



Creating Space for Innovation

Understanding Enablers for Multi-Sector Partnerships in the Water and Sanitation Sector

Peter Newborne and Ken Caplan
June 2006

Building Partnerships for Development
www.bpdws.org

Building Partnerships for Development in Water and Sanitation



The Challenge

The numbers are well known - too many poor people still lack access to basic water and sanitation services in the developing world. Factors that prohibit access are numerous. Prohibitive connection charges and tariffs, high technology standards, and uncoordinated and non-inclusive decision-making all complicate the provision of sustainable water and sanitation services in poor communities.

Multi-Sector Partnerships

Multi-sector partnerships between public, private, civil society and donor organisations designed around specific projects or aimed at more systemic change provide an increasingly important tool to overcome these failures. Such partnerships foster innovation and promote greater accountability by improving the understanding and capacity that make projects more appropriate and effective.

BPD

BPD Water and Sanitation is an international multi-sector learning network focused on improving access to safe water and effective sanitation in poor communities. BPD's primary aims are:

- To understand more concretely how partnerships can contribute to meeting the water and sanitation needs of poor communities;
- To provide direct support to innovative partnership approaches that aim to provide water and sanitation to the poor; and
- To disseminate findings through training activities and constructive dialogue around water and sanitation issues affecting poor communities.

Based in London, BPD has a small Secretariat that reports to an international multi-sector Board of Directors. BPD is a registered charity in the United Kingdom. Though institutionally autonomous, BPD is grateful to WaterAid for hosting the Secretariat.

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Acknowledgements

The authors would like to thank all those who participated in this study, particularly those partnership practitioners who gave their time to be individually interviewed (on a non-attributable basis). We would also like to thank those who joined us in a workshop in London, namely: Joerg Hartmann / GTZ, Sonko Kiwanuka / NWSC Uganda, Christian Matossian / RWE Thames Water, Kay O'Regan / RWE Thames Water, Bea Parkes / DFID, Janelle Plummer / WSP, Naren Prasad / UNRISD, Sasha Radovich / AccountAbility, Ashley Roe, Darren Saywell / IWA, Robin Simpson / Consumers International, Leda Stott, Gopakumar Thampi / Public Affairs Foundation India and Dominic Waughray / ERM. The insights of Urooj Amjad, Marie Brisley-Clarvis, Barbara Evans, Tracey Keatman, Darren Saywell and Leda Stott on the framework of analysis and visual presentation of the findings of the study have also been very valuable.

We would also particularly like to thank Nicole Barbery as a core contributor to the piece; Meike Van Ginneken, the Project Task Manager from the World Bank for her guidance and support; David Jones, BPD's Outreach and Research Officer, for support in reviewing the document; and the World Bank Group Norwegian Trust Fund for Private Sector Development and Infrastructure for their financial support. This report does not necessarily reflect the views of all listed in the acknowledgements.

Published by BPD Water and Sanitation
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ISBN # 0-9551073-1-8

Creating Space for Innovation:

Understanding Enablers for Multi-Sector Partnerships in the Water and Sanitation Sector

PREFACE

Partnership arrangements involving the public, private and civil society sectors are increasingly recognised as an appropriate approach to increasing access to water and sanitation services in low-income areas.¹ While the term *partnership* itself suggests a certain simplicity and harmony, experience has shown that such multi-sector partnerships (MSPs) are challenging to create and harder to maintain. Specific skills are required to work in partnership and the demands of MSPs are such that they must be supported from inception and continually strengthened. ‘Operations and Maintenance’ are as critical for such partnership arrangements as they are for the water and sanitation infrastructure that partnerships aim to operationalise.

This piece of analysis has sought to identify the kinds of stumbling blocks that MSPs may encounter at the ‘macro’ level. Previous BPD research has concentrated primarily on the design and dynamics within partnerships. Work conducted by BPD in 2002 on the interface between regulatory frameworks and partnerships explored how local level partnerships were supported or obstructed by regulation.² That 2002 study suggested that partnerships are often uninformed about or unprepared for wider contextual factors that could obstruct their progress. **The aim here has been to take this conclusion further by exploring ways in which MSPs are hindered or supported by factors that are ‘beyond the control’ of the people who are participating in them.**

The term partnership suggests a certain simplicity and harmony... [however] MSPs are challenging to create and harder to maintain.

