was cited as a weakness in the local agenda. Another threat to partnership impact is the current economic climate recession in Peru. It is difficult for community groups or small producers to repay loans because returns on their investments in production are low. The partners are aware of these wide-reaching threats, but have not been able to address them through partnership. Nevertheless, they have implemented a successful project and effectively used their partnership to mitigate risks at the local level.

Building Management Capacity for Sustainable Human Development

Project Description

The project *Strengthening Local Management Capacity for Sustainable Human Development* seeks to alleviate the lack of infrastructure limiting productivity and economic opportunities in Chalatenango, El Salvador. It engages the public and private sectors, strengthening local institutions so they can mobilize resources for development. The Departmental Corporation for the Integral Development of Chalatenango (CODDICH) works with local, micro-regional and departmental development committees to ensure citizen participation in establishing priorities and to coordinate the efforts of various institutions in the region. Through technical assistance and its network of organizations, the project builds local capacity to analyze, define, plan and finance development.

Key Organizational Actors

CODDICH is a quasi-state organization whose membership includes both private and public sector organizations grouped according to thematic focus: health, production, education, human rights, gender, youth, cooperatives and environment. CODDICH is also organized geographically into six micro-regional development committees that include representation from the public and private nonprofit sectors. Due to reduced business activity in the region, private sector participation is limited to the Association of Tobacco Growers. Other members of CODDICH include the departmental governor, legislators, municipal mayors, government agencies, NGOs, community-based organizations (CBOs), military representatives and the national police. CODDICH also coordinates its work with government ministries at the national level.

Evolution of the Partnership

CODDICH was formed through the consolidation of local development systems that grew out of United Nations programs following the civil war. These entities were brought together by their common desire to serve the population of Chalatenango through technical, social and political support. Members of CODDICH also recognized the need for an organization that would represent the whole department to the central government and international cooperative agencies. The 100 organizations in the CODDICH partnership share a commitment to creating a forum where they can reach a consensus on needs and priorities.

Desired Impact

To build the capacity of local institutions from all sectors to identify needs, secure funding and implement projects, thereby stimulating economic development in the region and reducing poverty.

Project Logic Matrix

Hypothesis Type	Statement of Hypothesis
Causal Hypothesis (Relates the cause of the problem to the problem)	A lack of infrastructure in Chalatenango leads to the region's low productivity and a scarcity of economic opportunities, reinforcing the cycle of poverty.
Intervention Hypothesis (Relates the intervention to the cause of the problem)	The creation of a committee of representatives from government and nongovernmental institutions that coordinates efforts to identify, prioritize, plan and secure funding for development activities will lead to improvements in infrastructure.
Action Hypothesis (Relates the intervention to the desired outcome)	The committee's efforts will stimulate economic development projects in the region, offering more opportunities to earn a livelihood and reducing poverty.

Activities Initially Proposed

- Provide technical assistance in strategic planning; management and fundraising; decentralization and development; and project indicators, monitoring and evaluation
- Create a technical unit to develop plans and proposals for funding
- Establish a fund to support the preparation of project proposals directed at new donors with greater resources for implementation
- Contract technical assistance to complete needs assessment and feasibility studies in areas such as watershed management, agro-forestry and chains of production
- Arrange meetings with national and international donors

Major Accomplishments to Date

Incorporation as a foundation

Through a previous IAF grant, CODDICH incorporated as a foundation under Salvadoran law. This status helped legitimize the organization, allowing CODDICH to secure the participation of virtually all institutions in the region. Through ongoing meetings and planning, CODDICH has initiated productive

working relationships and communication with partners, laying the groundwork for future intersectoral collaboration. Representatives note with pride that the partnership serves as a forum in which party politics do not dominate the decision-making process.

Creation of concrete projects in the area of infrastructure and education

CODDICH projects have improved roads, provided electrical service to several communities, and constructed four schools in the municipality of San Francisco Morazán.

Training in the functions of the pre-investment fund

CODDICH has trained more than 100 representatives from five sectors (program areas) in the functions of the pre-investment fund which will provide resources to help members of the partnership research funding sources and prepare proposals.

Discussion of Potential Impact

CODDICH represents a unique structure among the 12 projects studied. It is the one partnership in which all the actors are united under a single legal entity. As its name implies, the Departmental Corporation for the Integral Development of Chalatenango, CODDICH, initially intended to structure itself as a corporation. However, Salvadoran law, with no provision for a nonprofit corporation, required the organization to incorporate as a foundation, an alternative structure that has not impeded CODDICH's work. As several members commented, CODDICH is not, strictly speaking, an NGO because the partnership includes municipal and other public sector representatives—hardly “nongovernmental.”

Members of CODDICH represent elements many observers might consider incompatible in a partnership: military and former guerillas; government agencies and NGOs; organizations dedicated to such diverse pursuits as health, education, infrastructure and the environment, among others. Although these partners emphasize the challenges of coming together and readily admit to sometimes arguing vehemently over ideologies and priorities, no one interviewed suggested there was a better way, or indeed any other way, to achieve sustainable development in Chalatenango. As residents of El Salvador's most rural and underdeveloped department, the members of CODDICH frequently expressed the opinion that if they did not take an active role in their own development, no one else would. This attitude enabled the various groups to rise above traditional rivalries and suspicions and unite for their mutual benefit and to reach their common goals for Chalatenango.

A notable benefit of the CODDICH partnership is the increased awareness and coordination among institutional actors in the region. The partnership brings together actors from all sectors and from varied program areas to plan activities that respond to broad-based community needs and to coordinate their efforts throughout Chalatenango. CODDICH also channels resources from inter-

national donors to local groups within the partnership. This type of coordination maximizes efficiency in a region with limited development resources. Additionally, the partnership actively builds capacity by addressing training requirements. CODDICH has met an important need of its members through the pre-investment fund which helps local organizations identify new funding sources, develop their proposals and secure grants.

Partnering also allows CODDICH to provide more comprehensive services to the communities of Chalatenango. For example, CODDICH worked with local neighborhood committees to mobilize resources for two government housing projects which were unoccupied because they lack electricity. Another organization provided water service to the houses in one of these projects. Once the necessary services were in place, the new residents moved in. Because it has electricity to run a refrigerator, a store in one of the communities now offers meat and dairy products for sale. Furthermore, the participating CBOs have been strengthened through the process of organizing to secure the services.

The members of CODDICH expressed a strong commitment to the partnership and to promoting development in Chalatenango. They emphasized the intense difficulties of bringing together diverse actors that, not so long ago, had been at war with each other. Their common vision for Chalatenango kept them dedicated to the partnership and inspired them to overcome seemingly insurmountable differences in institutional cultures. Now that the first stage in building trust and solidifying relationships has been completed, CODDICH has started to play a greater role in mobilizing resources and building capacity among members—a role essential to achieving the broad impact and long-term sustainability the partnership desires.

Municipal Development and Democratic Participation

Project Description

The mission of the Popular Education and Alternative Communication Team (EPCA) is to empower low-income citizens in the municipality of Haina to organize and address socioeconomic and legal issues affecting their livelihoods and to increase their access to basic community services. Traditionally, a party-dominated and highly centralized political system has limited citizen participation and, consequently, confidence in that system. Furthermore, the municipal government has been unresponsive to community priorities, often because they were not clearly identified or articulated. Through the *Municipal Development and Democratic Participation Project*, EPCA facilitates a process of dialogue among different community sectors to promote development in Haina. The partnership includes municipal authorities; the private sector, represented by the Pro-Development Association of Haina (a multi-sector organization that includes representation from the Association of Business and Industry of Haina); and civil society organizations, including 49 neighborhood committees representing low-income residents. Through meaningful communication, EPCA hopes to generate joint initiatives, define each party's role, and obtain a commitment from key actors to supply resources that address the pressing transport and sanitation problems identified as priority community needs.

Key Organizational Actors

Nongovernmental Organizations

- Popular Education and Alternative Communication Team (EPCA)
- Pro-Development Association of Haina

Community-Based Organizations

- Neighborhood committees
- Mama Tingo Women's Committee
- Women Lawyers for Justice for Women and Children
- Other CBOs

Public Sector

- Municipal government of Haina

Private Sector:

- Association of Business and Industry of Haina

Evolution of the Partnership:

EPCA was founded by college students and young professionals in 1983. The organization's activities have focused on public education and training and

support for CBOs. In order to bring about change benefiting the entire community, EPCA recognized the need to interact with other institutions, especially from the public and business sectors. Over the course of its work, EPCA's interactions and relationships with other institutions have noticeably evolved from confrontation to negotiation, and EPCA can now create strategic alliances across sectors to meet mutual needs.

EPCA's *Municipal Development and Democratic Participation* program is the foundation on which much of the collaboration has developed. During the 1994 elections, EPCA brought political parties and representatives of civil society together to draft a *Pacto Social para el Desarrollo Comunitario* (Social Pact for Community Development). The NGO brokered a "nonaggression pact" among local representatives of competing political parties during both the 1994 and 1996 campaigns and, in 1996, coordinated a nonpartisan citizens' electoral monitoring network at the municipal level. EPCA also provided training in selected reform topics to 120 community leaders and 20 municipal government officials and employees. These activities were among the early confidence-building steps of the partnership.

In addition to the municipal government, EPCA also works closely with neighborhood committees and other CBOs in Haina. EPCA and the CBOs characterize their relationship as a close friendship, established and fostered through training, organizational consulting, joint planning strategies and development projects. Often these activities are spontaneous. Even as these organizations work closely, each keeps its distinct identity and maintains only verbal agreements with the other. The partnership's development has also been shaped by changes in the broader policy environment, specifically legislative reforms that return a small percentage of tax revenues from the national to the municipal government. Although funds received have been less than anticipated, the new legislation has promoted the idea that the municipal government should take a more active role in development. EPCA's credibility among community groups and its nonpartisan stance make it an attractive partner for the municipality.

Most recently, EPCA has sought to increase private sector participation in community development. Haina hosts many large businesses because of the nearby port and free trade zone. The Association of Business and Industry of Haina, representing many of these businesses, frequently receives requests for funding from groups or projects in the community. Rather than deal with a variety of disparate proposals, the Association of Business and Industry chose to engage in community development through the Pro-Development Association of Haina, revived in 1993 after several years of inactivity. The business community, the municipal government and civil society are all represented in the Pro-Development Association which unites these sectors in addressing problems facing the municipality, including infrastructure and construction of schools. The union of the two associations has prompted a surge in proposals and petitions, giving rise to a clear program to follow.

Desired Impact

To promote active citizen participation in government decision-making by strengthening CBOs and to make local government more responsive by building its capacity.

