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## FROM PRACTICE

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## Managing Complexity:
## Challenges for International Development Partnerships in Practice

Development organisations work in complex and often unstable environments. Good development partnerships are not only an end, but an important means for working with this complexity. There are however perverse incentives and structural inequities in play within the development industry that makes this challenging. This paper explores a few of these inequities and proposes that good partnerships for development require moving beyond shared objectives and necessitate a wide-ranging set of reforms which shift the way that different development actors do business.

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# Managing Complexity: Challenges for International Development Partnerships in Practice.

## Interpretations and Implications for Partnerships for Development in a Complex Industry.

Over the past decade, Partnership has become an increasingly common term used within the discourse and literature of the international development sector, to describe the working relationships between a range of development actors – bilateral and multilateral donors, governments of aid recipient countries, international non-government organisations (INGOs), local civil society organisations (CSOs), academic intuitions etc.

## Development Industry Drivers and Trends

Arguably, the language and logic of partnerships for development has been driven by the aid effectiveness agenda, enshrined initially within the Paris Declaration on Aid Effectiveness (2005)[1] which established a framework for making sure that development actors held each other accountable for their commitments. The Paris Declaration highlighted five fundamental principles for aid effectiveness:

❖ Ownership: Developing countries set their own strategies for poverty reduction, improve their institutions and tackle corruption;
❖ Alignment: Donor countries align behind these objectives and use local systems;
❖ Harmonisation: Donor countries coordination, simplify procedures and share information to avoid duplication;
❖ Results: Developing countries and donors shift focus to development results and get results measured;
❖ Mutual Accountability: Donors and partners are accountable for development results.

The Accra Agenda for Action (2008)[2] and the Busan Partnership for Effective Development Cooperation (2012)[3] aimed to accelerate progress of the Paris Declaration, by agreeing a set of shared principles and common goals for all development actors, namely;

❖ **Ownership of development priorities by developing countries**: Countries should define the development model they want to implement;
❖ **A focus on results:** Having a sustainable impact as the driving force behind investments and efforts in policy making;
❖ **Partnerships for development:** Development depends on the participation of all actors, and recognises the diversity and complementarity of their functions;
❖ **Transparency and shared responsibility:** Development co-operation must be transparent and accountable to all citizens.

These key platforms for action have been universally adopted by the full range of development actors, who claim to be applying agreed principles at their specific level of engagement – i.e. national, subnational and community levels, and within governance and service delivery – to extend the benefits of effective aid delivery to all citizens and institutions.

Overlaying these approaches is recognition of the complexity of development in the current geo-political climate. In working on social development issues, we experience complexity in two ways: i. by addressing

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[1] http://www.oecd.org/dac/effectiveness/parisdeclarationandaccraagendaforaction.htm
[2] http://www.oecd.org/dac/effectiveness/parisdeclarationandaccraagendaforaction.htm
[3] http://www.oecd.org/dac/effectiveness/busanpartnership.htm

complex problems; and ii. by working within complex adaptive systems and this has important implications for practice [4] as will be explored within this paper.

## Partnerships for Development

**Partnerships for development are a response to these trends in development thinking, and are now both one of and a part of these complex and adaptive systems within which we practice.**

A partnership is an ongoing working relationship where risks and benefits are shared, and is based on principles of equity, transparency, and mutual accountability. In practical terms this means each partner's involvement in co-creating programs, committing tangible resource contributions and mutual accountability[5].

At the core of partnership theory is the recognition that it is unreasonable to consider that any one actor can bring about achievement of high level development outcomes, but rather, that various actors play a role in contributing to these through the mobilisation of different resources – skills, capabilities, relationships, networks, reputation, financial resources etc.

The development sector itself is a complex system. Key to understanding the benefits and challenges of working in partnership is recognising the range of development actors, the different skills, mandates, resources and attributes that they bring to the table, and their limitations. Donors, for example, may bring high level relationships (e.g. with government) through which political pressure can be bought to bear. They are (often in multilateral partnerships themselves) able to mobilise at scale and address policy change in line with the implementation of national programs through the mobilisation of government resources (people, institutions, programs and funds). They are, however, bureaucratic organisations, overly focussed on procedure than efficiency, and governed by policies mostly outside of the control of the workforce and which can suddenly change. INGOs tend to stronger relationships at the grassroots level and with marginal groups who fall through the gaps of national programs. They can bring evidence of what works, what does not and contribute to understanding why. INGOs often face operational and financial constraints in implementing independent programs in developing countries, while local CSOs may be exposed to significant political risks, or experience capacity gaps due to uncertain financial arrangements and poor governance. Academic institutions can lead research, draw on an international body of knowledge and can assist in creating linkages between knowledge and policy by connecting theory with practice; but may be slow to respond and dependent on specific funding interests. Of course, within these stereotypes, there are significant differences between organisations, and the way they perceive, conceive and operationalise programs.

