

Case Study

Agreements that Work: Co-Creating Collaborative Agreements

The environment for the collaborative agreements

In 2007 I commenced three and a half years of work on a new program across five developing countries for my employer, a large bi-lateral donor. The program was intended to support local leaders across a number of sectors to develop their leadership skills, and also to generate discussion and debate on leadership issues. The bi-lateral donor represents the dominant power in the region, which exerts its influence politically, economically and culturally. Working on leadership was highly fraught, and we could easily have been met with hostility. We had to develop a new business model for funding organisations which allowed us to build equity and trust, and which would generate the space for us to have meaningful discussions with our partners about leadership challenges as defined by them. I attended a Level 1 Partnership Brokers Training in the month before I re-located overseas to work on the program, and it provided the framework and many of the tools I needed.

The first two years were focused on scoping, negotiating and establishing the key partnerships which would form the spine of the program. Partners came from different sectors: faith-based; youth; NGO; business, and other donors. We experimented together to find new ways to negotiate, to define objectives together, to design agreements, to monitor our partnerships as well as our work, to separate financial management from general program management. Carefully thinking through all these processes allowed us to build relationships which looked quite different to more typical donor/beneficiary type relationships.

The agreements which my organisation generally offers are either lengthy master-servant style contracts, or very rigid funding/grant agreements, which have very punitive terms, and are totally focused on the responsibilities of the funding recipient. These documents are not conducive to the development of partnerships.

The first collaborative agreement

Co-creating collaborative agreements was a key building block for these relationships in the early stages. I took to heart PBA guidance on the importance of co-creating agreements from a blank page. When it came time to develop the first agreement, I was very nervous, and had no real idea how to go about it. The first partnership to need an agreement was with a peak business organisation. The organisation only had two staff members, and I had spent a long time developing strong relationships with them. I explained the concept of co-creating an agreement, and I offered them the choice of working with me on such a document, or being presented with a ready-made financial agreement from my organisation. They were very keen to jointly develop the agreement. I explained that I had never done this before, and asked them if they would be happy to work on a prototype with me that we could use as the basis for the rest of the collaborative agreements on the program. They were very happy to be helping to develop the business processes for the program, and they asked me to bring some examples of the kind of headings that had been used in other collaborative agreements, so we could think together about the kind of structure we might use.

For our first session I arranged a table on the veranda at a hotel which used to be a plantation residence. We sat high on a hill and looked out over the bay. It was a relaxing and easy place to start a difficult job together. In that first session we decided which headings we would use, and how we would structure the agreement. Then they took the headings away to think about their side of the content. For the next session, we experimented with sitting together with a light pro projector, with me typing as we wrote the document together. This worked well, and became the technique my team used for the 15 or so collaborative agreements we designed on the program in the time I was there. After we had a draft finished we each took it back to our own organisations for approval. After some toing and froing, and fairly marginal amendments, it was finalised and we signed it in a public ceremony with great fanfare.

The co-creation process as it evolved

My program developed a general pattern for the co-creation of the agreements:

- Many hours of informal discussion between us and the representatives of the partner
- A one and a half day formal workshop which took us through thinking about what 'partnership' meant in our relationship, defining a shared objective and individual objectives, identifying the relative strengths and challenges of the different partners, thinking through shared risks and individual organisational fears, doing some preliminary resource mapping, and looking at the different requirements (reporting, financial management, monitoring and evaluation etc.) placed on each partner by their parent organisation.
- Then, if we all felt comfortable about proceeding, we progressed to the co-creation of the collaborative agreement. Much of the text for the agreement had already been generated by the workshop discussions, and we had the flipcharts from the workshop up around the walls while we were drafting the agreement. We tried to find a nice space with good air and light to do the writing work, and made sure we had plenty of nice food available (a cultural requirement in the countries we were working in).

The process varied greatly between partners. With some partners it went quickly and easily. With the business organisations in particular the process usually took only two to three hours, and was usually concluded to everyone's satisfaction, with very minimal amendments made after the initial drafting. It took two days to design the same style document with other organisations, and the process was extremely painful. No matter how long it took, it was always very hard work, and required a lot of concentration, attention to detail, and strong commitment to getting the agreement done. But when it worked well, getting the agreement done was a strong building block in the partnership, as we really felt like we had achieved something quite difficult and substantial together. When it didn't work well, it just deepened the sense of confusion about what the relationship was really all about.

