

## 6 CONCLUSION: WHAT'S THE NEXT STOP ON THE ROAD TO IMPLEMENTATION?

*»Arriving at one goal is the starting point to another.« (John Dewey)*

The journey from Bali via Johannesburg to New York has brought with it a range of important lessons. Some of the findings are empirical, describing how partnerships look, what they are trying to achieve, and what hurdles they encounter on their way. Others are analytical, uncovering patterns and exploring connections. Still other findings are practical and investigate which lessons this holds for partnerships as well as governments and donors. All of them, though, raise new questions and provide starting points for future enquiries.

### EXPERIENCES AND ANALYSIS

The experiences of five Seed Award winners and 70 survey respondents form the basis for this report. They were found to be well on their way to fulfilling the main expectation of partnerships. With clear goals and concrete, measurable targets, they seek to contribute their share to the implementation of sustainable development goals.

Most partnerships are making good progress in achieving their goals, but along this road, they have to overcome significant hurdles. The bulk of the report focuses on some of the conditions that help or hinder partnerships in making their contribution to sustainable development.

First, the report focuses on a special characteristic of the Seed partnerships: their strong local ownership. This trait sets them apart from most of the partnerships researched elsewhere. The report finds that strong local ownership has crucial positive effects: it increases compliance with policies and norms; it ensures that development initiatives fit local circumstances; and it empowers the local stakeholder groups involved. But it also finds costs associated with local ownership. Thus, purely local initiatives can find themselves cut off from other partnerships and from internationally held expertise and technology. Participatory international partnerships often struggle with long and expensive start-up phases and a seamless fit between global and local priorities is not a given.

Second, the report focuses on a topic that has received much attention in recent years: the business models of partnerships. Adapting a commercial business model to partnerships has two important functions. First, it defines how partnerships intend to generate resources for their activities. Second, it provides a framework for outlining essential elements of planning and management.

Regarding their financial arrangements, we find that most Seed partnerships rely on mixed financial models. They cover their financial needs in part by engaging in commercial activities and in part through contributions from donors or partners. The reliance on mixed sources of finance is a sign that partnerships are integrating the approaches from business and NGOs to achieve social, environmental as well as economic benefits. But these financial models also bring special challenges with them. First, they require partnerships to master the different skills needed in the worlds of business and civil society. Second, they meet institutional obstacles because most financial institutions are not flexible enough to accommodate these innovative models.

Concerning their planning and management processes, we find a deficit in many Seed partnerships. The Seed partnerships are strong in defining their visions and goals, but they often fail to meet basic standards of formal and medium- to long-term planning and management. Partnerships engaging in more rigorous planning and management, though, tend to show more signs of progress, especially in the area of fundraising.

## IMPLICATIONS AND POLICY RECOMMENDATIONS

»To learn is to change« (George B. Leonhard)

The experiences of the Seed partnerships have implications for different actors in sustainable development. A first set of lessons is relevant for *governments and donors*.

### ◉ **Governments and donors should support locally driven partnerships in assessing their impact**

For governments and donors, the Seed experiences suggest that a focus on locally driven initiatives is likely to pay off in showing concrete development effects. But locally driven partnerships often lack the resources or skills to conduct impact assessments. If there is an interest at the political level to measure the overall impact of partnerships, local initiatives need to be supported in these areas. This support can take various forms. Governments and donors can provide tools and experts for conducting impact assessments; they can define useful indicators for measuring impacts; or they can provide financial support for external impact assessments or staff training.

### ◉ **Governments and donors should facilitate exchanges between partnerships and make more social venture capital available**

Second, governments and donors can take specific measures to alleviate the costs of strong local ownership. Thus, they can facilitate exchanges among local initiatives and ease their access

to internationally held expertise and technology. They can also make more social venture capital available. This would help bridge the often long and costly set-up phases for participatory international partnerships.

◦ **Governments and donors should offer more flexible financial instruments**

They can help address some of the financial needs of partnerships. This, however, not only means that more funds should be made available. The analysis of financial models shows that partnerships would benefit from more flexible financial instruments. It could be an important step to adapt allocation rules so that they allow partnerships to pursue a combination of commercial and charitable objectives.

◦ **Capacity building and training materials should focus on planning and management issues**

Better planning and management capabilities could help partnerships gain access to diverse financial resources. Capacity building programmes and training manuals for partnerships should therefore place a stronger emphasis on these topics. Thus, for example, tools like the ones offered for NGOs at sites like *www.ngomanager.org* could be adapted to partnerships.

The Seed experience also holds some lessons for other sustainable development *partnerships*.