This initial scoping exercise has solicited opinions of practitioners and experts on the basis of their experience in multi-sector partnerships. The principal question asked has been: what sort of macro processes and phenomena can enable or disable multi-sector partnerships in the water and sanitation sector, particularly MSPs designed to improve service delivery to poor households?

SECTION 1 – Setting the scene

The original remit of this project was to look for factors supporting or obstructing partnerships ‘*beyond the control*’ of the partnership and the partners themselves. Although many examples of such external factors were cited, we found that such an interpretation of ‘beyond the control’ was too narrow. Alongside stumbling blocks from outside their organisations, the practitioners consulted spoke of many real and potential blockages to MSP progress operating *within* the institutions or organisations they were themselves representing. The individuals participating in the MSPs referred to

¹ Over the past several years, Building Partnerships for Development in Water and Sanitation (BPD) has explored partnerships three lines of inquiry: 1) *sector-by-sector* to determine how different types of organisations (public, private and civil society) participate in partnerships; 2) *partnership dynamics* to understand how partnerships evolve; and 3) *water and sanitation aspects*, i.e. how do partnerships interface with specific aspects of water and sanitation delivery like regulatory frameworks, cost recovery, etc.

² Tremolet, S. and S. Browning, *The Interface between Regulatory Frameworks and Tri-Sector Partnerships*, BPD Research and Survey Series, London: April 2002 (available at www.bpdws.org).

organisational factors *within* the partner institutions that they clearly felt were part of the context of their MSP. The framework of analysis described below includes those internal and external supports or obstructions, considering both as *macro* factors as they are both beyond the control of the partner representatives. (See *Figure 1*)

This document is designed to prompt partnership practitioners into discussion.³ It provides guidance on areas that 1) partners should explore at the outset and then on a regular basis, and 2) policymakers need to address if they wish to promote more effective partnerships. As a result of the research, a discussion tool has been designed to enhance practitioners' ability to forecast blockages. This discussion tool, introduced below,

should assist partners' preliminary analysis of the context in which they work, as well as the aspects of that context that they are seeking to address. Although overlapping, the research team broke these factors into three themes: ensuring organisational cohesion and backing without which an individual partner's participation is likely to falter, forging solid relationships between the partners, and ensuring that the scope of the partnership is appropriate for the context and the resources available.

About the methodology

A three-person team was formed to look at the issues in some depth. The team consisted of individuals with considerable

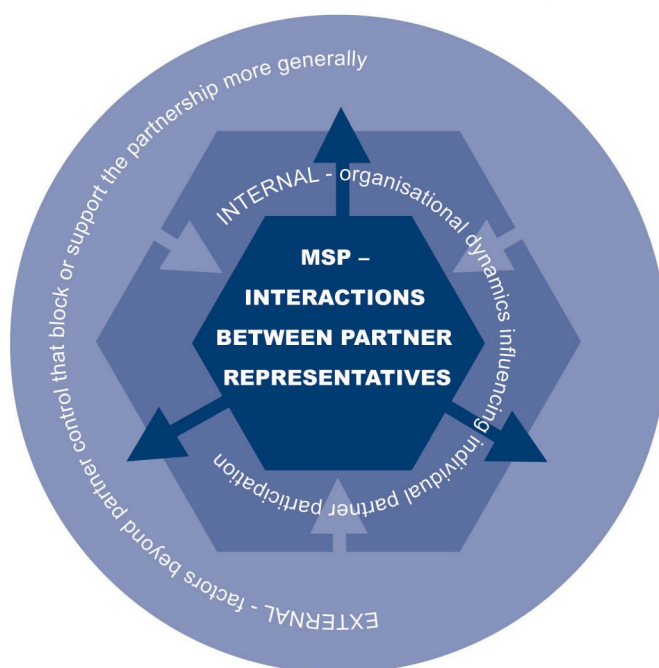
partnership experience, but whose primary jobs may be described as partnership analyst, and two water and sanitation specialists with backgrounds and experience in law and social policy respectively. Two team members went on to write the document with solid contributions from the third.