The actual writing of the document was a difficult job for the facilitator / typist. We would go through each of the headings, with first the partner and then us providing text for strengths or challenges, objectives, risks, what we wanted from the partnership etc. If at all possible, I would always try and have someone else from my own organisation to be there providing our side of the text, so that my main job was to capture material and type it up, and to help people craft their thoughts into a form of words that everyone was satisfied with. Sometimes it was just me, and then the task was doubly difficult. If things got tense, and this sometimes happened between the members of the partner's team, there would be an additional mediating role to play.

How were the co-created agreements different?

The agreements we developed were focused entirely on the relationships between the organisations that made up the partnership. They covered: who was at the table and why they were there; why they wanted to go in to partnership with the other party or parties, what they were looking for, and what they feared. We and the partners expected that the collaborative agreement would be the foundation document for the partnership, and that funding agreements which outlined work plans, respective inputs and financial accountability would be developed separately, as and when needed. A number of different funding agreements could hang from the collaborative agreement. This formed the basis of the whole management of our partnerships, i.e. separating the relationship from the finances. The same people who worked together to develop the agreement generally worked together to manage the work program and the relationships. At the same time, the financial managers of the respective partner organisations worked together on the financial agreements, and managed the financial relationship.

What made a difference?

Two things were important in terms of the length of time the process took, and the difficulty of the process. First was the **strength of the relationship** we had developed with the potential partner, and the **depth of their understanding about what we were trying to do**, and why we wanted to do things differently. Looking back I can see that when agreements took a long time to develop, and the process was painful, we hadn't done enough work on developing mutual understanding, and we probably shouldn't have been working on the collaborative agreement yet. This was more common with NGOs and other donors, who were so used to the way things usually work in the development sector, and so comfortable with those processes (even though they might be violently critical of them) that they found it very difficult to accept that there wasn't some hidden manipulative agenda behind the co-creation process and assumed this was a sneaky way for the big donor to gather yet more power for itself. It was, interestingly, much easier to work with the business, youth and faith-based organisations, which did not have such a long and inequitable history of working with donors.

The second key issue was the **unity and sense of common purpose** amongst the people representing the partners in the co-creation process. Where they had had internal discussion about us and the process before they came to the table, had pre-prepared some common position, and where they had genuine respect and trust for each other, the process was much easier. Sometimes the process of drafting the agreements, of all being stuck in that room together for however long it took, was an opportunity to air disagreements and work through power struggles taking place within the partner organisation, and those sessions were very difficult. After about a year we arrived at a policy of requiring a large number of the Board and a large number of the staff to be present at the one and a half day workshop leading up to the drafting. This allowed us to be fairly confident that a large group of people understood us and the process, and that we understood the dominant views within the organisation. The workshop of course followed many, many hours of informal conversation with key individuals, but we would not progress to co-creating the agreement until a wider group had attended the workshop. This did reduce the amount of internal conflict which was brought to the table during the drafting process.

We co-created some collaborative agreements with two people in the room with us, and some with 30 people in the room with us. The largest groups I did it with were youth councils, where the leadership of the councils used it as a development opportunity for their groups, and even though only three or four people participated in the process, there were twenty or thirty young people avidly watching, and having whispered discussion and debate in their own language throughout. My team observed me initially, as I felt my way through the process and gained in confidence, and then I attended as a participant while they facilitated and typed, and eventually we had four people who could take partners through the co-creation of a collaborative agreement.

Getting approval

Of course, once the draft agreement was created, each of us partners had to take the documents back to our respective parent organisations for approval. This was hardest for us on the first four or five agreements. The lawyers at our head office did not understand why we couldn't just use an existing financial agreement, and my direct manager at the time also thought the whole process was a colossal waste of time. Fortunately, as we were separating out the financial agreements from the collaborative agreement, I could use their ignorance of the process to my advantage. The lawyers and my boss were completely fixed on the idea that the financial agreement was where the main game was, and that the collaborative agreement was an unnecessary piece of fluff. I didn't argue with them too much on this, and allowed them to think that they were indulging me in my naïve endeavours. The lawyers made me put in a couple of lines which pointed out that the agreements were not agreements in law, and after approving the fourth or fifth agreement, they told us that as long as we stuck to the same format we wouldn't have to keep putting every agreement through them for approval.

The most difficult agreement to get approved was co-created with a faith-based organisation. This organisation played a strong advocacy role, and often spoke out against some of the policies of my organisation's government in the region. They also played an absolutely fundamental leadership role in a very religious population, and our program would have looked very silly if we had not found a way to engage with the Church. It took us a long time to even gain enough of their trust to start scoping a partnership. They were very nervous that having a relationship with us would impinge upon their advocacy work. We very, very carefully crafted an agreement together which spelt out our area of common interest in exploring the management and leadership practices of the Church, and equally as carefully spelt out all the areas we did not agree on, and the communication strategies we would put in place to try and avoid confusion and misunderstanding. This agreement took

a long time to get approved by my parent organisation. I had to go back to the prospective partner three or four times with changes to the text, and I really thought that the process might kill the whole partnership. But somehow through all of the toing and froing we began developing our sense of mutual commitment to the partnership, and of working together to help each other protect the partnership from each of our wider institutional demands.

