



REIMAGINING SOCIAL CHANGE



# **The Promise of Partnerships: A Dialogue between INGOs and Donors**

Sponsored by the William and Flora Hewlett Foundation



REIMAGINING SOCIAL CHANGE

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## About this document

*In October 2014, FSG, supported by the William and Flora Hewlett Foundation, organized a roundtable discussion with twelve leaders from international NGOs (INGOs) and donors to reflect on the challenges and opportunities associated with pursuing multi-stakeholder partnerships. The dialogue was a follow-up to the 2013 report “Ahead of the Curve: Insights for the International NGO of the Future,” and was informed by FSG’s research on the landscape of multi-stakeholder partnerships.*

*This document summarizes key themes from the research and roundtable discussion; additional detail may be found in the accompanying supplemental materials.*

# Context

“Partnership” has become an increasingly common concept in the global development dialogue and in the work of international NGOs (INGOs) over the past decade. There is growing belief that working in partnership – particularly multi-stakeholder, cross-sector partnership – leads to more innovative solutions and deeper, broader, more sustained impact. The importance of multi-stakeholder collaboration is evident in the focus on partnerships in the post-2015 Sustainable Development Goals (SDGs) and the increased attention from bi- and multi-lateral donors. Since 2001, USAID alone has funded 1,600 partnerships and over 1,000 multi-national partnerships have registered with the United Nations.<sup>1</sup>

**“Partnership is such a buzz word right now – everyone wants to create partnerships. But I don’t think we have enough clarity on why you should create them, when, and how. Partnerships are not easy – and you often run the risk of getting a fancy press release but no impact.”**

AWAIS KHAN, SAVE THE CHILDREN

This intuitive sense of the benefits of working in partnership, however, has not yet translated to a consistent link between partnerships and impact. A recent study from the Berlin Civil Society Center, for example, found that nearly 40% of multi-stakeholder partnerships fail to move past their initial launch and nearly 80% fail to achieve their stated objectives (see Figure 1).<sup>2</sup> Creating impactful, sustainable partnerships remains a challenge. And while enthusiasm for partnership is growing, that enthusiasm is increasingly met with new skepticism and a concern that partnership has become a passing fad rather than a real opportunity for impact.

INGOs’ unique assets and experiences engaging with diverse sets of actors make them particularly well-positioned to catalyze effective partnerships. Yet, as participants at the roundtable noted, too often INGO involvement in partnerships is driven by donor requests, under-resourced, and evaluated on the basis of revenue generated for the INGO rather than evidence of impact. Instead of assuming the intrinsic value of partnership as a strategy, participants underscored the need to explore different models of partnership, the extent to which they deliver greater impact, and the investments required to make them successful.

**Figure 1 | Multi-stakeholder partnership results**

In a 2014 study of 330 global, multi-stakeholder, cross-sector partnerships sampled from the Global Sustainability Partnership Database, researchers compared activities and outputs of the partnerships (e.g., research, capacity building) with their stated objectives. Those findings are included here.



<sup>1</sup> Daniel Runde, *Seizing the Opportunity in Public-Private Partnerships: Strengthening Capacity at the U.S. State Department, USAID and MCC*. October 2011 (CSIS paper); Overseas Development Institute, *Multistakeholder Partnerships Issue Paper*. 2003.

<sup>2</sup> Philipp Pattberg and Oscar Widerberg, *Transnational multi-stakeholder partnerships for sustainable development*, 2014.

The October 2014 roundtable was a first step towards developing a more nuanced understanding of partnerships from the perspective of INGOs. Through ongoing conversations with leaders at some of the world's largest INGOs, private foundations and bilateral donors, we have developed a landscape of current partnership practices, identified opportunities for greater impact, and surfaced some of the major organizational barriers that prevent INGOs from engaging in more impactful multi-stakeholder partnerships.