This study used rapid research methodologies including:

- a review of the literature;
- a first round of semi-structured interviews in Washington DC, Paris and London with water and sanitation experts;
- a workshop in London with 18 participants to further refine the concepts;
- extensive semi-structured interviews in two countries where MSPs are at fairly advanced stages;

³ This document is one of three in a series aimed at developing tools for partnership practitioners. The first document, *The Partnership Paperchase* (available at www.bpdws.org), is on the underlying negotiations to develop partnership agreements. This second piece is on the overarching factors that enable partnership working. The third document, expected to be published in the autumn of 2006, shall provide considerations for partnership evaluation.

Figure 1
MSP Context: 'Internal' and 'External' influencing factors



- further extensive semi-structured interviews of participants in internationally-orientated multi-sector partnerships;
- a small group discussion (6 participants) in London to test the evolving direction of the findings and devise a means of presenting them in visual form; and
- circulation of this document in draft to a small peer-review group with feedback via e-mail and telephone.

The aim was to explore factors of success and failure from as wide a range of partnership experiences as possible in relation to different sorts of multi-sector partnerships. These ranged from MSPs with clear targeted deliverables to those aiming at more systemic change, and those convened at the international level to those that are more national or local in scope. The team did not generate detailed case studies and certainly did not engage in an evaluation of performance of the partnerships with which we worked. Although the views of the persons consulted have been compiled, in the interests of the partnerships themselves, BPD's explicit approach has been to avoid attributing statements to named individuals. Whilst it is recognised that the example partnerships have been limited in this study, the feeling of the team is that the findings are of general relevance. (Further information on the methodology of the study is set out in *Appendix 1*.) Where enabling and disabling factors for international and national/local level MSPs are different, such distinctions have been identified in Section 5 below.

Defining Our Terms

As highlighted in other BPD documents, the terminology of partnerships is subject to a variety of interpretations. The following definitions, caveats and interpretations should help the reader to better understand the analysis and tools included in this document.

Partnership – The term *partnership* itself elicits much confusion. It is often used to describe widely different constructs from loose networks and alliances to more institutionalised joint ventures. Commonly-used definitions tend to be too simplistic. They refer to their voluntary nature, shared or pooling of resources, capitalising on synergies, etc. Such definitions tend to mask the various obligations to participate, the overemphasis placed on financial contributions above other kinds of resource contributions, and the distinct differences between organisations that make partnership process so challenging. Clearly partnerships involve some form of horizontal decision-making processes (i.e. shared power), valued contribution of different kinds of resources (beyond financing), and flexibility to adapt the objectives and activities as circumstances dictate. Though not the way it is interpreted in this analysis, the term *partnership* in many countries also refers to a legal, contractual construct.

For the purposes of this analysis, BPD's current (but constantly evolving) definition has been adapted from one created by AccountAbility (an organisation based in London):⁴

Partnerships involve two or more organisations that enter into a collaborative arrangement based on:

- 1) synergistic goals and opportunities that address particular issues or deliver specified tasks that single organisations cannot accomplish on their own as effectively, and
- 2) whose individual organisations cannot purchase the appropriate resources or competencies *purely* through a market transaction.

⁴ See recent publications on Partnership Governance and Accountability from AccountAbility at www.accountability.org.uk

Within this definition, partnership may have a wide variety of objectives along a spectrum from the more specific task-orientation (like the installation of 500 water connections) to the more systemic (like the development of new regulatory standards).

Innovation – Partnerships can be formed for a variety of reasons. In most cases, however, the primary reason is to experiment with new products, services and/or approaches. Whilst one reviewer commented that partnerships are looking as much for the space merely to operate, our contention is that until relationships become more institutionalised (and potentially formalised through a more transactions-based or contractual format), this space is all about experimentation between actors that would not normally work together.

