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## Six Partnering Lessons for Bilateral Donors: Experiences from the Australian Community Rehabilitation Program (ACRP3) in Sri Lanka

In today's world of complex development challenges, such as the global crisis we are facing right now, it is no longer enough for donors to play a passive role in the development equation. A broader understanding within the development community is required of the value-add a donor can provide beyond funding. This paper shares lessons on common partnering challenges from the Australian Community Rehabilitation Program in Sri Lanka, and the application of key partnering principles to resolve them. It explores the critical role of a bilateral donor in building and supporting effective partnerships.

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# **Six Lessons in Partnering for Bilateral Donors**

## **Experiences from the Australian Community Rehabilitation Program (ACRP3) in Sri Lanka**

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This paper is a reflection on the partnering model used in the Australian Community Rehabilitation Program (ACRP3) in Sri Lanka, which inspired me to commence my journey in partnership brokering. Many of the approaches adopted through the program, often intuitively, served as inspiration for program portfolios I managed thereafter. This paper aims to share some of the lessons learned through personal experience, and the experience of colleagues who managed the program with me, reflecting on some common partnering challenges. The paper also highlights practical examples of where key partnering principles have been applied to help resolve some of these challenges. It is hoped that this could be relevant to other bilateral donors and development programs in Sri Lanka and around the world.

### **Background**

ACRP3 (2010 - 2016) was Australia's AUD 45 million multi-sector post war recovery program in Sri Lanka. The program was implemented through six project partners - a combination of UN agencies, international organisations and NGOs. Each partner had a discrete project implemented under the umbrella of the overall ACRP3 programming framework and common theory of change, which was intended to contribute to broader economic and social development goals. Though ACRP3 was initially conceived as a peacebuilding program, given the abrupt end in hostilities in the north of Sri Lanka in 2009, it took on the nature of a humanitarian assistance program. Eventually, following a mid-term review in 2012, the program was re-oriented to focus on more medium to long term recovery needs.

My supervisor and I took over the management of the program at this point, when it was ready for a change in direction. Project partners worked in a variety of sectors ranging from local governance reform and livelihoods recovery to community service provision. Having recognised that working on recovery programming in a complex emergency context required greater collaboration among partners, (as opposed to standalone projects), we engaged a technical advisory team to support cross program learning and to bring greater congruence to the program under its common theory of change.

This paper puts forward six lessons in partnering learned by us, the donor, during the process of adapting and reshaping the ACRP3 program, all of which ultimately contributed to better value and more enduring development outcomes.

### **Lesson 1: Understanding the context and being adaptive is important**

As described above, ACRP3 went through a gamut of changes over the lifetime of the program – from a peacebuilding program to a humanitarian response focus to longer term development. The dynamism of the context required both the donor and partner agencies to remain agile and responsive - not an easy task given the contractual and procurement requirements of many large bilateral donors.

There were a few factors that supported my team and I to be able to employ an adaptive management approach. Three stand out – i) the ability to localise the management of the program, ii) the ability to build in flexibility into contracts with broader goals defined as deliverables and iii) the ability to establish an in country Technical Support Team (TST) to support us to engage with partners at critical moments. These enabling factors helped us adapt to a rapidly changing context and to the needs and interests of partners.

In addition to these enabling factors, my supervisor and I engaged regularly with our project partners to conduct joint contextual analysis exercises. Every six months a learning forum designed to bring all project partners together with the donor, would allow each organisation to share insights from the ground, map out common stakeholders – both supportive and disruptive, and share amongst themselves strategies used by their own agencies to engage key stakeholders, be they in government, the community or the private sector. This was crucial in a rapidly evolving post war context and was a departure from the initial modality established when ACRP3 commenced, which was more of an annual reporting exercise by partners. These bi-annual learning events moved partners away from a format where they simply reported progress to the donor and each other annually, to a genuinely collaborative process where they engaged in joint analysis with each other and the donor – a process that was critical for the transformative change expected from the program.

This also led to our UN and NGO partners being able to add value to AusAID’s thinking, to better understand the various power dynamics at play at the district, provincial and national levels and for us as the donor to understand where we could most add value or support the program through policy dialogue. Based on conversations I have had with staff from partner agencies, I gathered that they appreciated this exchange very much, as it allowed all ACRP3 partners (including the donor) to be on the same page, at every key milestone of the program.