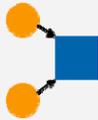
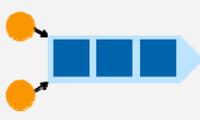
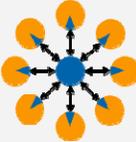
*“There is a leadership opportunity for INGOs, but it will require vision, taking risks, and pursuing a different business model. INGOs are really important to these conversations around partnerships – but with the current dynamic between INGOs and donors, we haven’t seen them be proactive and coming to us [donors] as much as they could.”*

MARGOT FAHNESTOCK,  
WILLIAM AND FLORA HEWLETT FOUNDATION

## Partnership Models and Impact Gaps

The term “partnership” encompasses a broad range of relationships and structures. Drawing on conversations with roundtable participants, we have developed a typology of partnership models (see Figure 2) that aims to offer strategic-level guidance for INGOs. This typology focuses on multi-stakeholder (3+ partners) partnerships at the local level, where participants articulated a particular need for guidance.

Figure 2 | Multi-stakeholder partnership typology

Goal	Address a defined problem		Address a systemic challenge	
Model	Joint Project	Joint Program	Strategic Alliance	Collective Impact
				
Definition	Short-term, one-time collaborative effort among a small set of partners, often to develop or pilot an innovative product or approach	Collaboration among small set of partners to implement a program to address a specific aspect of a social problem	Platform for ongoing collaboration around one or more related social issues, aligning partners (typically >5) in support of a common agenda and joint investments	Initiative based on long-term commitments to a common agenda by the group of cross-sector actors needed to realize system-wide change around a social problem
Partners involved	Select set of partners, often a mix of local and international NGOs, corporations, and research organizations, identified at the outset		Inclusive participation of a larger set of cross-sector stakeholders, including government actors; additional partners can join over time	
Timeframe	Short-term (<10 years) Oriented around specific grant(s)		Medium- to long-term (10+ years) Not defined by specific grants	
Partner Expectations	Requires contributions from individual organizations to a joint effort		May require changes to organizations' core activities to align with common agenda	

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Each of the four models identified in the typology serves an important purpose in the partnership landscape and is applicable across issues and geographies. Indeed, INGOs are engaged in partnerships across this spectrum – from joint projects around farmer training in Latin America, to strategic alliances around conservation in Tanzania. Roundtable participants agreed that INGOs *should* be involved in a portfolio of partnerships across these types, since different social contexts and challenges require different approaches. What is often missing, however, is an **intentional strategy** to guide INGO decision-making around which partnerships to pursue and how to structure those partnerships based on their goals.

In this typology, the most important distinction is between the partnership models on the left of the spectrum and those on the right. The models on the left, joint projects and programs, are well-suited to tackling specific, defined problems – like the development of a new product or service or the implementation of a training program. While the work of these types of partnerships is by no means simple, their goal is to generate specific results in the near term. On the other hand, the partnership models on the right, strategic alliances and collective impact, are suited to addressing challenges that are much more broadly defined – the development of a sustainable agriculture system, for example. By their very nature, these partnerships involve many more actors, require more investment in coordination, and seek to achieve longer-term results.

In practice, **joint projects and programs** are more common. They tend to fit more clearly within existing grant cycles, are relatively easier to establish and manage, and lead to quicker results. INGOs' relative familiarity with these models, combined with current enthusiasm for cross-sector partnerships, has led to a proliferation of joint project and program partnerships. The challenge has been, however, to ensure that they are well-managed, sustained over time, and actually lead to improved impact.

The models on the right-hand side of the typology – **strategic alliances and collective impact** – are rarer, particularly at the local level. While these partnerships require significantly more resources and time to establish, they provide essential tools to improve coordination among development actors and to address large-scale, systemic challenges. However, they also require long-term commitments of unrestricted funding, significant partnership management capacity from each participant, large *non-programmatic* investments to sustain effective coordination, and significant time to form and grow. For these reasons, these partnerships can be challenging to establish in the current environment.

*“Alliances in our sector are too often high-level and built around making commitments - for those partnerships, delivery is challenging because there is no focus on specific outcomes. Or you have micro-partnerships that have the right partnership elements, but are just short-term projects. There is **space for more meta-partnerships that are more inclusive and have specific measurable goals, but are broader in terms of ambition for systems change.**”*

SIMON WINTER, TECHNOSERVE

Participants articulated these opportunities for improvement as two “**Impact Gaps**” – (1) to improve the impact and sustainability of joint project and program partnerships and (2) to create more strategic alliance and collective impact partnerships at the local level.