Project Logic Matrix

Hypothesis Type	Statement of Hypothesis
Causal Hypothesis (Relates the cause of the problem to the problem)	Limited citizen participation, little confidence in the political system and insufficient administrative capacity work to make the municipal government unresponsive to community needs and to weaken the democratic process.
Intervention Hypothesis (Relates the intervention to the cause of the problem)	Strengthening community-based organizations and municipal authorities, along with establishing a process for dialogue, will encourage citizen participation, increase confidence in the political system and improve municipal administrative capacity.
Action Hypothesis (Relates the intervention to the desired outcome)	The strengthening of CBOs and local municipal authorities' capacity, and the creation of a process for community-government dialogue, will encourage democratic participation and improve government's response to community needs.

Activities Initially Proposed

- Train 150 community leaders from the 49 neighborhood committees as well as an additional 10 civil society organizations in proposal formulation, organizational management, meeting procedures and interaction with municipal authorities
- Train 12 municipal government representatives and employees in municipal legislation and reform, problem solving, public participation, and power sharing
- Convene and facilitate a series of intersectoral meetings

Major Accomplishments to Date

Strengthened capacity of CBOs and municipal government

EPCA's work has strengthened democratic participation through training CBO and municipal representatives in the role of local government and the rights and responsibilities of citizens. CBO members also report they have gained skills to conduct meetings and coordinate their groups' activities and have gained confidence.

“Basic Plan for Municipal Development”

With the participation of public sector, private sector and community actors, EPCA facilitated a public forum to draft a “Basic Plan for Municipal Development” (*Plan Mínimo de Desarrollo Municipal*) for Haina. The resulting document presented the community's priorities to political candidates and also provided the community with a tool for insisting on accountability from the party elected. The dialogue initiated and maintained through EPCA's efforts to convene public and private sectors has yielded concrete projects, including the management of garbage disposal in three neighborhoods.

An increased role for the private sector

EPCA's work with the members of the local business community and the Pro-Development Association of Haina has helped revitalize the role of the private sector in local development and also fostered greater collaboration between local government and business.

Discussion of Potential Impact

One of the first challenges EPCA faced in bringing together citizens and municipal government was to identify a suitable structure for citizen participation. EPCA chose to strengthen the existing community organizations, such as the neighborhood committees, so they could effectively represent their needs and concerns to the municipality. EPCA then created a discussion forum, through a series of meetings, where the community and the public sector (both current municipal officials and candidates) could discuss development issues. Building a network of community groups and training community leaders in preparation for dialogue across sectors was particularly important in Haina because, respondents explained, the large immigrant population in Haina prevents a strong sense of community identity. Revitalizing neighborhood committees and other CBOs through capacity-building programs and training local leaders provides a sustainable structure for representing the community. Because their membership comes directly from the community, the CBOs also respond quickly to changing concerns and communicate them to other partners.

Building capacity and leadership skills within community groups also helps overcome another challenge facing EPCA. Highly centralized government in the Dominican Republic means municipalities have few resources. EPCA had

hoped to secure additional resources from the private sector, but the business community was wary of dealing with community organizations which it saw as lacking controls and management skills. EPCA's ability to mediate between the community groups and businesses (represented by the Pro-Development Association) encouraged private sector participation in development projects and increased confidence in CBOs' abilities, although more progress is needed before the business sector is likely to interact directly with CBOs.

A source of uncertainty in this partnership is the role of the municipal government. Despite EPCA's progress in addressing the municipality's accountability and technical capacity, strong party politics make the relationship unstable. Turnover is high, and a new administration will probably mean rebuilding relationships from scratch. Nevertheless, EPCA's work with all candidates and parties during the election process, as well as the increased expectations of the community, will help ensure future municipal officials remain engaged with the CBOs. Respondents from all sectors cited "social capital," in the form of strong organizations and relationships, as a key benefit of the partnership.

Promotion of Economic Development of Marginalized Communities in Chihuahua through Micro-Enterprise Banks

Project Description

This project, initiated by the Chihuahua Business Foundation (FECHAC), addresses overall low levels of female participation in economic activities, by establishing and supporting community banks in the state of Chihuahua. FECHAC lends money for the creation of micro-enterprises. The average loan is the equivalent \$450, repayable over three months. Community Health and Development (SADEC) provides the technical assistance necessary to establish community banks. This includes training FECHAC staff in village banking methodology and project implementation.

Key Organizational Actors

Nongovernmental Organizations

- Chihuahua Business Foundation (FECHAC)
- Community Health and Development (SADEC)

Community-Based Organizations (CBOs)

- Community banks

Public Sector

- Office of Commerce and Tourism
- Federal Consumer Protection Agency (PROFECO)
- State government

Private Sector

- Banco Bilbao Vizcaya
- Businesses

Evolution of the Partnership

Through its own study, FECHAC found families in Chihuahua had difficulty meeting basic needs. The study indicated that a lack of opportunities for women in the labor market resulted in low levels of income. With this understanding, FECHAC searched for, and found, a method to improve household incomes: micro-credit lending combined with training in small business management. SADEC's experience in community banking made it an ideal partner. While FECHAC contributes capital and covers the operational costs of the project, SADEC provides the methodology and technical assistance required to establish and maintain community banks.

The Office of Commerce and Tourism provides courses in areas such as accounting and marketing, that complement FECHAC's credit services. Another

government agency, PROFECO, will soon offer the micro-credit groups training in the elaboration of household cleaning products. It is now easier for the Office of Commerce and Tourism and PROFECO to reach stakeholders because the beneficiaries are already organized, having formed community banks in order to receive credit. The government services enhance the success of the credit program and may also empower the participants in areas unrelated to their loans. FECHAC invited a local bank to support the project by funding a newsletter through to publicize the project and its success as well as bank’s services and support to the community.

Desired Impact

To generate, through 750 projected loans, approximately 1,500 new jobs and produce nearly \$500 in savings (per loan) over a period of 27 months

Project Logic Matrix

Hypothesis Type	Statement of Hypothesis
<p>Causal Hypothesis (Relates the cause of the problem to the problem)</p>	<p>Lack of well-paid jobs and low female participation in economic activities contribute to urban poverty.</p>
<p>Intervention Hypothesis (Relates the intervention to the cause of the problem)</p>	<p>A micro-credit program offering small loans for productive activities, along with training in relevant business skills, will allow women to begin or expand economic activities and acquire skills to help ensure the success of these activities.</p>
<p>Action Hypothesis (Relates the intervention to the desired outcome)</p>	<p>A micro-credit lending and training program will improve the economic well-being of women and their families in impoverished communities.</p>

Activities Initially Proposed

- Establish 75 community banks
- Provide 750 loans to low-income women
- Provide training in small business management, organizational development, credit administration and marketing

Major Accomplishments to Date

Establishment of 68 community banks (in addition to 10 from the pilot phase of the project, for a total of 78)

Creation of 1,076 new jobs

Participation of 1,082 beneficiaries in nine cities

Discussion of Potential Impact

The project model is logically sound and the implementation is currently on track, as shown by monitoring reports, data from FECHAC staff and anecdotal information. It clearly fills a need for women who seek affordable loans so they can enter into or expand productive activities. There is demand for the services, as shown by the formation of 65 new banks. Program staff estimate 60 to 70 percent of the participants are engaged in commercialization of goods.

Beneficiaries expressed a high level of satisfaction with the credit program, regarding both the loans and program staff support. In informal interviews, participants described their experience as empowering. The most enthusiastic supporters were those who had expanded activities in which they were already engaged, usually the sale of clothing or household goods. Participants reported they were able to repay the loans and meet the program's savings requirements. Monitoring reports suggest repayment rates are very high.

A program challenge is ensuring participants use the loans solely for productive activities rather than consumption. Occasionally personal conflicts arose among bank members, resulting in departures. However, new participants were found who could deposit the requisite savings to start the program and pick up where the departing members left off. Participants reported the bank was stronger in spite of losing members, because, with the new members, the resulting group was more united.

The major limitation to the project is that it is not self-sustaining. At this point, the loan capital is recovered and participants generate personal savings, but FECHAC pays the cost of administering the program. Since participants consolidate their productive activities, generate savings and also receive training, they are likely to enjoy benefits beyond the project time frame, but the program will not be able to form new banks and reach additional beneficiaries. Currently, the FECHAC staff is examining ways to make the operations self-sustaining.

The partners describe their working relationships as positive. Working with FECHAC allows the Office of Commerce and Tourism to reach beneficiaries who would not otherwise seek the services of a government agency they mistakenly assume has a regulatory function agency. Partnering with state agencies also allows FECHAC to ensure credit recipients have access to useful training without requiring the NGO to design and conduct the training itself.

Beyond the scope of this project, the broader partnership between the private sector in Chihuahua and FECHAC also produces benefits. Representatives of participating businesses approve projects in each city in which FECHAC works and many other businesses support FECHAC by paying the tax. One threat to the sustainability of this very productive partnership is the expiration of the tax, its main source of funding, initially approved for a 10-year period. While its expiration cannot threaten benefits already achieved, FECHAC is currently making contingency plans in case the tax is not renewed.

Municipal Consensus and Development

Project Description

To overcome the effects of a historically centralized government and citizens' loss of faith in the political system, the project *Municipal Consensus and Development* has created a partnership to facilitate dialogue between citizens and elected authorities in the municipality of Villa González. The partnership's activities include training 200 citizens to work effectively with municipal authorities; assisting in the establishment of a municipal council comprised of community representatives and municipal authorities; facilitating biannual town meetings to address citizens' concerns and debate possible solutions; and preparing—with community input—a local development agenda prioritizing municipal investments. Fundación Solidaridad will secure formal commitments to implement this program from community representatives, municipal authorities, local candidates of the principal political parties and other actors. The project will also strengthen Fundación Solidaridad's capacity to provide technical services to local government and community groups in the region of Cibao.

Key Organizational Actors

Nongovernmental Organizations

- Fundación Solidaridad

Community-Based Organizations

- Neighborhood Committees
- La Piedra youth group
- “Development agents” group

Public Sector

- Municipal government of Villa González (Department of Community Affairs)

Evolution of the Partnership

In 1993, Fundación Solidaridad initiated its first training project for CBOs in Villa González. Fundación Solidaridad approached community leaders to promote the concept of citizen participation in local government and provided workshops to that end. In 1997, it expanded its relationships to include, through training programs, the municipal government—which reaffirmed its commitment to further developing its capacities with the help of Fundación Solidaridad. Additionally, to bring continuity to the process of government responsiveness and accountability, Fundación Solidaridad sought to develop relationships with all political parties. Using a participatory approach, Fundación Solidaridad was, in fact, able to obtain their commitment to support the agreed-upon initiatives, whatever the party in office. Over the course of several training programs and

consulting work, the relationship among Fundación Solidaridad, CBOs and the local government flourished. A major step forward, was the government’s declaration identifying Fundación Solidaridad as a municipal consultant. In this role, Fundación Solidaridad works with communities to advance economic plans affording sufficient resources for local development projects. Its relationship with CBOs has provided a model for future relationships with other community organizations not yet directly in contact with Fundación Solidaridad.