What changed?

We saw the process of co-creating these agreements make real change in our partners and our partner relationships. One very small organisation, in a small country, run primarily by young women in a male-dominated society, began insisting that other donors look at their collaborative agreement with us, and go through the same kind of partnership negotiation process that we had gone through with them. Many of our partners regularly used their collaborative agreements with us as a negotiating tool with other donors and other partners. Some began using discrete parts of the process, such as the clear identification of a shared objective, and individual objectives. Some partners asked us to look at funding documents being offered them by other donors, and asked for help to work through the processes of other donors.

As the partnerships matured, we began re-visiting some of the collaborative agreements to check whether they still accurately reflected the substance of the partnerships. I did this twice as we were managing the change-over of key individuals within the partnerships. As part of the induction of the new person, we sat with the outgoing partner representative and the incoming partner representative, and worked through the agreement together. This allowed us to pass on much of the history of the relationship, to gauge some of the thoughts and feelings of the incoming person, and to update the document to reflect developments in the relationship.

Conclusions

All in all, I felt that co-creating collaborative agreements was a fundamental part of the creating of trust-based partnerships which engendered equity and mutual accountability. It didn't always work, sometimes because of a long history of mistrust of donors, which we didn't manage to overcome, sometimes because of unhealthy and competitive relationships within the partner organisation, which we couldn't address, and sometimes because we dived in to the co-creation process too early, and we needed to do more work on the relationship first. We worked on about 15 co-created agreements over the three years, and only two of the partnerships / collaborative agreements were unsuccessful.

When it did work, which was more often than not, the co-creation process was a very important part of the development of the whole partnership. It gave us a sense of having achieved something significant together, it gave the partner a much greater sense of ownership than they had ever had from agreements with donors before, and it gave them a new model that they could use to demand better from other prospective partners. The collaborative agreements were not enough on their own to generate substantive partnerships. They needed to be supported with business processes which supported the partnership approach, and allowed everyone involved to manage their day to day interactions "partnership style," and not fall back in to old patterns of donor/recipient behaviour. But they were a fundamental building block of the partnerships, and a real stepping stone on the path to building trust, as our partners saw the amount of time and energy we were willing to put in to co-creating a document which represented them and their concerns as much as it represented us and ours.

Yeshe Smith

May 2012

Yeshe Smith is currently employed by AusAID in Canberra. The views expressed in this case study are the views of the author and not necessarily those of AusAID or the Australian Government.

Example of a Collaborative Agreement

The following is the first collaborative agreement which was developed, as described above. The Agreements which we developed became more sophisticated as we learned. As our confidence developed we encouraged partners to be more and more honest in their requirements of us in these documents. Some of the Agreements had a number of "the donor will not" clauses in them. But this was the first Agreement, and it is not quite as adventurous.

Partnership Agreement between XXX and YYY

History of the Partnership

YYY first began discussion with the XXX early in 2007. These discussions led to YYY attendance at the Inaugural Z Region Islands Business Forum (PIBF), organised by XXX in August 2007 in _____. The Z Region Business Forum established XXX, although a new organisation, as a credible representative of the private sector in the Pacific. The Forum, and XXX's promising beginning, coincided with the establishment of the donor program YYY. The YYY seeks to improve governance through supporting current and emerging leaders in the Z region. There was recognition that XXX, by virtue of the leadership role it plays, and the support it will increasingly give to its members who are leaders in their own countries, was a logical partner for the YYY.

Discussions began with XXX sharing their Strategic Plan with the YYY in December 2007. It was clear that there were areas of mutual interest, and a great opportunity for XXX and YYY to work together on a program which could improve XXX's ability to serve its members, and allow the YYY to support the development of improved leadership in the private sector, and eventually more fruitful dialogue between the public and private sectors.

There have been ongoing discussions between the two organisations through the first part of 2008. A work plan has been identified which is based on areas of mutual interest. The activities to be undertaken are related directly to the priorities determined by the members of XXX, and the objectives of the YYY. The YYY will support this work plan, and provide ongoing organisational support to the XXX Secretariat.