While there was general consensus amongst the roundtable participants that these two areas represent the major opportunities, there was also recognition that larger factors often prevent good partnership practice. These barriers, and the related implications for INGOs and donors, are summarized in the next section.

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## Implications and Recommendations

Roundtable participants agreed that changes in thinking and practice within INGOs and donors are needed to address the two partnership Impact Gaps. The group noted that naming the challenges and exploring their implications would provide a good foundation for future reform efforts. The discussion focused on four major themes.

### ***INGOs must shift from an opportunistic to an intentional, strategic approach to partnerships.***

While many **INGOs** today have a stated commitment to work in partnership, too many lack an accompanying strategy. In the current system of incentives, this has led to the creation of many unsustainable partnerships. INGOs and donors alike feel stretched from engaging in too many partnerships, but lack a solid framework for decision-making and prioritization of partnership efforts. As INGOs increasingly recognize the need to invest time and staff into partnership management, a strategy to guide those investments is essential.

**Grameen Foundation** and **TechnoServe**, for example, have clear partnership strategies that guide when and how they partner with others. Both organizations focus their partnership efforts on high-leverage opportunities – Grameen Foundation partners with mobile companies and financial services firms to develop and scale innovative financial inclusion products and services and TechnoServe focuses its partnership efforts on working with multinational corporations to create system-wide change in key agricultural industries, such as cocoa and coffee (See slides 20 and 34 in the supplemental materials for additional detail). Proactively developing a strategy for partnerships is an important step for INGOs to take on their own, outside of specific projects or specific relationships with donors.

### ***Incentives drive decision-making, and must be aligned to the model of partnership.***

For many INGOs, fundraising and business development requirements drive decision-making and resource allocation for partnerships. At both headquarters and country offices, staff are too often focused on winning grants and contracts, leaving little room for activities that fall outside of specific grant opportunities. Yet, the most sustainable partnerships require a very different approach – the incentives, time, and license for partners to coalesce on a joint plan and work together on small projects before jumping into larger collaboration.

To spur more sustainable, impactful partnerships, **donors** should avoid incentivizing grantees to participate in partnerships outside of their core competencies or to engage last-minute partners for the sole purpose of meeting grant requirements. Instead, donors should provide funding to enable practices that lead to strong partnerships – funding for landscape analyses, local convenings, or planning phases, for example. For strategic partnerships between organizations of similar size and scope, they should also avoid establishing a “prime/sub” or “lead” structure, which can create competitive tensions between grantees instead of fostering a culture of equal and trusted partnership. In many cases, donors need to find a way to

*“With groups focused on partnerships, there is always an internal debate – how do we measure success? Too often, it defaults to development and fundraising, but it should be about **partnering as part of a strategy for impact.**”*

STEVE WARDLE,  
GRAMEEN FOUNDATION

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efficiently coordinate with all partners (e.g., through a central coordinator) rather than forcing the appointment of a “lead” or a “prime.”

Addressing poor incentives also requires change from **INGOs**, many of whom currently track funding as a proxy for success rather than potential for impact or partnership health. INGOs need to change how they assess partnerships, both in terms of what they track and the timeframe over which they anticipate results. Continued use of funding as a key metric of success prevents INGOs from engaging in meaningful partnerships and discourages staff from taking a new approach.

**Enabling successful partnerships requires significant non-programmatic investment.**

Multi-stakeholder partnerships require significant investment beyond traditional programmatic investment. Across all

*“Improved collaboration amongst partners would be helpful to avoid duplication and help communities and donors save costs. We can do more together. You need a central coordinator – someone who can manage the process, arrange the meetings, and implement joint activities. But it is really **hard to get funding for the coordination function**. We’re paying for that position ourselves in some places, but I’m not sure how sustainable that is.”*

MATT BROWN,  
THE NATURE CONSERVANCY

partnership models, but especially for strategic alliances and collective impact models, project coordination is often under-resourced, undermining many promising initiatives. But the need goes far beyond project coordination. Support for joint planning and budgeting, development of shared measurement and shared data systems, and efforts for joint advocacy and fundraising is also important. Too often, only a few of these many opportunities for coordination are pursued. Alternatively, partnerships may be closely coordinated at a global level, but not at the national or local level where their activities are ultimately implemented.