Desired Impact

To empower community-based organizations to participate in civil affairs, increasing local government’s responsiveness and accountability to the community.

Project Logic Matrix

Hypothesis Type	Statement of Hypothesis
Causal Hypothesis (Relates the cause of the problem to the problem)	Local government’s lack of responsiveness and accountability, as well as citizens’ loss of faith in the political system (characterized as corrupt and highly centralized), leads to a political environment that is not conducive to a democratic process.
Intervention Hypothesis (Relates the intervention to the cause of the problem)	Empowering community-based organizations, such as neighborhood committees, and training citizens as development agents, will give CBOs and citizens the skills to represent their interests in the municipal government’s budget process. Additionally, Fundación Solidaridad’s training and support of the municipal government will promote a participatory process.
Action Hypothesis (Relates the intervention to the desired outcome)	Empowering community-based organizations and training citizens will foster greater understanding of and confidence in the democratic process. Fundación Solidaridad’s training and support of the municipal government will lead to greater responsiveness to citizen priorities.

Activities Initially Proposed

- Train CBOs and government authorities in participatory approaches
- Facilitate meetings where CBOs can work directly with the municipal government

Major Accomplishments to Date

A participatory budgeting process

Fundación Solidaridad has facilitated an annual “community diagnosis,” a process allowing community participation in the municipal agenda. Community members and government representatives report the municipal government is now better able to respond to the community’s most pressing needs. The process, formalized through a resolution passed by Sala Capitular, the municipal legislative body, has fostered new relationships between the public sector and CBOs, as well as positive attitudes toward citizen participation on both sides.

Creation of a Department of Community Affairs

Fundación Solidaridad’s training and facilitation in Villa González has resulted in an increased understanding by municipal officials of the municipality’s roles and responsibilities. Building on the new experience with public participation, the municipal government created a Department of Community Affairs to address community needs and facilitate interaction with the government.

Strengthened local CBOs through leadership of “development agents”

Fundación Solidaridad worked with CBOs to identify current and potential community leaders. Through a series of workshops and classes, the NGO trained 24 “development agents” in negotiation, field research and project development. These agents have strengthened the capacity of their own CBOs by sharing the skills learned. Some CBOs have already initiated their own projects with minimal assistance from Fundación Solidaridad. The agents are now considering formalizing their group as a community organization to more effectively offer services and training to CBOs, thus extending the ripple effect.

Discussion of Potential Impact

Those interviewed in Villa González found it nearly impossible to isolate the benefits of partnering from the overall benefits of the project. They felt working simultaneously with CBOs and the municipality, and using Fundación Solidaridad as a bridge between the two sectors, was the only way to effect lasting change. Working with only one group, either CBOs or the municipality, would not have been effective because both of these groups needed to gain skills and change their behavior to create a new, more participatory process for managing the municipality. To establish a process of dialogue, Fundación Solidaridad first had to strengthen the CBOs’ capacity. This approach contributes to the continuity of project benefits because the CBOs, as well as the individuals who have re-

ceived training, can draw on those skills in the future. As noted above, the “development agents” trained during the project are now hoping to form their own CBO through which to offer additional training and support.

Another partnership benefit is that CBOs and the municipal government have built relationships and opened channels for communication. In the early stages of the project, almost all interactions between CBOs and the municipal government flowed through *Fundación Solidaridad*. By the project’s end, the major actors had the skills, experience and confidence to interact directly with each other, paving the way for future activities requiring little or no facilitation from *Fundación Solidaridad*.

It is important to note that while the CBOs were initially wary of working with the municipal government, the government, too, had reservations about working with the community. As the mayor explained, the idea of opening up the municipal budget and development agenda to discussion was intimidating. Local officials feared a flood of demands they could never meet. However, with *Fundación Solidaridad*’s encouragement, the process went forward and the municipal government discovered that increased transparency actually helped it deal more effectively with the community’s needs. “Before [the participatory process], if there was not enough money to do everything, people thought it was because of corruption,” explained the mayor. Now residents understand resources are not sufficient to do everything at once, and they can also see whether their highest priorities are being met.

The municipality’s creation of the Department of Community Affairs confirms the government’s intention to carry on and expand the benefits of the partnership. Despite its initial hesitation, the current administration has been committed to working closely with the community to address development—a significant factor in the success of the project. While political instability and the strong influence of political parties still threaten the continuity of the project, the skills and experience of the CBOs, as well as the existence of the Department of Community Affairs, will help address this environment by establishing more permanent mechanisms for community participation.

The partnership has achieved its impact by using *Fundación Solidaridad*’s skills and reputation to facilitate an intersectoral dialogue. It has built sustainability through empowering other actors to carry on that process without *Fundación Solidaridad*’s direct involvement. CBOs have already worked with the local government to implement small-scale projects, such as the construction of a community meeting space in *La Piedra*. These achievements have built trust and motivated the partners to continue their work.

A threat to sustainability is simply lack of funds for local development projects. *Fundación Solidaridad* has sought, with little success, business sector partners that could take a more active role in local development by providing funding, materials and specialized knowledge. The business sector in *Villa González* is rela-

tively small and unorganized, and, CBO and NGO respondents explained, participation seems to depend on personalities rather than on any formalized policy.

In spite of continuing challenges, the partnership in Villa González has created new mechanisms that allow the local government to receive information from the community and respond more effectively to its needs. Training and capacity-building activities implemented by Fundación Solidaridad have built skills among local actors that will help sustain the impact of the project. Partnering with the municipal government has also helped mitigate the risks presented by the volatile political context.

Workshops and Loans for Micro-Entrepreneurs in Metropolitan Lima

Project Description

The Skills Training Workshops and Loans for Micro-Entrepreneurs in the Lima Metropolitan Area was designed to alleviate the lack of employment opportunities for persons with disabilities in Lima's municipal district of Villa El Salvador. Foundation for Solidarity in Development (FUNDADES) and the National Training Service in Industrial Labor (SENATI), with the support of Villa El Salvador's municipal government and the National Confederation of People with Disabilities of Peru (CONFENADIS), has trained 2,810 handicapped adolescents and adults in carpentry, shoe repair, garment-making, micro-enterprise management and other skills. A \$200,000 revolving fund has made loans to the program graduates, as well as to other persons with disabilities who have already established a micro-enterprise. Loans are also available to businesses that commit to hiring workers with disabilities. In addition to promoting the program and referring interested individuals, the municipality advocates with local trade associations to secure job placement.

Key Organizational Actors

Nongovernmental Organizations

- Foundation for Solidarity in Development (FUNDADES)
- National Training Service in Industrial Labor (SENATI)
- CODESPA (Cooperación Española)

Public Sector

- Office for Persons with Disabilities (OMAPED), Municipal government of Villa El Salvador
- National Confederation of People with Disabilities of Peru (*CONFENADIS*)

Private Sector

- Industrial Park of Villa El Salvador (PIVES)

Evolution of the Partnership

FUNDADES was established in 1992 to promote and implement projects that would better the lives of those "in greatest need" with respect to health, education, housing, nutrition, employment, and environmental improvement and conservation. FUNDADES specializes in providing physical and speech therapy to children and young adults with disabilities. It also maintains two orphanages, as well as three health and rehabilitation service centers. FUNDADES generates revenue through fees for services at its main center in Lima and through innovative fund-raising activities with the private sector.

FUNDADES is the unifying foundation for an association of NGOs that includes the Association for the Rehabilitation of the Exceptional Infant (ARIE), Nuevo Futuro Peru, and the Association for the Promotion of Sports for People with Disabilities (APRODDI). The collaboration among the NGOs in this close-knit association prompted FUNDADES to explore other relationships. In order to implement the training portion of the micro-credit project, FUNDADES solicited proposals and then selected the program designed by SENATI. Initially a simple contractual agreement to provide services, this relationship has produced mutual respect and a great deal of learning across institutions.

FUNDADES has also fostered a strong relationship with the municipality which supported the project by donating the site for the new training center (and also for a home for abandoned children). The municipality disseminates information on the project and the needs of people with disabilities and helps identify participants for the training and micro-credit program. It confirmed its commitment by creating the Municipal Office for Persons with Disabilities.

Desired Impact

To improve the opportunity for people with disabilities to earn a sustainable livelihood and participate to the fullest extent possible in productive activities.

Project Logic Matrix

Hypothesis Type	Statement of Hypothesis
Causal Hypothesis (Relates the cause of the problem to the problem)	Lack of vocational preparedness and the unwillingness of business to hire persons with disabilities lead to insufficient economic opportunities for persons with disabilities.
Intervention Hypothesis (Relates the intervention to the cause of the problem)	Establishment of a "skills center" will lead to the provision of vocational training to persons with disabilities. A micro-credit program will provide resources for people with disabilities to establish or expand their own businesses. Business support will be promoted through loans to those businesses that hire persons with disabilities.
Action Hypothesis (Relates the intervention to the desired outcome)	The skills center and vocational training, as well as a micro-credit program and incentives for businesses to hire workers with disabilities, will lead to improvement in employment opportunities for persons with disabilities.

Activities Initially Proposed

- Establish a skills center
- Provide skills training in carpentry, shoe repair and garment-making
- Certify graduates of training modules
- Provide micro-enterprise management skills
- Provide loans to persons with disabilities for the purposes of starting micro-enterprises
- Provide loans to businesses that commit to employing persons with disabilities
- Seek private sector support and secure job placement for those trained

Major Accomplishments to Date

Establishment of a training center in Villa El Salvador

FUNDADES established a new training center in Villa El Salvador on land donated by the municipal government. With the new center, people with disabilities in Villa El Salvador have better access to training opportunities. The municipality's outreach efforts have increased community awareness of the training program and of issues related to people with disabilities.

Customized training methodology and certification process

Members of the FUNDADES partnership have adjusted credit and training methodologies based on initial experiences. In addition to improving the quality of the program's services, these adjustments have demonstrated the willingness of the partners to work collaboratively for the benefit of the partnership, rather than defending individual positions. This has solidified respect among the partners, helping ensure the stability of the project.