## **Lesson 2: Building equity - There are implementing partners and there are transformative partnerships**

In order to get the most value out of a joint contextual analysis as described above, it was important that all partners in the room felt they were able to join the discussion on an equal footing. Therefore, it was critical to build equity within the multi-stakeholder partnership, across and between individual partners. A genuine understanding of the value each partner brought to the table, based on their unique perspective and experience was therefore important. In order to do this, it was important for power to be shared and for the playing field to be levelled for both donors and implementing partners to collaborate as equals.

In the donor landscape the term ‘implementing partner’ is used quite commonly. This term, at the commencement of ACRP3 in 2010 defined (and to a great extent confined) the role of the UN or NGO partner we worked with to just that – implementing. The partnership between donor and implementor was contract based and transactional. It immediately denoted a difference in power in the donor-implementor relationship, confining the partner’s role to delivery against set objectives. This was very much the approach followed in the first half of ACRP3’s implementation – partners delivered against set targets, the donor ticked the boxes, and all was well... Sounds about right? Not quite.

In the rapidly evolving post-war context of Sri Lanka at the time, the needs of communities were also constantly evolving. Simple delivery against set targets by individual implementing agencies under the program was not contributing to building resilience of the communities or laying foundations for the

longer-term development that was expected to come. During the first half of the program, the approach of implementing agencies was to focus only on their clearly defined area of work, with no real collaboration, cross learning or value addition. The challenge then for us as the donor was to move relationships along the spectrum from being merely transactional to transformative. To understand how to create shared value through partnerships that led to the co-creation of sustainable development outcomes.

The first step was to start treating implementing partners as actual partners in a journey to create better development outcomes. Whilst project agreements between donor and implementor needed to remain in place, sufficient flexibility was built in through a focus on higher order outcomes as opposed to outputs - from a “counting chickens” approach to longer term development outcomes for beneficiary communities. This was achieved by jointly re-defining the program’s theory of change together with the partners at the mid-term point of the program, to ensure that the donor and partners were on the same page. As soon as partners felt they were an integral part of co-creating solutions, ownership and buy-in increased exponentially, along with the creation of space for innovation, collaboration and a shared vision for the program.

The success of this approach in ACRP3 also influenced my later work managing the inclusive economic growth portfolio for DFAT Sri Lanka. Early in the design of the portfolio, a common theory of change was articulated with project partners working towards broader outcomes defined at the outset. The recognition that the donor (DFAT) was one of a group of equal partners, each of who brought specific value to the equation led to a more collaborative way of working within the portfolio. DFAT is therefore able to support development outcomes through its policy reach and networks, while project partners bring specific insights and technical skills. Though the success of this approach is yet to be seen given that projects are only halfway through implementation, evidence from recent program reviews on work in the tourism sector show that this collaborative approach is already beginning to increase the quality of development outcomes through the portfolio.

Working in the above manner is not common practice for most bilateral donors and therefore could be challenging. Often bureaucracy and red tape, strict contractual and procurement rules get in the way. Our approach was to work with the existing system to ensure due diligence requirements were satisfied, but also to build in enough flexibility into the program re-design through its theory of change to allow partners the freedom to innovate within the broader program framework. More than anything else, the key requirement for working successfully in this way, was the donor’s own management style. A genuine appreciation of the technical and programmatic capabilities partners (and the donor) brought to the table, and an understanding of each stakeholder’s value addition, led to this approach.

### **Lesson 3: Building trust - A capacity building approach could work better than a compliance-based approach**

Often, the standard model of operation for a bilateral donor engaged in a multi partner development program is compliance driven. This was very much the approach ACRP3 followed during its first half of implementation. At the mid-term review point, we as the donor soon discovered that the old saying was right – you reap what you sow. What we had after two years of implementing ACRP3 and spending nearly half the program budget was a series of disparate projects achieving very low-level, transactional outcomes. This was partly due to the fact that the initial phase of ACRP3 had a humanitarian focus but also due to the way the program was designed. One of the partners implementing a livelihoods

program for example could tell you that they renovated three rice mills, and another could tell you that a hundred day-old chicks were distributed to farmers in two districts. None of this provided us as a donor any understanding of how this would contribute to longer term recovery and resilience building within war affected communities, which was essential in a shifting context that required programs to address more complex development issues.

The mid-term review of ACRP3 critically analysed this issue. It became apparent that a greater focus on longer term development outcomes for beneficiaries required a wider set of skills and relationships. Therefore, the mid-term review recommended an approach through the program's monitoring and evaluation system, that was less about compliance and more about building capacity. A big part of this was the Technical Support Team (TST) that was set up by the donor in order to support the performance management and re-orientation of the program. The TST comprised of a team of technical experts whose task was to monitor progress, but also work closely with partners, both individually and collectively to build capacity.