Partnership theory suggests two exciting possibilities for development in a complex world, namely:

1. where people and organisations work together, they are likely to achieve more than they can alone; and importantly
2. that systems cannot be understood only by understanding the smaller parts that make them up, that, indeed, once connected, the outcomes may be greater (and certainly different) than the individual parts![6]

So how does this promise play out for the different types of development actors working on complex social issues in complex and complicated working environments?

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[4] Cabaj, M and Auspos, P (2014): Complexity and Community Change: Managing Adaptively to Improve Effectiveness, https://assets.aspeninstitute.org/content/uploads/files/content/docs/pubs/Complexity_and_Community_Change.pdf

[5] DFAT various documents adapted from The Partnership Initiative.

[6] The saying "the whole is greater than the sum of its parts" (attributed to Aristotle) is commonly used to communicate the potential of partnering.
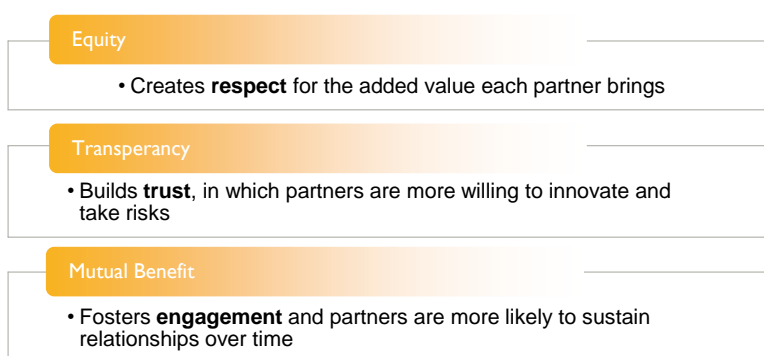
The following discussion draws on my observations[7] and experiences in working on civil society partnerships for development in Asia and the Pacific. It is by no means an academic exercise. Rather it seeks to unpack the complexity of development partnerships and identify the possible implications for partnering and brokering. Specifically, it aims to explain how these experiences and observations have informed my own practice as a broker.

## Implications of Partnership Principles for the Relationship between Development Actors

### Core Partnership Principles

Good partnerships are based on three core principles, each of which play a key role in creating the preconditions for aid effectiveness (see Box), and which also provide a useful lens through which my reflections can be framed[8]:

❖ **Equity** differs from equality and implies an equal right to be at the table, as well as a validation of those contributions that are not measurable simply in terms of cash value or public profile;

❖ **Transparency,** openness and honesty in working relationships and work practices is a precondition for trust and ensuring that partners can be accountable to each other as well as their partner donors and stakeholders;

❖ **Mutual Benefit** suggests that if all partners are expected to contribute to the partnership they should also be entitled to benefit from it. Healthy partnerships work towards achieving specific benefits for each partner over and above the common benefits to all partners. Only in this way will the partnership ensure the ongoing commitment of partners and be sustainable.[9]

| Equity |
| --- |
| • Creates **respect** for the added value each partner brings |

| Transperancy |
| --- |
| • Builds **trust**, in which partners are more willing to innovate and take risks |

| Mutual Benefit |
| --- |
| • Fosters **engagement** and partners are more likely to sustain relationships over time |

### Challenges and Ways Forwards

#### Equity

*The way in which overseas development assistance (ODA) is dispersed to CSOs reinforces significant power imbalances between key delivery partners and presents further challenges to equity at several levels.*

Most ODA to civil society is delivered through grant funding, and international donors are in the large part unable and under-resourced to directly administer these funds. As such, most ODA to local CSOs is delivered through intermediary organisations such as international NGOs or UN agencies who accept, by nature of their contract, accountability and liability for the use of these resources.

The implications of this in terms of relationship and power dynamics are not hard to unpack. In its purest form, it places local organisations as subcontractors to an external[10] intermediary. In the context of value for money and responsible use of public funds, it places financial and asset management at the centre of

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[7] This is not a comprehensive set of observations, but are reflections on several key themes that emerged for me during the accreditation and mentoring period and which have contributed to my sense-making around Oxfam's partnerships in the Solomon Islands.

[8] While the paper is structured around discussion of the three key partnership principles, these themselves are, complex and overlapping themes, which will be picked up within each discussion.

[9] Adapted from The Partnering Initiative: http://thepartneringinitiative.org/about-us/philosophy-and-approach/the-partnering-cycle-and-partnering-principles/

[10] Often from donor nation using international staff.

performance, which in turn places a higher value and focus (in terms of effort and accountability) on the financial resources that are on the table. Funding becomes king and partners become accountable to the people and systems that govern it.