The Partners

XXX recognises and support's YYY's objective of contributing to improved leadership in the Z region. As a partner agency, YYY can support the XXX Secretariat on mutually agreed initiatives that are consistent with the strategic goals of XXX.

YYY recognises XXX as the only credible regional private sector organisation in the Z region, mandated by the Z regional governing body, supported by the UNDP Z region Centre, and connected to and supported by its member National Private Sector Organisations (NPSOs).

The Agreement

This Agreement describes the working relationship which XXX and YYY hope to share and develop over a long period of time. The purpose of this relationship, in the long term, is to contribute to improved leadership and governance in the private sector.

It is envisaged that funding agreements and work plans will come under this Agreement over the life of the partnership. As long as YYY and XXX are in existence, and realise continuing mutual benefit, the Agreement is in force.

Guiding Principles and Values

This Agreement is based on the following principles:

- The relationship of the Agencies will be one of partnership, valuing the contribution each agency can make to the achievement of common goals;
- Mutual respect for each partner's contribution and responsibilities;
- Recognition that each partner has different skills, strengths and attributes;
- Effective partnership based on common vision, equity, transparency and mutual benefit;
- The relationship is dependent upon the commitment of both organisations to be honest, open and frank in communication at all levels of interaction between the two organisations

XXX and YYY share the following values:

- That Z region people are entitled to opportunities to grow and prosper
- That good governance and leadership is fundamental to effective reforms in the Z region's private sector
- That the needs and priorities of the national private sector organisations (NPSOs) which are XXX's members, should always be taken into account by XXX and its partners
- That meaningful change can come about through real and effective partnerships between organisations such as XXX and YYY

Partner Strengths

XXX brings to the partnership:

- Strong networks with private and public sector bodies in Z region countries, as well as multi-lateral agencies
- Legitimacy as per the Z region Plan and increasing recognition from Z regional and International organisations
- Strong governance structure, comprised of Board, Council and Secretariat
- Current working relationships with the Z regional governing body and the UNDP Z region Centre
- Local knowledge and understanding of how to work successfully in the Z region

YYY brings to the partnership:

- Project management skills, including project design and monitoring and evaluation
- Relationships with other donors to promote donor coherence in dealings with XXX, and donor support of XXX
- Via the parent organisation, strong bilateral and regional programs looking at private sector development, infrastructure development and legislative reform which can provide linkages and lessons learned to advance this program
- Contacts in the public sector across the Z region, and access to political leaders through bi-lateral aid programs
- Significant in-country presence in many of the Z region countries with associated logistical and physical infrastructure

Benefits of the Partnership

Shared

- Improving governance and leadership in the private sector
- Positive reputational benefits to both organisations
- Sharing of strengths allows more effective delivery of both programs
- Strong partnership will support future work, and enhance opportunities for expansion of both programs

XXX

- Through increased support and capacity the Secretariat is able to build trust with members, identify members priorities and support members needs
- Better governed NPSOs
- Increased access to other donors through representation by YYY

YYY

- Increased access to the private sector in YYY's focus countries
- Increased profile in the Z region through representation by XXX
- Recognition from head office for having strong partnerships with the relevant Z region organisations

Risks to the Partnership

Shared

- Closer association leads to shared risk of failure and shared responsibilities for failure. While YYY and XXX run completely separate programs, with different goals, their close association will mean that failure on the part of either organisation will reflect on the other.
- Failure on the part of either organisation will significantly impact on the ability of the other party to carry out their work

XXX

- Identification of ongoing resource support outside of YYY
- Maintenance of strong commitment from the Board, NPSOs and Secretariat

YYY

- Ongoing funding for YYY and support from head office
- Political instability in host country of YYY Secretariat

Monitoring and Evaluation

The partners will develop a monitoring and evaluation framework for the assessment of the partnership at their first quarterly review.

Management and Coordination

The partners will meet once a quarter to review progress made on work plans, and also to review the partnership.

Both partners are committed to:

- Regular informal contact,
- Sharing of all relevant information,
- Sharing of contacts for networking purposes,
- Involving the other partner in pertinent activities, in Fiji and abroad
- Spread awareness of each other's functions and activities throughout the region
- Linking websites for information sharing

Public Representation of the Partnership

Both partners agree to inform the other before releasing press statements, or formal publication relating to the partnership. Both partners are free to discuss the partnership in presentations, meetings and other informal discussions.

Both partners are free to use the other partner's logo to publicise work that involves both partners.

The Partnership Agreement is a living document. Changes can be made after discussion at the quarterly partnership review meetings.

Signed by:

Mr _____

For and on behalf of XXX

Signature

Date

Signed by:

Ms _____

For and on behalf of YYY

Signature

Date