Through monitoring visits every six months, the TST would assess progress of individual projects within the portfolio, but also work with all the partners including the donor to broker better outcomes. This was achieved through individual meetings with each partner, to jointly and critically analyse challenges, and also to understand what capacity gaps existed in particular technical areas and provide advice to bridge those gaps. Field monitoring visits were accompanied by learning sessions, for which the agenda was set jointly by all partners based on themes that interested them the most. According to a member of the TST team, this held partners accountable, while also humanising the process. It helped UN and NGO partners understand donor requirements better and vice versa. The learning sessions provided all partners a platform to engage, both at the capital (Colombo) and the district level, as the location of learning sessions were alternated during each visit, allowing field staff of partner agencies to also participate in discussions and share insights. Over time, this process built trust between partners and the donor. Rather than having partners simply report success, we as the donor developed a more sophisticated understanding of the programming context and challenges, which helped us co-create more effective solutions with partners.

A unique feature of the TST which I have not come across in other similar monitoring or advisory mechanisms, was making the TST available to support individual partners with their own capacity challenges. AusAID as the donor built in a number of additional days into the contracts of TST members so that partners could access their expertise directly, without having to go through the donor. This meant that the TST's role as an independent broker was strengthened and they were able to act impartially, without being seen as reporting to the donor at all times. During the six-monthly monitoring visits, individual partners were provided one-on-one time with the TST to discuss any issues. They could also do this remotely in between visits. This led to an increase in partner confidence in the system and their ability to address challenges openly and constructively.

Upon reflection, this process highlighted the key partnering principles of openness and mutual benefit – the ability of AusAID as the donor to demonstrate to partners that they had trust in the ability of the technical support team and the partners to resolve capacity challenges they faced, without the fear of being judged or penalised by the donor. This might be a concept not everyone accepts, including some of my own colleagues. “What about accountability?” some may ask. Should the partners and technical support team not be accountable to the donor every step of the way? My experience has been that if this process improved the final outcome and the partner agency's ability to be accountable for the delivery of

better development results for beneficiaries, then ultimately it was a good return on investment and a win-win situation for both project partner and donor.

#### **Lesson 4: “Thou shalt partner!” - Mandating a partnering approach rarely works**

Following the re-orienting of ACRP3 post mid-term review, a key focus for AusAID was to encourage a partnering approach among the UN and NGO partners that came under the program. As other donors were following a similar approach, at first we (as the donor) attempted to bring project partners together by setting up a monthly discussion forum, where selected representatives from each organisation would attend the meeting. The agenda was set by us in consultation with the partners. Three months and three meetings later, interest fizzled out and the partner forum died a natural death. Upon reflection, we realised later that while our intent was positive, our approach was probably flawed. Our behaviour contributed to the problem in the following manner:

1. As the donor, who is arguably the most powerful partner in the room, we mandated that partners should come together in a monthly forum. Partners did not themselves see value in this process beyond information sharing. Therefore, since there was no mutual benefit, they eventually lost interest.
2. We, as the donor, did not understand at the time that we too were a partner. Therefore, we had unintentionally excluded ourselves from the equation and failed to be an active and equal member of the forum. Had AusAID been represented in these partner forums, the value of the forum in this format (or lack thereof) may have been understood (and remedied) sooner.

Our second attempt at encouraging collaboration between ACRP3 partners happened quite organically. The TST’s six monthly monitoring visits involved extensive field visits to partner project sites to assess progress and understand implementation challenges. Traditionally, the TST would visit individual agency project sites together with the donor. This reinforced some of the existing power dynamics and a compliance mindset.

During discussion with the TST, an idea surfaced on whether exchange visits between partners would be useful. What if we were to invite one partner, to join AusAID and the TST to visit another partner’s site as an observer, and vice versa? Some careful thought went into this around which partners may have similar/ aligned interests. This depended on areas and sectors of interest and the geographic areas covered by individual projects.

The initial reaction from partners to this suggestion by the TST was lukewarm, as partners felt defensive and less inclined to have other partners visit their projects for fear of criticism as well as a sense of competition among them. However, after establishing clear guidelines around the “observer” role of participating agencies, the first joint field visits took place in the Killinochchi and Mullaitivu districts of the northern province.