◦ **Partnerships should demonstrate their impact**

We have seen how important it is for partnerships to demonstrate their impact. Locally driven partnerships are good at focusing on impact, but they are much less concerned about measuring or communicating their effects. To strengthen support for locally driven partnerships at the political level, however, recording and communication would be important. Efforts like the UN Global Compact's 'Communication on Progress' initiative<sup>43</sup> in which companies provide information on how they implement the Compact principles might serve as an inspiration.

◦ **Partnerships should consider what level of local ownership they need**

The discussion about local ownership has shown that trade-offs are involved. The costs and benefits involved suggest that some partnerships need stronger local ownership than others. When deciding their approach, partnerships should consider carefully how their specific goals are affected through more or less local ownership.

◦ **Partnerships should develop an explicit and internally consistent partnership business model and corresponding business plan**

Third, partnerships could benefit from developing more formal partnership business models and their corresponding business plans. These should define not only what the partnership seeks to achieve, but also and crucially, where and how the partnership intends to generate the necessary resources. A good partnership business plan will help partnerships to go through a more formal planning process and consider the financial, institutional, and personnel implications of their strategies.

Finally, the Seed experiences have implications for *businesses*:

◉ **Small and medium-sized businesses have a crucial contribution to make**

The focus on locally driven partnerships offers a first lesson for businesses: Not only large multinational corporations can make an important contribution to sustainable development. In the local context, to the contrary, the involvement of small and medium-sized enterprises is much more significant. This role should be recognised and embraced by the business and development communities.

◉ **Engagement in partnerships can further a company's business interests**

Most of the Seed partnerships have a commercial side to them. This means that involvement in partnerships does not have to be based on charity. Where companies contribute because the partnership has a positive effect on their business interests, this may add to the sustainability and scalability of the initiative.

◉ **Businesses should emphasise the non-financial contributions they can make**

Businesses—like other partner organisations—have important non-financial contributions to make. While in many partnerships, businesses are still mainly seen as financiers, they also often have valuable experiences and skills in planning and management. Partnerships might benefit from a closer involvement of their corporate partners in these areas, especially for setting measurable targets, accounting and controlling for their expenditures, and evaluating their performance.

## **NEW QUESTIONS AND FURTHER RESEARCH**

Our analysis of the Seed partnerships raises at least as many questions as it answers. Many important areas of enquiry lie outside the scope of this report, but from the focus adopted here, five main puzzles suggest themselves for further research:

◉ **Where can partnerships make the biggest impact and how can that impact be measured?**

The Seed partnerships predominantly focus on alleviating poverty and protecting environmental sustainability. Is this focus due to a selection bias in the sample or does it imply that partnerships have a particularly relevant contribution to make in these areas? Further research could help illuminate in what areas partnerships can have the most important impact. This could also help clarify where the competitive advantage of partnerships as compared to other institutional arrangements lies.

A related question is how the overall impact of partnerships on sustainable development can be measured. Systems that simply assess development outcomes cannot distinguish between different contributing factors. They are thus unable to examine the relative effectiveness of different approaches to sustainable development. Tools to assess the contribution of individual initiatives, by contrast, often do not in create comparable criteria or aggregate the effects of many small-scale activities.

◦ **Which type of partnerships benefit most from local ownership?**

The Seed analysis has suggested that different levels of local ownership may be most appropriate depending on the goals and focus of partnerships. The indications of which type of partnership requires which kind and how much local ownership, though, had to remain speculative and preliminary. To maximise the impact of partnerships, a more systematic comparison between different types of partnerships would be very useful.

◦ **Which financial models and needs are typical for different issue areas?**

This report has found that partnerships most often rely on mixed financial models, but it contains few indications as to which financial models are most typical for which issue areas. It also provides little information about the typical size of needed investments or grants. To enable public and private financial institutions to direct their investments strategically, more research into what kind of financial resources are needed for what would be valuable.

◦ **Which tools can be used to improve formal partnership planning and management?**

Our analysis shows that partnerships can benefit from better planning and management. A variety of tools and training methods have developed both within the development community and the corporate world. First, more research could help establish which areas of planning and management need to be addressed most urgently. Second, a systematic comparison and adaptation of existing tools to the needs of partnerships would be needed.

◦ **Which measures are most effective in supporting locally driven partnerships?**

As part of its Award programme, the Seed Initiative has started to develop support services for partnerships. Reacting to the needs of the individual partnerships, exchanges, consulting services or limited financial support are provided. Other institutions, such as the World Bank Development Marketplace or the Equator Initiative of the United Nations Development Programme are also offering learning and support services to local initiatives. A comparative evaluation of different approaches to partnership support would help these and other institutions to refine and strategically focus the services they offer.

<sup>43</sup> For more information, see <http://www.unglobalcompact.org/CommunicatingProgress/index.html>.