Discussion of Potential Impact

The specialized skills of FUNDADES and SENATI are highly complementary. FUNDADES brings experience with people with disabilities but it does not have experience in vocational training. SENATI is a well-regarded training organization but, before this collaboration, had never attempted to adapt its programs to meet the needs of students with special challenges. During the first semester of the program, it became clear that some students would not be able to meet the standards for SENATI's certification or would need to progress at a slower pace. SENATI's institutional culture stressed maintaining the highest possible training standards, while FUNDADES emphasized accommodating the needs of the students. In spite of this difference in perspective, the organizations continued with their careful planning and open communication. Respondents from FUNDADES have praised SENATI for its willingness to try creative approaches that serve this new population of students. The expertise of both organizations has produced changes in the training methodology, such as multiple

levels of certification and new class schedules, that have improved the quality of the program and its utility to the beneficiaries.

Another example of learning across organizations is the micro-credit program for graduates of the skills training. As of the date of this report, the new micro-credit program had not begun to award loans. However, the experience of a previous loan program, with funds from CODESPA, has led to new practices in qualifying recipients and conducting follow-up activities that will help ensure the stability of the loan fund.

The FUNDADES partnership demonstrates the benefits of continuity that can be achieved through partnership. FUNDADES recognized that simply providing job training for people with disabilities would not be enough. Due to the current economic situation and prevailing social attitudes, even graduates of the training program would have difficulty finding employment. Therefore, FUNDADES added a micro-credit component that allows graduates and their families to go into business for themselves. To complement this work, FUNDADES and the municipal government are working with local businesses and PIVES to help support the micro-enterprises and to provide jobs for people with disabilities. FUNDADES and SENATI are collaborating to expand the training options available to the most advanced students. The municipal government and OMAPED see that the policy agenda includes issues important to people with disabilities and their families. FUNDADES contributes to these advocacy efforts; its new relationship with CONFENADIS will identify “best practices” learned from FUNDADES projects and will help coordinate local activities with efforts at the national level.

Despite a strong foundation, the project still faces many challenges, not the least of which is the pervasive marginalization of people with disabilities in Peruvian society. Partnering across sectors has brought a variety of approaches to bear on the problem, creating a more holistic intervention and greater likelihood of long-term impact. The main threat to project impact is the current economic climate in Peru, which makes it more difficult for graduates to secure employment and for loan recipients to repay their loans. The partnership has sought to address this challenge somewhat by building relationships with the private business sector in Villa El Salvador and by strengthening the program’s micro-credit methodology.

The FUNDADES partnership is a strong example of organizations with complementary technical knowledge that came together and quickly built a high level of trust through planing, communication and a commitment to a common goal. Respondents noted that all the organizations involved displayed a willingness to learn from each other, which allowed the partnership to confront and overcome initial weaknesses in the project’s design. Because of its flexibility, the partnership emerged with even stronger relationships and a better program.

Supplemental Fund for the Development of Nejapa

Project Description

The *Supplemental Fund for the Local Development of Nejapa* provides financial support for community needs in the municipality of Nejapa. Working together to identify these needs are the municipality of Nejapa, the Salvadoran Foundation for Integral Support (FUSAI), the National Foundation for Development (FUNDE), and the Association for the Concerted Development of Nejapa (ACDN), representing 44 communities in the region. While both FUSAI and FUNDE have received funding from the Inter-American Foundation, in 1998 and 1999, respectively, this profile is written from the perspective of FUSAI, the earlier grantee. Partners in the project coordinate to prioritize community problems and propose solutions. Once approved, the priorities become the municipal plan for Nejapa's development. Contributions to the fund include donations from *Embotelladora Salvadoreña* (EMBOSALVA) and Coastal Technology El Salvador (Nejapa Power), which by January 2001 matched the Inter-American Foundation's funding. A board of directors, representing the government, civil society and business contributors, oversees management of the fund from which grants are made available to community organizations. FUSAI and the municipality contribute as well to the administration of the range of projects underway. FUNDE has assisted the partnership process and documented it so it can be replicated in other areas.⁶

Key Organizational Actors

Nongovernmental Organizations

- Salvadoran Foundation for (Integral) Support (FUSAI)
- National Foundation for Development (FUNDE)

Community-Based Organizations

- Association for the Concerted Development of Nejapa (ACDN)

Public Sector

- Municipal government of Nejapa

Private Sector

- Embotelladora Salvadoreña (EMBOSALVA)
- Nejapa Power/Coastal Technology

⁶ By March 2002, the project was being executed in seven municipalities: Nejapa, Soyapango, Quezaltepeque, Santa Tecla, Acujutla, Mejicanos and Sonsonate—ED.

Evolution of the Partnership

Since FUSAI was organized in 1987, under the auspices of the United Nations, its focus has moved from humanitarian aid for those affected by the civil war to socioeconomic benefits for the broader community. Several years ago, FUSAI observed a need for greater private sector participation and began to experiment with different initiatives to develop roles for the private sector as an active partner, not just a passive donor. The Nejapa fund was established with this idea in mind. Participation in the fund has in fact advanced corporate partners' business goals. EMBOSALVA was attracted to Nejapa because of its plentiful water supply, and the bottling company's engagement in development was the *quid pro quo* for the municipality's permission to locate there. In the case of FUSAI and Nejapa Power, personal relationships among executives in each organization facilitated the collaboration. FUSAI also drew on its relationship with FUNDE to help convene the partnership. FUSAI and FUNDE are large NGOs with established systems and controls well in place, which, many respondents felt, reassured the private sector. The initial rallying point for all of these diverse efforts, it is worth noting again, was the municipal plan required by the national government and developed in the mid-1990s. At first glance, the municipality, whose mayor represents the FMLN (Farabundo Martí National Liberation Front, which became a political party after the peace accords), might seem an unlikely ally for private business. However, FUSAI and FUNDE, both part of the El Salvador's National Network for Local Development, were able to secure the partnership by drawing on a common vision for Nejapa's development.

Desired Impact

To identify community priorities and provide funds for projects to improve the quality of life in Nejapa and establish a model that can be adapted elsewhere.

Activities Initially Proposed

- Provide grants of up to \$10,000 each to community organizations
- Secure \$500,000 from private, public, national and international sources
- Document experiences and disseminate the information through publications, workshops and public meetings

Major Accomplishments to Date

Strong intersectoral relationships

The FUSAI partnership has secured participation from all sectors: non-profit, private business and public. This represents a considerable accomplishment, especially in light of the history of conflict in El Salvador. The project has fostered open communication and created strong relationships across traditional divisions, which can serve as the foundation for future projects.

Project Logic Matrix

Hypothesis Type	Statement of Hypothesis
Causal Hypothesis (Relates the cause of the problem to the problem)	Lack of funding prevents local NGOs and community organizations from implementing projects that respond to development needs in Nejapa.
Intervention Hypothesis (Relates the intervention to the cause of the problem)	A local development fund, created and overseen by NGOs, private businesses and local government to undertake projects identified in the municipal plan and the fund's board of directors, will provide financing for development.
Action Hypothesis (Relates the intervention to the desired outcome)	The local development fund, created and overseen by NGOs, private businesses and local government to support community development projects, will lead to improvements in the quality of life in Nejapa.

A viable and innovative project model

The intersectoral partnership FUSAI facilitated in Nejapa has successfully funded housing, environmental and infrastructure projects. Its success has attracted national attention, as well as support from international donors, allowing the fund to continue its work and the project to be replicated in other parts of the country.

Discussion of Potential Impact

Representation from all three sectors brings complementary skills and resources to the FUSAI/FUNDE partnership. The local government of Nejapa has the authority to coordinate local development efforts. The private sector, through EMBOSALVA and Nejapa Power, has proved a reliable source of contributions. Although these partners want accountability, transparency and oversight of their funds, they do not claim to have expertise or experience in development. There-

fore, they welcome the NGOs' sector-specific knowledge and access to international funding. The partnership also draws on ACDN's close ties to the community to ensure projects respond to local priorities, as well as the credibility ACDN's participation lends through the local CBOs it represents.

These complementary skills have created a strong partnership, but they also highlight the partners' distinct cultures, and bridging these cultures has been a challenge. The private sector partners, for example, expressed surprise at the time required to implement a project through the fund and tended to see both the government and the NGO partners as bureaucratic. On their part, NGOs had to set aside stereotypical reservations about the business sector's motives. Other respondents observed that the local government had had to adjust its working style to accommodate the transparency and collective decision-making of the fund's intersectoral committee. In general though, respondents felt able to bridge these "cultural" gaps by focusing on their common vision of Nejava's quality of life.

The process has built social capital among the partners in the form of trust and respect. Although they may not always agree, the experience of meeting, planning and managing the fund has taught the three sectors—and in particular the public and business sectors—they can work together effectively. The partners also take pride in the attention their accomplishments have attracted from national and international entities who would like to support the project or replicate it. This also motivates continued collaboration among the partners. Although differences in organizational mission and style have often made the process seem slow and arduous, the project has forced members of the public, private nonprofit and business sectors to meet face to face, resulting in mutual awareness and respect.

Local Development Fund

Project Description

The Inti Raymi Foundation has created the *Local Development Fund* (FONDEL) in response to the lack of infrastructure that contributes to poverty and underdevelopment in the department of Oruro, Bolivia. FONDEL provides community organizations loans for production infrastructure and water and sanitation installations linked to larger education and health projects. As well as studying private sector investment in social development initiatives in Bolivia, Inti Raymi is seeking third-party financial and technical support in the amount of 50 percent of the total cost of each project.

Key Organizational Actors

Nongovernmental Organizations

- Inti Raymi Foundation

Community-Based Organizations

- CBOs from 24 communities

Public Sector

- Municipal governments of Caracollo and Toledo
- Traditional community authorities (*hilacatas*), magistrates (*corregidores*), and mayors from Oruro and La Paz prefectures
- Departmental government (basic sanitation program)

Private Sector

- Inti Raymi Mining Corporation

Evolution of the Partnership

Inti Raymi Mining Corporation created the Inti Raymi Foundation in 1991. The goal of the Foundation, which obtained legal status in 1993, has been to implement sustainable development strategies in a community of 1,500 Aymara families located in the vicinity of the company's mine. Program operations are based in Oruro and Villa Chuquiña, towns in the department of Oruro. In all, the Inti Raymi Foundation has invested approximately \$5 million in projects involving agriculture, artisan crafts, health care, irrigation and potable water, and rural education. It has funded projects with other NGOs, such as the Social Investment Fund and the Rural Development Fund, and has also mobilized additional local resources to support its development program.

Inti Raymi's credibility is based on transparent and honest processes. Its mission is to develop communities and to generate benefits that respond to collective needs, rather than to those of individuals. To this end, and based on the principles of autonomy, mutual respect and shared decision making, a commit-

tee was created to approve FONDEL projects. This committee includes a representative from the municipal government, the Inti Raymi Foundation, the Social Investment Fund and the IAF. The complementary relationship has won the confidence of the community through efficient, apolitical and collaborative implementation of the project.