Brokers and partners have many tools at their disposal to assist with rebalancing this situation and striving for equity, for example:

- ❖ Ensuring a clear separation between the Partnership and any specific projects that the partnership may undertake through creating umbrella Collaboration Agreements which focus on articulating the unique attributes of each partner, their expectations and goals for the relationship, and the potential areas and mechanisms of collaboration, under which contracts for discrete pieces of work with specific financial obligations can be developed where necessary;
- ❖ Undertaking resource mapping, which outlines the range of contributions (financial, knowledge, networks, social and political capital, infrastructure, time, legitimacy and authority) of each partner to a specific activity or outcome, and can help to illustrate and acknowledge a shared contribution, articulating these within Partnering Agreements, and measuring how resource mobilisation is tracking at implementation;
- ❖ Establishing collaborative business processes which seek to affirmatively address power, e.g. rotating meeting chairs, locations and roles and responsibilities for key administrative tasks such as documentation, reporting etc.

While these are practical tools, they are insufficient to address the fundamental and indeed complex realities that impact upon the independence of local CSOs, and which work against achieving equity, transparency and mutual benefit within partnerships. Examples include:

- ❖ A lack of access to an independent financial base which enables CSOs to take concrete and independent action to implement their own mandates and programs outside those funded with ODA;
  - ◆ CSOs are challenged to access funding outside of working as sub-contractors for predesigned interventions. The issue of core funding to CSOs has long been contentious in the development world. Donors work to specific risks or regional or global development trends and priorities. They prioritise the funding of tangible activities as opposed to institutional reforms and priorities that could potentially be construed as management costs. Access to core funding for CSOs however, can be the key to enabling them to invest in their institutional sustainability and independent mandate.
- ❖ A lack of space to engage in dialogue with policy decision-makers and service providers which undermines their ability to use programmatic evidence to improve governance, service delivery and development impact;
  - ◆ Few partnerships I have seen have done this in an effective way. A key criticism by local partners is the fact that INGO partners rarely bring their CSO partners into government and donor meetings, and as such that they are always the face and the voice of the partnership efforts.

So, can partnership be a tool which helps different stakeholders to address these types of structural challenges? Are there ways that brokers can work with partners to try and rebalance these inherent inequities when brokering partnerships? Is this not our mandate and role as brokers? Two examples that I have sought to implement within my own practice include:

- ❖ **Sharing the public sphere.** Partnership brokering can explore the potential of supporting the legitimacy of civil society by providing equitable opportunities for them not only to represent the partnership externally, but to engage with government and policy decision makers on key issues. This can engage them in social change and development processes in a meaningful and equitable way. It requires negotiating with INGOs to share the inherent power and opportunity that these spaces offer.

It requires external communication strategies which uphold the rights and responsibility of partners to engage in these spaces to be articulated within Partnering Agreements.

❖ **Addressing resource requirements to enable all partners to fulfil their respective and shared responsibilities and commitments**. Partnership financing arrangements need to consider factors beyond the financing of specific activities and include:

- ◆ core funding to CSOs, to enable them to undertake independent actions to achieving their own institutional objectives beyond any specific project objective;
- ◆ the costs of engaging in design (and M&E and sense-making) processes in order that CSOs have sufficient resources to participate actively in the co-creation of development interventions;
- ◆ the costs of partnering processes to hold all partners accountable for engaging.

This means placing a transaction cost on the relationship and partnering processes and ensuring that sufficient staff and resources are allocated to ensure that these processes are mobilised in a meaningful way. In the same way that we set aside budgets for monitoring and evaluation, so should we set aside budgets for partnering.

*Transparency*

*The way in which donors engage intermediary organisations in managing the perceived risks and high transaction costs of working with local civil society, places the onus for collaboration upon the intermediary but fails to incentivise good partnership performance.*

International and national organisations and donors have very different perceptions of transparency. Donors and intermediary organisations tend to define transparency in practical terms linked to financial accountability and certain programming ethics e.g. child protection, gender equality etc. In my experience this is most often expressed as a one-way relationship where the local partners are required to demonstrate upward accountability but there is less clarity on what this means in terms of the obligations of the intermediary to its partners. Arguably there are limited incentives around intermediary organisations to deliver on good partnering practices.

I find it interesting that when discussing transparency, intermediary organisations and donors are generally positive about transparency within their partnerships. Local CSOs however are considerably less so claiming poor access to financial and planning information outside of their own budgets and most importantly, limited engagement in decision-making processes around program strategy and resource allocation. They appear to have a significantly broader definition of transparency which takes into account relationships and wider work practices.