Figure 2 - Multi-Sector Partnerships: Potential Partners



Multi-Sector Partnerships (MSPs) – The term *multi*-sector reflects that each of the government, private sector and civil society sectors comprise, in practice, a variety of engaged organisations. Simply portraying such partnerships as *three*-way or triangular would encourage practitioners to make certain assumptions that may be inappropriate. For example, other BPD analysis has found that in many ways local councillors identify more with civil society and community-based organisations than with the public sector. The practices of small-scale providers may not be that different in relative terms from service delivery-orientated NGOs. The term *multi*-sector also allows for donors, academia and other potential partners to avoid classification in one of the three categories of public, private or civil society. (The range of actors that may be involved in a MSP is illustrated in *Figure 2*.)

Macro Factors – As noted above, ‘macro’ factors are defined here as being beyond the control of the *participants* in the MSP, i.e. the representatives of the partner organisations. As shown in *Figure 1* above, macro factors are for these purposes divided into *internal* and *external*:

- *internal* refers to factors *inside* the partner organisations that may be beyond the control of the partner representative;
- *external* factors are beyond or outside the control of the organisations involved.

Enabling Environment vs. Space for Innovation – As a simple web-search reveals, the term *enabling environment* is now used in a number of different development contexts. In the water and sanitation sector, the most common usage is as exemplified by the Camdessus report first presented at the Third World Water Forum in Kyoto in March 2003.⁵ Chaired by Michel Camdessus, the remit of the World Panel on Financing Water Infrastructure was to ‘address the ways and means of attracting new financial resources to the water field.’ The report was to contain ‘new proposals on the financial aspects as well as on the *enabling environment* that has an impact on those flows’ (p.vii, emphasis added).

⁵ Winpenny, J. (2003), Financing for all: Report on the World Panel on Financing Water Infrastructure, World Water Council, Third World Water Forum and Global Water Partnership, Marseille.

The Camdessus interpretation of enabling environment focuses on *existing* models – legal, financial and institutional – and what will enable (or disable) their application in developing countries. It argues that, wherever possible, ‘contracts for private sector participation should be *standardised*’ (p.15) in the search for predictable revenue frameworks. Standardisation will, it says, speed due diligence processes (p.29) so as to reduce the overall cost of water projects.

MSPs may be part of this wider context in which there is a contract between two of the parties. For example, a private company may have a concession contract with the public sector. Within this context, the municipality, the private sector company, an NGO and other actors may engage in a partnership around a specific problem like determining expansion targets in poor communities. (See case studies on La Paz-El Alto, Bolivia and Cartagena, Colombia)

The core challenge of such MSPs is to carefully tailor the partnership so that it has space to explore new, more innovative and inclusive approaches. **This document promotes an awareness of the stumbling blocks that need to be overcome to create this enabling space for innovation.**

International and National/Local Multi-Sector Partnerships – The research team had access to a variety of different types of partnership arrangements. Some of these were operating at the international level, bringing together a number of international actors and working in a number of countries. They were generally driven by organisations in the North with secretariats and governing bodies that aspire to be more mixed but are largely northern dominated. In some cases, these international MSPs are seeking behaviour or systemic change and in other cases, they are more focused on specific task-orientated projects. Some international partnership initiatives include Partners for Water and Sanitation (PAWS), Water and Sanitation for the Urban Poor (WSUP), the Global Handwashing Initiative (GHI), etc.

At the national-level, most MSP arrangements usually revolve around fitting water and sanitation service delivery programmes into larger policy reform frameworks, such as Poverty Reduction Strategies (PRSPs) and/or Integrated Water Resource Management Programmes (IWRM). Policy reform, including legal and regulatory reform, seems to be at the heart of these types of partnership arrangements.

Local level MSP example

Case Study... Cartagena, Colombia

In 1995, Aguas de Cartagena, ACUACAR, was created through a joint venture between Aguas de Barcelona and the Municipality of Cartagena. However, as we observe across many cities in the developing country context, some peri-urban areas of Cartagena were outside the legally-defined service responsibility of the municipality. To combat this barrier and meet the urgent demand for water provision in many of these areas, a multi-sector partnership arrangement was designed between a local NGO, the private water utility and various neighbourhood associations. Community members participated by providing their labour and in some cases a minimum financial contribution to the project. The utility expanded the piped-network to these communities, either in the form of individual household connections or through communal standpipes depending on the circumstance. Meanwhile, the local NGO acted as a liaison between the water utility and the community and were involved not only in training community leaders of the importance of health and hygiene but also by providing them with skills in communal bill collection and dispute settlement resolution – skills that ultimately proved extremely valuable in sustaining the relationship between the community and the water utility.