Desired Impact

To improve the quality of life and economic activities of 1,000 Aymara families in Oruro through infrastructure and sanitation projects and to encourage a culture of social responsibility in the private sector through its involvement in development projects across Bolivia.

Project Logic Matrix

Hypothesis Type	Statement of Hypothesis
Causal Hypothesis (Relates the cause of the problem to the problem)	Lack of infrastructure for production and sanitation contributes to poverty and underdevelopment in the department of Oruro.
Intervention Hypothesis (Relates the intervention to the cause of the problem)	A local development fund will provide grants to community organizations for projects that create production and sanitation infrastructure. Workshops involving Bolivian and international entrepreneurs will promote a culture of business social responsibility toward support in infrastructure projects.
Action Hypothesis (Relates the intervention to the desired outcome)	A local development fund—including support from the business sector—will provide the financing to develop Oruro's production and sanitation infrastructure, thereby alleviating poverty and furthering development.

Activities Initially Proposed

- Convene groups of stakeholders in various communities to identify and implement projects
- Fund projects in the priority areas of production infrastructure and water and sanitation

- Monitor progress of each project
- Gather and disseminate information on private sector support for social development
- Meeting with the Quipus Foundation and the Bolinvest Foundation to develop a strategy for promoting business social responsibility and philanthropy in Bolivia

Major Accomplishments to Date

Implementation of 43 projects

The Inti Raymi partnership has convened five committees to analyze proposals and approve projects. In addition to funding 43 local development projects, the grants have also strengthened the capacity of local CBOs to implement development activities. Working through the development fund in Oruro has also fortified relationships among key actors in support of future projects.

Raising \$535,000 in additional funding

The partnership has leveraged roughly \$535,000 in additional funding and has provided resources to expand local projects, creating economies of scale.

Discussion of Potential Impact

Working in partnership with a variety of local stakeholders has allowed the Inti Raymi Foundation to establish itself as a credible actor in the community and to build capacity in local government and CBOs. The projects funded by FONDEL are proposed by local actors who know their communities' needs and priorities and play an active role in project implementation. The Inti Raymi Foundation can draw on a variety of technical resources through its other projects, especially in health and education.

Before the *Ley de Participación Popular* (Law of Popular Participation) became effective in 1994, requiring a more active role of the municipal government, the Inti Raymi Foundation had to do much of this community consensus building alone. The Inti Raymi Foundation still provides significant financial resources, which makes it an attractive partner to other partners in FONDEL. Now, however, local governments are also important actors because they have the authority to plan and prioritize development initiatives. While Inti Raymi Foundation, along with other major foundations in Bolivia, has succeeded in promoting more dialogue on BSR, it has found that businesses wish to invest almost exclusively in areas where they operate. Since Inti Raymi Mining is the only large business in the targeted communities, securing additional business sector participation for the local project has been impossible. Although the financial sustainability of this project remains highly dependent on the Inti Raymi Foundation, strengthened relationships with the community have established a solid foundation for future intersectoral partnerships.

Municipal Strategy for the Conservation of Micro-Watersheds of Ayopaya

Project Description

The Municipal Strategy for the Conservation of Micro-Watersheds of Ayopaya addresses the inadequacy of subsistence farming methods in meeting the basic needs of small producers. Traditional agricultural techniques and environmental degradation are at the root of the problem. Undertaken by Support for Inter-Andean Sustainable Development (Kürmi), with the Foundation for Self-Management and the Environment (FUPAGEMA), the Municipal government of Independencia, the Peasant federations of Independencia and Charawaytu, and various local irrigation committees, this three-year project has involved the installation of micro-irrigation systems, training community leaders in watershed management, and the incorporation of project activities into the municipality's five-year development plan. Community participation is the strategy for producing efficient and improved use of water, soil and forest resources.

Key Organizational Actors

Nongovernmental Organizations

- Support for Inter-Andean Sustainable Development (Kürmi)
- Foundation for Self-Management and the Environment (FUPAGEMA)

Community-Based Organizations

- Peasant federations of Independencia and Charawaytu
- Irrigation committees

Public Sector

- Municipal government of Independencia

Evolution of the Partnership

In 1990, community leaders in Cochabamba met to develop an organization that could elaborate development plans, diagnose health, improve production systems, and take full advantage of water supplies. Out of this effort was born an NGO, FUPAGEMA, which obtained legal status in 1993. The following year Kürmi was created to support peasant organizations, but with a clear focus on sustainable ecological development projects. The two organizations formed a committee on development issues and solidified their relationship through written agreements formalizing their rights and responsibilities.

The current project, *Municipal Strategy for the Conservation of Micro-Watersheds of Ayopaya*, builds on the trust established and the desire to work together encouraged by previous collaborations. To expand coverage of the interventions and to optimize resources, the partnership incorporates municipal

actors in addition to the two NGOs and various CBOs. An interesting element of the Kürmi partnership is the indigenous concept of *tinku*, the confrontation between complementary and opposing forces. Although the relationship among the partners is collaborative, respondents from Kürmi explained they use *tinku*, a sort of ceremonial competition among the communities, to motivate them to work harder and faster on their projects.

Desired Impact

To increase the basic production capacity of 1,500 families in 30 indigenous communities by improving the management of natural resources around micro-watersheds in the municipality of Independencia (department of Cochabamba).

Project Logic Matrix

Hypothesis Type	Statement of Hypothesis
Causal Hypothesis (Relates the cause of the problem to the problem)	Traditional agricultural techniques and environmental degradation contribute to small-scale producers' inability to satisfy their basic needs.
Intervention Hypothesis (Relates the intervention to the cause of the problem)	Technical assistance in the installation of micro-irrigation systems, training in watershed management, and incorporation of projects into the municipality's five-year development plan will help farmers improve upon traditional agricultural techniques and mitigate environmental degradation.
Action Hypothesis (Relates the intervention to the desired outcome)	An improved environment will lead to increased production.

Activities Initially Proposed

- Provide technical assistance and training to rural communities and organizations
- Improve 10 kilometers of existing irrigation canals through conservation and engineering techniques and the application of traditional Andean practices
- Construct two kilometers of additional irrigation canals and two and one-half kilometers of linear terraces and ditches to drain the hillsides
- Improve water collection, conservation, and protection of watersheds and other fragile water sources with natural barriers
- Define and apply administrative plans to control the cutting of trees in forested areas
- Fence 10 hectares, or 24.7 acres, of pasture land and construct agricultural terraces in two communities
- Draft communal, traditional and owner limits on the use of land and negotiate for enactment as law
- Provide four courses a month on the administration and management of micro-watersheds to “community technicians” selected by community
- Develop a model for managing natural resources in micro-watersheds for incorporation in the municipal government’s five-year development plan
- Present three seminars to municipal and community technicians on potential production and management strategies for local natural resources
- Offer six workshops dedicated to project design and partnerships formation

Major Accomplishments to Date

Implementation of activities in planting, soil conservation and micro-irrigation

The partnership has implemented planting activities and nurseries in 23 communities, soil conservation in eight communities, and micro-irrigation in six communities. It has delivered a series of technical training courses in forestry, soil conservation and fruit cultivation to representatives chosen by their communities. The NGO has also worked with communities to design and construct micro-irrigation systems that meet their needs and respect traditional water rights.

Strengthened community leadership

By working closely with community leaders, Kürmi and FUPAGEMA have raised awareness of the importance of forestation, as well as the management and conservation of micro-watersheds within participating communities. Kürmi and FUPAGEMA have coordinated its activities with the municipal government to promote sustainability and long-term planning.

Discussion of Potential Impact

Kürmi and FUPAGEMA have, since their inception, worked to promote the involvement of Bolivia's marginalized communities. With this common strategy, the partnership members have been able to develop a shared vision and united front. Out of a desire to be equitable and participatory, the partnership itself is horizontally structured and allows all members to join in decisions—an arrangement it hopes will permeate the communities served.

Working as a partnership has allowed Kürmi and FUPAGEMA to expand their coverage. Geographic isolation of the dispersed communities complicates meetings, construction and monitoring. By partnering, Kürmi can concentrate time and resources on one region and FUPAGEMA in another, and both benefit from each other's experience applying the same methodology in different settings. By law, the municipal government plays a key role in coordinating development, but the NGOs bring specialized knowledge and financial resources. In addition to technical skills, Kürmi's knowledge of the local language and customs, as well as its respect for local traditions, makes it a valuable link between the public sector and the community. The local government has expressed willingness to assume its mandate so its partnership is a positive factor in the project's sustainability. However, an enduring partnership with the public sector is a challenge because mayors may change as often as every year due to a recent modification in election laws. This turnover means the NGOs must continually inform new officials of the details of their projects. NGOs work closely with suppliers, but these businesses are not members of the partnership. Because the communities are so rural and isolated, any business sector participation would have to occur at the regional or national level.

So far, the partnership has concentrated on environmental projects related to agricultural production. A promising direction for growth of the partnership would be expansion into new activity domains. The community's trust and respect make the Kürmi and FUPAGEMA ideal candidates to facilitate a relationship with a new NGO offering complementary technical skills and new programs.

What We Can Learn From the Literature

Introduction

This literature review⁷ addresses the overarching question of how partnerships, specifically intersectoral partnerships, improve the lives of the poor. Additionally, it assesses the methodological approaches other researchers have used to study the effects of ISPs. To make such a broad topic manageable, this review considers several underlying questions. What forms of partnerships produce the best results? What motivates the civil, public and private sectors to partner? What process benefits are derived from partnering, both for the partners themselves and for their intended beneficiaries, including society in general? Alternatively, what are costs and risks involved in partnering? What type of environment best suits partnerships? And, finally, what methodologies have been used to investigate partnerships?

The review is organized by five broad topics: building the partnership, motivation for partnering, positive outcomes for partnership, costs in relation to benefits and the enabling environment. Within each topic, key findings from relevant literature are summarized and the methodological approach is critiqued. Works that pertain to more than one topic are discussed under each applicable heading.

In some cases, the author does not give enough detail to identify the methodology used. In general, the works reviewed for this study can be classified as case studies and non-case studies. Within the category of case studies, research falls into two subcategories. The first includes quantitative or comparative case studies which involve a moderate to large sample size and control groups or triangulation of data. The second includes descriptive, qualitative case studies. Similarly, the non-case studies can be grouped according to whether they use quantitative data analysis and control groups or qualitative, impressionistic methods (e.g., literature reviews, theoretical speculation based on personal experience). The works cited in this review, which are representative of the entire body of literature reviewed, are overwhelmingly qualitative and do not use control groups for comparison. Furthermore, interviews with partners and literature reviews are favored methods of data collection, while other viable options such as interviews with beneficiaries and observation visits are completely absent.