For **INGOs**, enabling successful partnerships requires a willingness to invest staff resources in ongoing coordination when the potential for impact through partnership is significant.

**The Nature Conservancy** (TNC), for example, recognizes that long-term, multi-stakeholder collaboration is essential to

achieving its conservation goals and proactively invests its own resources to staff central coordinators for high-impact collective impact efforts – in the Northern Tanzania Rangelands region or along the Brazilian soybean value chain, for example (See slide 26 in the supplemental materials for additional detail).

Few organizations, however, are able to unilaterally make these types of investments. To enable more INGOs to make necessary investments in partnerships, **donors** must also play a role, by providing sufficient time up-front for partners to develop a joint plan and by funding partnership infrastructure. Donors can also work with other funders to proactively identify and propose opportunities to improve coordination amongst their collective pool of grantees.

**New mindsets and skillsets are needed to implement a strategic approach to partnerships.**

The approach needed to close the two partnership Impact Gaps requires a new way of working for many staff at INGOs and donors. It requires significantly more external engagement, the inclination and ability to understand the ecosystem of actors and proactively approach the right partners, and the tactical skills to structure and manage partnerships.

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*“Creating an organization that is able and willing to build successful cross-sector partnerships should be seen as a long term organizational change process. My experience has been that while there are pockets of effective partnering, much of our work still happens in a transactional context. There are powerful drivers, how our sector is funded and how success is measured, that have promoted short-term thinking and a competition versus collaboration mindset which precludes good partnership practice.”*

BRAD HENDERSON, WORLD VISION

INGOs need to make investments to build their culture and skillset around strategic partnerships, both at headquarters and – importantly – at the local level. At the headquarters level, staff is needed to manage relationships with other global partners, particularly multinational corporations, and manage the organization’s participation in the large global alliances while coordinating closely with relevant local staff. But INGOs also need to build the capacity of local staff to engage in partnerships at the local level. To do so, INGOs need to develop internal frameworks and tools to guide staff decision-making, provide training for staff on partnership strategy and management, create case studies to make the case internally for a strategic approach to partnerships and demonstrate best practices, and establish internal communities of practice for staff across offices and regions to share experiences and learn from one another.

## Call to Action

While change across all of these areas will take time, roundtable participants articulated a clear, immediate need: to build a “business case” for investment in partnership infrastructure and management. While many found the link between well-managed, properly-resourced partnerships and impact intuitive, there was consensus that this link needs to be measured and more explicitly demonstrated. Such an analysis is essential to make the case to senior leaders and boards at INGOs, leadership at donor agencies, and policymakers that investments in partnership capacity are worth making, particularly for the more complex partnership models. Developing this case will be a critical step to unlocking the resources needed to establish new and more impactful multi-stakeholder partnerships for INGOs and other development actors.

*“We need to be able to measure the impact of our investments in partnerships. We all feel a big change in the results that are possible through a well-structured and successful partnership, but how can we quantify that as an ROI? That would enable senior management to see the value and necessity of investing in partnerships.”*

TONY PIPA, USAID

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## Appendix: List of Participants

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**Sarah Ford**

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CRS

**David Shoultz**

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Bill & Melinda Gates Foundation

**Brad Henderson**

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World Vision

**Steve Wardle**

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Grameen Foundation

**Awais Khan**

Head of Innovations  
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**Rachel Wilson**

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# The Promise of Partnerships: A Dialogue between INGOs and Donors

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## Additional Resources

*Ahead of the Curve: Insights for the International NGO of the Future*, FSG, 2013.

*Collective Impact* by John Kania and Mark Kramer, Stanford Social Innovation Review, Winter 2011.

*Shaping Partnerships for a Post-2015 World* by Sonja Patscheke and colleagues, Stanford Social Innovation Review, February 2014.



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