I will not easily forget that first field visit where we paired the staff from two of the partner agencies, as both organisations worked on various aspects of the fisheries sector. All at once, partner agencies who had sat through years of presentations of each other’s work and never quite understood what the other was doing (and often contested the other’s approach), got an in-depth look at the other partner’s project and approach. One partner worked on fisheries infrastructure, while the other worked with fisher families to increase productivity and improve the governance of their fisheries cooperatives.

Instantly the field staff involved in the visit understood how their counterpart's work complemented their own. They started sharing lessons, with the best connections happening at a human to human level between field officers sharing car rides from one project site to another! Following that visit, the head offices of partner agencies were brought into the discussion and a partnership was established to coordinate efforts in the fisheries sector. This over time ensured that all fisheries in selected districts benefitted from both infrastructure and technical support.

This seemingly simple tweak in the way the partnerships were managed, set off a chain reaction, from which similar examples can be highlighted of partnerships that emerged between other partners on issues ranging from capacity building around gender, support to fisheries communities and the management of community water resources. Overall, it was safe to say that this was the biggest breakthrough in collaboration within ACRP3. The partnerships were more likely to endure (and most of them did, well beyond the lifetime of the program), because they were based on shared interest and mutual benefit to both partners involved. If the program had run for a longer period of time, it would have been interesting to observe if these one-on-one partnerships ultimately evolved into multi-partner engagements. However, even as they were, these partnerships between ACRP3 project partners contributed to enhanced outcomes overall for AusAID, thereby providing us as the donor a good return on investment.

An unintended outcome of this process was when some partners, inspired by ACRP3, opted to have their own "internal TST" visits i.e. learning exchange visits within their organisations between program teams. Partners followed this approach as they saw the value of cross learning and breaking established siloes within their own organisations.

This experience was one of my key takeaways from my time managing ACRP3 and has been an approach I have adopted in the management of my current project portfolio. It may be easy for us as a donor to see potential for collaboration between our project partners. However, this cannot be forced. If partners themselves see value in it and if they are able to define what shared value might look like, interest based organic partnership are much more likely to endure than compliance-based ones mandated by the donor.

### **Lessons 5 & 6: Don't be afraid to look in the mirror – Clarity on your own interests and building internal capacity to partner are just as important**

Though admittedly a resource intensive process, adopting a partnering approach to the delivery of ACRP3 ultimately provided positive outcomes for the Australian Government as the donor. In addition to better and more sustainable development outcomes, a partnering approach provided the donor a deep understanding of the context which helped inform country level priorities. It also provided granular intelligence on specific needs and challenges that supported advocacy for additional funding – the ACRP3 budget ultimately went from AUD 45 million to 54 million. In a global context of shrinking bilateral aid resources, this goes to show that adopting a partnering approach could not only optimise existing resources but help mobilise additional funding.

If a bilateral donor wishes to be less engaged, and does not see their own interests met, a partnering approach will probably not be the preference. However, if there is genuine interest in investing time and resources in partnering, with a clear individual as well as shared interest among all partners, ACRP3 is an example of how this can yield positive long-term results.

In this process, it is important for a donor to first understand that they too are an equal partner in the journey. A donor should be willing to commit to engage in an open and constructive manner. In order to do this, it is important for a donor to build internal capacity to partner, by investing in the right staff, engaging experienced local staff who have an in-depth understanding of the operating context, building staff capacity through training and the engagement of technical experts (one of the TST members was an accredited partnership broker). Building in adequate flexibility in contracts and working with procurement teams to understand opportunities and limitations within procurement and contracting procedures is also important.

It is insufficient to expect our partners to collaborate, unless we too as donors understand that we have an equally important role to play. If a donor is able to step in and share the risks and challenges of a partnership as well as its rewards, the collaboration is likely to yield much greater results in the long term.

## **Conclusion**

The ACRP3 experience has taught me that a bilateral donor has a critical role in building and supporting effective partnerships. One that goes beyond simply signing a contract and providing funding for development projects. In today's world of complex humanitarian and development challenges, such as the global crisis we are facing right now, it is no longer enough for a bilateral donor to play a passive role in the development equation. In an age of dwindling resources collaboration is no longer an option but a necessity. It is important to understand that donors, like other partners, bring with them experience, expertise, influence and networks that go beyond funding - all ingredients critical for effective responses to complex development challenges. A broader understanding within the development community is required around the value addition a donor can provide if they were to follow a genuine partnering approach. The lessons shared above attempt to demonstrate this and to share practical examples from the field that illustrate the fact that opportunities exist, if we take the time and effort and have the courage to seize them.