⁷ José Ruiz-Salas contributed to this review of six books, four reports, five papers, one article, and other print and Internet sources listed at the end of the section.

Partnership Topics

Building the Partnership

Building the partnership refers to the process of bringing together the organizations, as well as the more abstract and ongoing task of integrating each participating sector and organization's culture. This requires the partners share values, understanding of the common issues, and commitment to the cause and to the partnership, and have compatible organizational visions and missions. Building the partnerships means asking what prospective partners should consider about their own skills and culture when entering into a partnership and what attributes they should look for in others. This topic also deals with the nature of relationships and interactions among members of a partnership. A review of the literature shows authors consider a variety of capacities and traits within an organizational culture as important for partnership formation and development.

Key Findings

The literature documents the fact that partnerships take many forms. According to the *NPI Resource Guide*, "Partnership should develop out of other peripheral relationships and already start with a history of interaction and interpersonal ties" (USAID 1997:206). With the right direction most, if not all, partnerships can be considered nascent ISPs. For instance, partnerships involving intermediary NGOs are built around the idea of capacity development of grassroots organizations (Carroll 1992). This enhanced capacity creates the foundation for capable, effective civil sector participation that prepares NGOs and community groups to enter more complex, multisectoral partnerships.

Several authors discuss the importance of shared goals and vision for partnership success. According to Chanya Charles and Stephanie McNulty, task specificity and complexity promote successful partnerships (Charles and McNulty 1999). When tasks are too broadly defined or are too simplistic, it is difficult to rally different organizations around the challenge, and there may be no real need for a collaborative effort. On the other hand, a well-defined, complex task can emphasize the need for the skills of distinct partners. Multiple authors point out the need for, and also the potential pitfalls of, partner diversity (Christian Reform World Relief Committee [CRWRC] 1997; USAID 1997). Partnership requires shared goals and vision and the ability to work together toward a common end. For partners drawn from diverse sectors, this may prove particularly challenging. To avoid conflict, partners must discover the values they hold in common and develop a vision that goes beyond what any single partner could accomplish on its own. Nevertheless, authors such as Waddell are quick to point out that conflict across the "cultural gap" between sectors is an important tension and the source of much of the creativity of partnerships. Therefore, conflict should not be avoided altogether and organizations should maintain their "non-

negotiable values” as they seek solutions satisfactory to all partners (CRWRC 1997; Waddell 1997).

A paper by the U.S. Department of Education, which synthesizes research on private sector partnerships with public schools, finds strong partnerships often begin with one committed individual who serves as a “broker” and convenes other important actors and institutions. However, it is also important that the partnership’s goals be adopted by a broader group of leaders to ensure the partnership’s longevity (Grobe et al. 1993). Partnerships take time to develop, and simply achieving the stated objectives of a project or reaching partnership goals does not necessarily mean the partnership itself has been successful as judged by the quality of the interactions. Building trust and a strong working relationship among partners from various sectors is a slow process. Members of the partnership, especially those from the business and government sectors, may feel pressure to demonstrate immediate, quantifiable results and may waver in their support of the partnership if those results are not forthcoming (Fiszbein and Lowden 1997; CRWRC 1997). Therefore, it is essential that partnerships have explicit goals and that the partners be open about their individual objectives and agendas.

Curiously, several partnership case studies involving the private sector in education reveal interesting characteristics. One details the establishment of foundations by corporations to fund their social development projects. As exciting as this might seem, the founding of a company’s own nonprofit is only a first step toward a mature partnership. In most instances, these foundations, although independent in theory, find themselves financially tied to their sole benefactor. Partnerships formed are vertically structured; they tend to be governed by the same individuals that lead the company. Nonetheless, a corporate foundation still must be recognized as an advance in the development of corporate social responsibility.

Methodological Discussion

Twelve qualitative works were considered and contributed to the discussion of this issue. Only one of these works (Carroll 1992) took a comparative approach, but even in this case there was no control group available for comparison. Lack of a control group yields results generally considered not as reliable or valid as controlled comparison studies. Furthermore, since the cases were not randomly selected, conclusions are not applicable to larger populations. Three other works included in this section are case studies using interviews with partners and discussion groups to collect data. The remaining works are qualitative, but do not include case studies. Data collection methods include interviews with partners, listening tours, theoretical speculation based on professional experiences and discussion groups. Regardless of category, most of the authors review relevant literature as background to their research.

As with the literature overall, that on building the partnership shows research methods are often qualitative or impressionistic, and fewer than half the

works reviewed are case studies. One of the strongest research methodologies, and the only example of a comparative methodology, is found in Thomas Carroll's *Intermediary NGOs: The Supporting Link in Grassroots Development*. A research team created 15 in-depth case studies based on field research. Information on 15 additional organizations was gathered through a review of documents including evaluations and reports to donors. A comprehensive survey amassed information on an additional 42 organizations used for comparison. Coding schemes, used to facilitate comparisons among 15 core organizations, are available in an appendix. Other than Carroll, literature on this topic is entirely qualitative.

Among the descriptive works, appreciative inquiry (AI), which was used by Catholic Relief Services (CRS), Global Excellence in Management (GEM) and Christian Reform World Relief Committee (CRWRC), shows great promise as an innovative and participatory method for data collection. AI is an organizational development technique that encourages participants to focus on organizational strengths and positive visions of the future. One of the strongest reasons for the use of ISPs as a development strategy has been a call for indigenous ownership of development projects. By allowing researchers to understand partnerships from the perspective of local groups and tailor their definitions to the local context, AI supports the ideal of local ownership of partnerships and the development process.

The issue of forming and developing partnerships is addressed by 11 authors, four of whom use detailed, qualitative case studies. The conclusions of these authors appear credible because they are largely based on field research. However, this credibility would have been significantly bolstered if non-partnerships had been used for comparison and if case studies had focused on a mixture of successful and unsuccessful partnerships.

Motivation for Partnering

This discussion focuses on incentives for a sector or an individual organization to participate in a partnership. In practical terms, the most common motivation for partnering to promote development goals is the mobilization of resources. When partners work across sectors, they gain access to new and, ideally, complementary resources. Two reports and a paper were examined for this section of the literature review.⁸

Key Findings

Resources can take many forms, the most common being financial resources, material resources and expertise ("human" resources), which are the most readily quantifiable in monetary terms. It is more difficult to assign a value to other resources mobilized by partnerships, such as access to contacts or networks, credibility, influence, and new perspectives and attitudes. The reasons actors consider partnering include the following:

⁸ Reports: Waddell, USAID. Paper: Holden et al.

- to increase the number of beneficiaries reached;
- to exchange benefits with, or simply take advantage of, the resources of other actors;
- to learn about new solutions produced through the creative tension produced by combining different perspectives;
- to gain greater influence by joining forces;
- to reduce the risk of any one actor (USAID 1997).

Although most authors make a general reference to the value of partnerships in mobilizing resources, few researchers treat the topic of motivation in depth. Two works that focus on motivation in greater detail are “The Invisible Conscience” (Holden, Sobotka and Dade 1997) and “Market-Civil Society Partnership Formation” (Waddell 1997). The dominant motivation for private sector collaboration with civil society is access to the NGOs’ technical skills and constituencies. Often, participation in community development is seen as a long-term investment, and the return on that investment makes participation strategic rather than altruistic. For example, a business with no expertise in education might partner with NGOs and government to improve the local school system, thereby ensuring its own skilled labor force in the years to come (Holden et al. 1997; Puryear 1997). Several Web sites also show public relations can motivate businesses to participate in development, especially large, multi-national businesses. External pressure may not be an enduring source of motivation. According to case studies conducted as part of the USAID New Partnership Initiative (NPI), “Partnerships work best when motivated out of actual need and should be initiated from the bottom up.” Therefore international donors should play a supporting role, as opposed to orchestrating the partnership (USAID 1997).

Interviews with members of civil society-private sector partnerships showed that even those organizations already engaged in partnerships had difficulty describing their motivation in structured, measurable terms (Waddell 1997). In general, to improve our understanding of the complex motivations for partnering, more research is needed on the full range of new resources partnerships can offer their members.

Methodological Discussion

Within the body of literature on partnership there is little that is specific to motivation. Many authors mention resource mobilization in general terms, but few develop comprehensive discussions of motivation for partnering. Many of the issues might also be appropriately discussed under the topic of benefits of partnership or the enabling environment. The literature that does focus on factors motivating partnership is qualitative and, in some cases, purely theoretical. However, Steve Waddell’s work, which includes information from 39 members of partnerships, corroborates the theory-based assertions of other authors. Waddell’s research included reviews of partnership documents and open-ended telephone interviews. Nevertheless, one of Waddell’s own conclusions is that, to un-

derstand how potential benefits motivate organizations to partner, the benefits of partnering must be better defined and further explored through empirical data. Once again, existing research lacks quantitative analysis and control groups.

Positive Outcomes of Partnership

Positive partnership outcomes include benefits created by the act of partnering itself, which can affect partners at the organizational level, as well as benefits for individuals and communities. Potential benefits include opportunities resulting from the synergy of complementary resources; capacity development through contact with partners with diverse skills; strengthened relationships which can be understood as social capital development; and increased effectiveness, efficiency and sustainability of projects. A distinction should be made between benefits derived from the partnership and benefits derived from projects implemented by the partnership. Granted this distinction will not always be clear, but the need to distinguish between these two outcome benefits is crucial in understanding the true impact of partnerships. For this section of the literature review, two reports, one book-length report and two books were examined.⁹

Key Findings

Some authors assume partnerships have something to offer simply in the way they come together and perform. Based on this assumption, authors track both the synergy of resources and the process of partnership. When two or more organizations enter into a collaborative partnership, there are immediate benefits. The combined programs and constituencies make new funding and new programming possible, allowing for greater resource leverage. In addition, collaborative partnerships can heighten the credibility of the organizations involved (CRWRC 1997, 57).

Most of the literature agrees that the greatest benefit derived from a partnership, even in its most primitive form, is the creative tension produced by the contact and interaction between diverse organizations and institutions (Waddell 1997). This interaction inevitably improves the “technology used to solve a given problem” (Fiszbein and Lowden 1999) and creates social capital (USAID 1997). The creation and strengthening of social capital produces a generative environment, leading to “virtuous circles of cooperation and development” (Fiszbein and Lowden 1999).