As a broker, I have worked with a range of donors on the evaluation and design of multiple civil society partnership programs. I am consistently struck by the poor attention paid by donors to ensuring that intermediary organisations have the required capabilities and are incentivised to work in ways which support partnerships that will deliver on development effectiveness. The selection of intermediaries is commonly based on their ability to manage donor funds, i.e. compliant grant management, audit and reporting systems. It is rare that approaches to market require intermediary organisations to identify their approach to partnership, and even rarer for these to be integrated within performance criteria and monitoring and evaluation systems. As such, intermediary organisations, like donors themselves, are poorly incentivised to deliver on partnering outcomes, and this becomes a greater challenge in resource and time poor contexts.

So, what can we as brokers do to assist donors and implementing partners to take a wider view of transparency, beyond financial management, to include greater attention to transparent work practices and decision-making processes? How can we ensure that intermediary partners are incentivised to deliver on good partnering practice? Some examples that I have sought to implement within my own practice include:

❖ **Holding grant making/contract holding partners to account for partnership practices.** When designing and procuring civil society partnership programs, donors need to be supported to set clear and measurable performance targets around good partnering behaviours of the lead or grant making organisations. These in turn need to be part of the performance management processes.

❖ **Defining good business practices from the outset.** Words can have different meanings to different people, and especially in cross-cultural contexts. Partnership Agreements need to move beyond an articulation of good ideas and good will to include clear agreements about the work practices that are expected of each partner. These must provide practical examples of what these processes might mean in practice, and the ways in which partners will come together to reflect on how these are working.

*Mutual Benefit*

*The tendency for civil society partnerships in developing countries tend to engage "like" organisations undermines the potential power of mobilising comparative advantages.*

Let's face it, donors tend to subcontract the outcomes that they want to see based on domestic and regional priorities and trends. Civil society partnerships in turn focus on the implementation of sectoral programs based on these priorities through subcontracting arrangements which are, in their purest form, pragmatic responses to the operational constraints for INGOs of working in another country. As such, what we tend to see in the development space is implementational partnerships between 'like' organisations, with whom the key points of difference are less likely to be interest and mandate than they are access to (donor) resources, power and capabilities. This scenario offers little space to work toward the specific interests on individual organisations.

When dealing with complex social development issues, is simply working with a local organisation enough? Rather than shifting resources from one partner to another, how can we engage new resources and worldviews to address complex problems? Some examples that I have sought to implement within my own practice include:

❖ **Engaging with non-traditional actors.** If we return to the notion that partnerships hold the promise of creating greater impact through mobilising the comparative advantages of different actors, then it stands to pass that we as brokers need to support wider cross-sectoral partnerships and encourage those with whom we work to expand their engagements with non-traditional actors who can bring alternate world views, wider resources and different capabilities and approaches. Sport for development, media and private sector for partnerships for development are good examples.

❖ **Facilitating capacity building exchange.** Development of the individual partners as well as the partnership itself is a key expression of mutuality. Capacity building efforts in partnerships however tend to be one-way and often focus on building capacity of CSOs to meet donor or intermediary reporting and accountability requirements and offer limited long term institutional strengthening opportunities. In brokering partnerships, there is space to identify the specific skills and capabilities of each partner and seek to plan ways in which each partner can gain from these differences. Building in two-way learning processes is critical to this and supporting the autonomous development of local partners is fundamental.

## Concluding Thoughts

The development effectiveness agenda has provided the industry with a key message and focus for strengthening our efforts by seeking to engage in more meaningful partnerships with a range of stakeholders. There is evidence that INGOs are making clear institutional commitments to strengthening their partnering capabilities by investing in capacity building and the development of policies and guidelines to support better partnering practice. Donors, are investing in multi-sectoral partnerships including those with non-traditional development actors.

However, there are perverse incentives at play within the industry that makes this challenging. Large bureaucratic organisations are most often governed by processes and rules meant to maintain order but which work against the flexibility required to partner effectively and implement complex social change programs in a shifting landscape.

Donor organisations are vulnerable to domestic political shifts which place long term investments at risk and result in rapid an unexplained change that undermines transparency. Development organisations work in complex and often unstable environments that tend to experience regular shocks (e.g. political instability and/or unrest, natural disaster) that place additional burdens on already stretched workforces and resources. Resources are limited and focussed on tangible deliverables and there is little to incentive organisations to deliver on internal quality processes.

Good partnerships for development are not only an end, but an important means for working with complexity. They rely however, on a wide-ranging set of reforms which shift the way that different development actors do business. These reforms move well beyond a philosophical comment expressed through language and rhetoric. To address the complexity, they need to be structural. They need to be behavioural. They need to be institutionalised. And, they need to be resourced. Good partnerships themselves are therefore complex and rely on a combination of adaptive and flexible processes.

The most important thing that I have come to understand is the critical role of a broker in exploring each of these facets and supporting those with whom we work to seek solutions, not only to the complex social issues they are addressing, but most importantly to the inherent inequities of a complicated and complex industry.