Benefits for the private sector are “largely related directly to the core activities of the companies” (Fiszbein and Lowden 1999,33). This could be anything from name recognition of its products to resource creation for its own business needs. For the public sector, any gain that comes about through a partnership is usually a consequence of moving from its traditional role of administrator of social programs to facilitator (Fizsbien and Lowden 1999). For the civil sector, ben-

⁹ Reports: Charles, USAID, Waddell. Books: CRWRC, Fiszbein and Lowden.

efits come in the form of improvements in core activities and internal functions (USAID 1997).

A recurring theme in the literature is the need for a change in how outcomes are determined. According to a three-year study of capacity building in the context of partnerships, "There must be persistence through inevitable early failures; the temptation for premature evaluation using traditional output criteria must be resisted. A partnership cannot sacrifice the long-term viability of either organization to achieve short-term efficiency" (CRWRC 1997, 60). The literature also notes the nature of interactions among partners evolves over time, as relationships become increasingly reciprocal and multiple pathways of communication are established (Grobe et al. 1993; Zacchei and Mirman 1986).

Methodological Discussion

These sources relied primarily on project case studies, which used a variety of qualitative data techniques to gather information. Among methods employed were interviews with partners, detailed project profiles, focus or discussion groups, reviews of literature and reanalysis of existing case study data. As previously mentioned, interviews with partners (Waddell 1997) and appreciative small group methods (CRWRC 1997) were particularly fruitful in data collection.

The work of Fiszbein and Lowden offers an especially comprehensive look at many aspects of ISPs, including partnership outcomes. The authors use extensive case studies and provide partnership profiles. With analyses of 27 case studies, drawn from a pool of 50, and more than 100 profiles to provide background information, this study includes the largest sample size of any work reviewed here, but it contains only minimal comparative analysis. Although the literature on the topic of partnership outcomes is generally descriptive, it is highly informative because it is grounded in empirical data and fieldwork. A weakness is the lack of attention to the impact on the lives of the poor. Without more comparative analysis and increased use of baseline data, control groups and quantitative data, the issue of attribution, or whether changes in status can be measured and attributed to partnership activities, remains unresolved.

Costs and Risks in Relation to Benefits

Partnership carries both obvious and hidden costs. Developing and maintaining the relationship, especially when the actors are diverse, involves investment of financial and material resources as well as time. Partners gain benefits, such as resources and expertise, but lose exclusive, individual control over the project. This entails risk because, if the project fails, the partners lose not only the direct investment in project activities but also the investment in the partnership. Additional risk comes from entering into an association with other independent organizations that have agreed to share the responsibility for a project, but have not necessarily given up their identity or interests. Unless the benefits of partner-

ship outweigh the costs, there is no reason to favor partnership over other development strategies. Seven publications, including two books, two reports, two papers and a short article, specifically address costs and risks.¹⁰

Key Findings

All parties to the partnership must have certain abilities in order to build a functioning relationship. Developing and employing these skills can be seen as an investment in moving the partnership to a higher, more productive level. Important skills include the abilities to listen intensely, question perceptively, build trust, integrate multiple perspectives to inform actions, negotiate, identify common ground, and create a shared vision (USAID 1997, 192). The skills that go into building the partnership have costs attached, not only at the inception but also during the later stages. The costs associated with communication among members become especially apparent during the implementation stage when abstract notions of differences materialize in the face of actually coordinating efforts (CRWRC 1997). Fiszbein and Lowden reach the same conclusion, listing the efforts required for effective partnership and incurring, therefore, a cost: making contacts, determining respective responsibilities, establishing working procedures, improving systems of coordination, and responding to change (Fiszbein and Lowden 1997, 15).

If costs are difficult to calculate, partnership risks are even harder to assess. The civil sector incurs a higher level of risk in entering a partnership than either the governmental or business sector, due in part to its dependency on outside funding. Without independent funding, NGOs and community groups become vulnerable to the influences of the public and private sectors. Civic associations also need to be concerned about becoming perceived as agents of the state or appearing to have been co-opted (Tandon 1991; Waddell 1997). Organizations have to consider their own identity and image. To some extent, the partnership requires commitment to the relationship above the interests of individual members, which may engender a loss of constituent confidence.

Just as partnerships can be used as part of a strategy for social development, they can also undermine the effectiveness of a development effort. Partnerships can be used as token gestures or, even worse, to mask hidden agendas (Wilcox 1998). Additionally, they run the risk of undermining other local development efforts (Tandon 1991) and excluding important actors from projects, creating further obstacles for the partnership (Puyear 1997). Drew Mackie, in his short paper, "Dancing While Standing Still," adds that partnerships have become a "fashionable way of doing things." He points out that the simple act of uniting different actors in a partnership is too often seen as an action when it is only lip service. To complicate matters further, creating partnerships with several mem-

¹⁰ Books: CRWRC, Fiszbein and Lowden. Reports: USAID, Waddell. Papers: Tandon, Wilcox. Articles: Bowling, Mackie.

bers sometimes carries the inability to track responsibility for successes or failures. International donors should be concerned that partnership might reduce the ability to manage for quality and weaken direct control over a project's direction. "Increasing demand for collaboration and mutuality in the development world has challenged [international partners] with how to maintain this concern for outcomes and accountability, while more deeply honoring partnerships with indigenous groups" (Bowling et al. undated).

Case studies involving multinational corporations or their subsidiaries show a developed sense of responsibility for the communities in which the corporations do business. Often they promote projects that satisfy their interests; case studies support the idea that national level companies are especially motivated by self-interest. "Partners for Progress," an analytical report, contains numerous case studies that describe companies with questionable business practices in need of improving their public image. These businesses tend to use their corporate foundations as a marketing tool, and each project becomes a marketing campaign. Is this necessarily a negative consequence if the businesses are contributing to the development of a community? To some extent, yes.

These corporations, especially those under public scrutiny, "donate" a good deal of money to create successful projects. This is negative because projects with heavy sponsorship from the private sector produce results that cannot be sustained or duplicated due to the high costs. Transnational corporations are somewhat aware of this dichotomy, but, as noted in the case studies, funds designated for "corporate giving" in Latin America are really "marketing dollars." Obviously that money has to produce winning results, even if it costs a little more. This could be considered a general risk of partnering with the private sector. Issues of sustainability have to be considered strategically in a truly successful partnership and project. No one expects any public or civil sector actors to reject funds for developing their communities, but possible negative consequences have to be considered, including failure of the project in the long term.

Methodological Discussion

In general, the broader partnership literature is supportive of partnership as a development strategy, but is inconclusive on the relationship between costs and benefits.

Through interviews, focus or discussion groups, reviews of literature, and theoretical findings based on professional experience, these authors gather and present useful, descriptive information on the costs and risks of ISPs. However, neither the case studies nor the non-case study works make a direct, controlled comparison of the costs and risks to benefits of partnering, or that shows under what conditions the difference between costs and benefits can be maximized. This information is crucial for the design and implementation of successful ISPs and represents a key area for future research. Case studies are a promising avenue for a comparative analysis. Fiszbein and Lowden make a preliminary compara-

tive analysis in the appendices of their report. However, they are appropriately hesitant to offer any quantitative analysis due to their limited sample size and lack of random sampling.

Enabling Environments

The enabling environment is defined as the social, political and economic factors that contribute to the creation, development and maintenance of the partnership. This would also include cultural, legal and historical factors that help or hinder the efforts of the partnership. Two books, as well as two reports and a paper, include subject matter on this aspect of partnership development.¹¹

Key Findings

In the political context, Fiszbein and Lowden point out the need to focus on decentralization and direct devolution of public activities to the private sector. As they note in their case studies, the propensity to develop local government partners is increased when national governments make an effort to decentralize (Fiszbein and Lowden 1999). According to Fiszbein and Lowden, these new local actors are more inclined to work in partnership with the other sectors due to resource constraints. At the same time, Tandon's "Civil Society, the State and the Roles of NGOs" focuses on factors hindering partnership development, such as government's fear of losing power and influence.

Several papers also describe the suspicions each sector harbors about the others. Occasionally governments associate NGO activity with subversion, particularly when activities are designed to reach the poor (Fiszbein and Lowden 1999). Occasionally the private sector sees both the public and civil sectors as corrupt and inefficient, and therefore unlikely to yield a return on an investment, which may be an impetus for the establishment of corporate foundations. NGOs may doubt the motivation of the private and public sectors and assume they harbor hidden agendas.

Preconditions for the successful participation of civil society in partnerships include the ability to establish credible, legally-recognized institutions; formalization of institutions with influence in design of interventions; and the development of organizational capacities enabling the delivery of intended services. Several authors identify legislative measures that would foster the development of partnerships. Among these are rules requiring civil society consultation on the use of community resources and a participatory agenda. Independent verification of NGOs is necessary, according to Fiszbein and Lowden, to enhance their credibility with potential intersectoral partners (Fiszbein and Lowden 1999). A partnership, in principle, should also be an alliance of actors equally able to influence its direction; civil society, because it lacks financial independence, does not often share in this equality. Strong civil society umbrella organizations, with

¹¹ Books: Charles, Fiszbein and Lowden. Reports: USAID, Waddell. Papers: Tandon.

independent funds and a systematic method for their administration, can help address this gap and provide resources for institutional capacity development.

Methodological Discussion

The literature utilizes the full range of data collection methods seen in this review. The theoretical work by authors such as Charles and McNulty, as well as Tandon, is useful because it synthesizes the work of other researchers. Nevertheless, the value of the literature on enabling environments for partnership, as with so many other topics related to the partnership field, is limited by the absence of control groups and random sampling. Quantitative data is also lacking. However, this limitation does not represent the same critical data gap it does in other areas. Most researchers agree that the enabling environment is highly localized. Partnerships must be designed in response to local conditions; therefore, case studies are a useful and valid approach. In fact, researchers should be careful not to undermine the usefulness of context-specific data by reporting findings across broad geographical regions.

Conclusion

Summary of Key Findings

The term “partnership” itself is used to describe a wide array of arrangements. Partnership has been used to describe informal unilateral consultation, institutionalized intersectoral entities with legal responsibilities, and everything in between. This is not necessarily a negative situation; in a way, it allows the concept of partnership to be molded by the contextual factors and thereby become strategic.

Few authors are critical of the partnership approach, perhaps because many reports and papers are by researchers from organizations that engage in partnership and are committed to partnership as a development strategy. Not many recognized the hidden costs and opportunity costs of partnership.

Most of the case studies reviewed illustrate, to some extent, the benefits of partnerships for partners, the target population and society in general. Case studies, as well as the theoretical writings, contain rational arguments that partners were strengthened and project goals met (to varying degrees and at least among the partnerships studied). Nevertheless, questions remain. Under what circumstances are ISPs the preferred strategy for achieving long-term social development goals? What is the relationship between the use of ISPs and changes in people’s lives? The current literature cannot answer these questions conclusively because it focuses almost entirely on short-term benefits without looking beyond the immediate outputs of complementary resources.

An exception to this generalization is the Fiszbein and Lowden study, which examines benefits and positive outcomes for partners, target populations and society in general. However, it stops short of examining partnership achievements at the goal level. Do partnerships produce quality projects? The literature seems to indicate they do. Are projects involving partners more successful in

achieving the ultimate goal of improving the lives of the poor? The question remains unanswered.

Are ISPs worth the cost and risks involved in creating them? Could this possibly be another fad Northern development practitioners are attempting to bring to the South? Is it a strategy whose costs exceed its benefits? Is too much being asked of Southern actors? Do Southern development practitioners have the time to develop the required capacities and relationships? For most actors from all sectors, working in ISPs involves a fundamental change in the organization's mindset. While very positive, the existing literature is probably not sufficiently rigorous to overcome skepticism.

Critique of Research Methodologies

The current literature on partnership covers a broad range of inter-organizational relationships but includes few works that specifically address ISPs. As previously stated, the research is overwhelmingly qualitative with little comparative and no quantitative analysis. Interviews with partners, focus groups and group discussion are the favored techniques, along with literature reviews, but beneficiary voices and observation visits are missing. More troubling is the absence of control groups, without which project impact as an effect of partnership is impossible to demonstrate.

Overall, the literature is balanced between field-based methodologies, such as the favored techniques described above, and theoretical, impressionistic works that draw on literature or professional opinion to substantiate a theory. The field-based reports available lack random sampling procedures. Case studies, one of the most promising methods for in-depth comparative research, has so far only been used as a descriptive, qualitative tool to generate and refine hypotheses and corroborate existing theories and agendas. Rather than randomly selected, the cases studied were chosen through convenience sampling or on the basis of success factors. Similarly, the impressionistic works put forth theories and principles based on personal experience and lack rigorous research protocols that can be consistently implemented in a variety of settings. Generally, the research is almost entirely academic and written for informing policy decisions, not for use by grassroots development practitioners (Brown 1997).

Among the methodologies currently favored, case studies, if conducted with a moderately-sized (five to 20 cases), randomly-selected sample, have great potential for providing detailed, comparative data without sacrificing important information on local contexts. However, current research also overlooks other promising techniques for data collection, such as beneficiary interviews and quantitative data collection methods (e.g., surveys, observation checklists). In particular, research conducted in groups using the AI model has spawned promising insights due to the emphasis on the grassroots' perspective of partnering. This participatory method is well-suited to collecting data for addressing the issue of partnership impact, a key area for future research.

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Details each sector's characteristics, competencies and stereotypes, building through this discussion what the author terms the "mutual gains framework."

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Draws conclusions on partnership development based on professional experience in the United Kingdom. Offers a critique of partnership as a community development strategy.

Internet Resources for Development Partnerships

One of the most powerful tools for dissemination is the Internet. Not only does it allow authors to reach hundreds of thousands of interested individuals; it can also enhance the quality of the information shared through various forms of interaction. With this wealth of data, of course, comes the task of sorting, categorizing and judging validity. What follows here is an attempt to do just that. This list of the top 10 Web sites dedicated to development partnerships was assembled according to two criteria: the quality of the information posted and its accessibility.

Information on the sites must be up to date, come from a reliable source and lend itself to corroboration via relevant links. Sites including tools for partnership development are considered highly useful. The issue of accessibility gauges, in general terms, the presentation of the material and, specifically, how well the site facilitates the exchange of information. Web sites selected are easy to navigate, have a searchable database and allow materials to be downloaded.

USAID's New Partnerships Initiative (NPI) Resource Guide

<http://www.info.usaid.gov/pubs/npi/npiresrc.htm>

Vice President Albert Gore launched USAID's New Partnerships Initiative in March 1995 at the World Summit for Social Development. NPI uses strategic partnering, as well as the active engagement of civil society, the business community and institutions of democratic local governance, to bolster local communities' role in their own development. Between March and October 1996, NPI was piloted in 15 USAID missions. The *NPI Resource Guide* compiles the results and

provides a number of programming tools to assist with incorporation of NPI into mission portfolios.

The GEM Initiative

<http://www.geminitiative.org>

Global Excellence in Management (GEM) is a university-based program of learning and education that works in partnership with U.S. private and voluntary organizations (PVOs) and international NGOs to conduct capacity-building programs that support new models of institutional excellence. GEM is known for lively, original programs; for its signature themes of appreciative inquiry, global partnership and knowledge-generation; for its responsive approach to the advanced learning agendas of PVO and NGO leadership teams; and for capacity-building work that is collaboratively constructed for enduring consequence. Participation enables organizations to discover and enhance their capacity to learn, change and innovate.

Institute for Development Research (IDR)

<http://www.jsi.com/idr>

The IDR, a nonprofit research, education and consulting organization, is dedicated to promoting the participation of underrepresented and impoverished groups in social, political and economic development. IDR helps identify strategies and increase the capacity of civil society representatives to work with business and government in fashioning effective policies, solving development problems and fostering sustainable improvements.

National Council for Sustainable Development (NCSO)

<http://www.ncsdnetwork.org>

The NCSO is a mechanism for furthering sustainability as expressed in Agenda 21, the plan of action accepted by governments represented at the 1992 Earth Summit in Rio de Janeiro. The concept legitimizes the role of civil society as a partner with government in making policy for implementing the sustainable development agenda. It brings together major social groups for a balanced agreement on policies and activities toward sustainability.

Partnering for Results: Intersectoral Partnerships

<http://www.info.usaid.gov/pubs/isp>

The use of intersectoral partnerships in development is expanding as the development community increasingly recognizes the importance of institutions combining characteristics of the market, governance and voluntary service. ISPs strengthen organizations within each sector, offer a mechanism for resolving specific issues and can lay the foundation for broader, systemic change. Collaborative action can produce outcomes impossible for any one sector alone. This Web site provides information on what ISPs are, why they are important, and how

donors and other organizations can facilitate their growth. It is also a clearing-house for new information.

Partnerships Online

<http://www.partnerships.org.uk/part>

Resources on this site include *The Guide to Development Trusts and Partnerships*, published in 1998, on nonprofit organizations for community renewal; a brief A-Z of partnerships; a set of information sheets providing more detail on creating trusts; the *Guide to Effective Participation*, on the wider issues of community involvement; a relevant listserv; and other Internet resources on partnership and participation.

The Prince of Wales Business Leaders Forum

<http://www.oneworld.org/pwblf>

The Forum's mission is to promote socially responsible business practices that help to achieve sustainable development in emerging and transition economies. The Forum's staff works with leaders in business, civil society and the public sector to encourage continuous improvement in these practices; develop geographic or issue-based intersectoral partnerships; and help create an enabling environment for socially responsible business practices and intersectoral partnerships. This site provides links to a database.

Sustainable Development International

<http://www.sustdev.org>

Governments have organized major groups consisting of local authorities, nongovernmental organizations, business and industry leaders, and scientific communities, whose mandate is to coordinate procurement for Local Agenda 21. The project aims to develop, in cooperation with relevant international organizations, a centralized system for coordinated information on Agenda 21. A technical and strategic journal will link companies with decision makers at a local level.

The World Bank Web Site on Social Capital

<http://www.worldbank.org/poverty/scapital/index.htm>

This site links the World Bank's with external partners, researchers, institutions, governments and others interested in understanding social capital, defined as the norms and relations embedded in the social structures that enable people to coordinate action to achieve desired goals. It offers links to various related topics and analyzes the definition and measurement of social capital.

World Business Council for Sustainable Development (WBCSD)

<http://www.wbcscd.ch>

The WBCSD is committed to responding to the global compact proposed by Kofi Annan, whereby business would embrace a set of core principles for human rights, workers' rights and environmental protection.

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Both authors of this study are affiliated with the Education Development Center, an applied research and development organization based in Newton, Massachusetts.

Beryl Levinger's academic focus is the evaluation and management of international nongovernmental organizations, particularly those engaged in sustainable development. Within the EDC, Dr. Levinger heads the Center for Organizational Learning and Development, a team specialized in assisting international NGOs, foundations and development agencies with partnerships that respond to populations in need. In a typical year, she works with approximately 50 NGOs, government agencies and multilateral institutions to assess and strengthen institutional capacity. Additionally, she is a distinguished professor of nonprofit management at the Monterey Institute of International Studies. During her more than 30 years in nonprofit management and international education, she has held leadership positions with the American Field Service Intercultural Programs, CARE and InterAction. Dr. Levinger is co-author of *Toward the New School (Hacia la Escuela Nueva)*, published by the Colombian Ministry of Education in 1977, which helped create the framework for Colombia's acclaimed Escuela Nueva movement. Her most recent book is *Critical Transitions: Human Capacity Development Across the Life Span*.

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The Inter-American Foundation

The Inter-American Foundation is an independent foreign assistance agency of the United States government that provides grants to grassroots organizations in Latin America and the Caribbean. Created in 1969 as an experimental program, the IAF responds to innovative, participatory and sustainable self-help development projects proposed by grassroots groups and organizations that support them. It also encourages partnerships among community organizations, businesses and local governments, directed at improving the quality of life for poor people and strengthening democratic practices. To contribute to a better understanding of the development process, the IAF shares its experiences and the lessons it has learned. In furtherance of this congressional mandate, the IAF has launched, with this publication, its Thematic Studies Series assessing the tangible and intangible impact of its funding.

The Inter-American Foundation is governed by a nine-person board of directors appointed by the president of the United States and confirmed by the U.S. Senate. Six members are drawn from the private sector and three from the federal government. The board is assisted by an advisory council. A president, appointed by the board, serves as the Inter-American Foundation's chief executive officer, managing a staff based in Arlington, Virginia.

Congress appropriates funds annually for the Inter-American Foundation. The IAF also has access to the Social Progress Trust Fund administered by the Inter-American Development Bank and consisting of payments on U.S. government loans extended under the Alliance for Progress to various Latin American and Caribbean governments. Since 1972, the IAF has made 4,348 grants for more than \$528 million. Together, the IAF and its grantees have created cost-effective models of social and economic development which have often been replicated by government and larger donor agencies to better the conditions of hundreds of thousands of poor families throughout the hemisphere.



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The Inter-American Foundation is pleased to launch its Thematic Studies Series with *Togetherness: How Governments, Corporations and NGOs Partner to Support Sustainable Development in Latin America* by Beryl Levinger and Jean McLeod. Subsequent publications, documenting lessons learned from evaluations of projects funded by the IAF, as well as from the experiences of the grantees themselves, will appear on an occasional basis both in print and online at www.iaf.gov in graphic or text version.