Local level MSP example

Case Study... Eastern Province, Zambia

A MSP programme was initiated in Zambia's Eastern Province to address the absence of a decentralised planning system at the provincial and district levels. More specifically, the programme aimed to strengthen the capacity of District Councils and to support the rehabilitation and construction of health, education, water and sanitation infrastructure. This programme not only created a district development fund in order to facilitate the development of much needed infrastructure, but it also aimed to increase the capacity for service delivery of District Council staff and District Development Co-ordinating Committee members. The MSP brought together different stakeholder groups (district committee members, NGOs, CBOs, private sector representatives and Councillors) in decentralised planning at the village level as well as the district level and this increased participatory planning lent itself to the development of formalised District Strategic Development Plans in the 8 districts targeted for the programme. In addition, private sector partners were heavily involved in the training of stakeholders in such areas as building and maintenance of infrastructure.

At the local-level, MSP arrangements generally display more of a task-orientation with the express intention of connecting poor people to services. They may have as their objectives to provide labour for pipe installations and network connections, pilot new low-cost technology solutions, or facilitate micro-credit schemes or other creative financial innovations to improve user access.

SECTION 2 – Special considerations around water and sanitation

Whilst much of the discussion in this document is applicable to MSPs in general, our focus is on ways to improve institutional arrangements for the provision of water supply and sanitation services in low-income

communities. A variety of factors makes partnerships around the delivery of water and sanitation difficult. As noted in other BPD documents, water is both politically and emotionally highly charged. One of the biggest challenges in the provision of both water and sanitation is the frequent lack of policy continuity and co-ordination across the range of government actors involved. This constraint often results in confusion among existing or potential partners around who is responsible for what. Water generally receives a mention in most Poverty Reduction Strategy Papers (PRSPs) as one amongst a number of other priority areas. However, when stated PRSP intentions enter national budgeting processes (including competition for resources between different sectoral interests), water frequently continues to receive a relatively small percentage of the overall budget allocation, inevitably leading to funding constraints to plan strategically to meet the short, medium and long-term demands of the sector.

A variety of issues influences the way partnerships relate to the external environment but also how the external environment influences partnerships. Though it is not the intention of this document to discuss the details of these issues, such debates in the water sector include (but are certainly not limited to):

- how the normative framework of a human right to water contributes to meeting the challenges of providing the actual service in low-income countries;
- how to reconcile domestic laws and policies for resource management and environmental protection with both regulations and investments in water supply and sanitation;
- the role of the private sector in service provision;
- whether and how the provision of sanitation and water should be linked together in poor communities;

- how decentralisation processes can be better harnessed to fulfil service delivery commitments to the poor;
- how to reduce the risk to users as well as service providers; and
- how to meet the needs of small and medium cities as well as those of rural areas and large urban centres.

Although this document focuses on making partnerships and other institutional arrangements more effective and productive, these sector-specific issues form the backdrop for the rest of the paper.⁶

SECTION 3 – Creating the enabling space

Regardless of the form the institutional arrangement takes, whether a contract, a dialogue, a partnership or otherwise, it is increasingly recognised that the provision of services is as much or more about relationships than about technical or financial aspects. In preparing for a MSP, experience shows that definition of a goal which is mutually beneficial is important, but it is also important for partners to consider more specifically what moving towards that goal will involve. This includes a careful analysis of events, processes or other aspects that will slow down or prevent progress (*disablers*) or, on the contrary, speed up and assist it (*enablers*).



MSPs also need to be very conscious of the local context. Conditions will be very country-specific with some situations more conducive to the formation and maintenance of partnership approaches than others. Rather than looking to standardise the local context, MSPs must adapt. Success at this level certainly requires sensitivity to national cultural and historical factors (ethnicity, languages, religion, evolving demographics, etc.).

Rather than looking to standardise the local context, MSPs must adapt to it...

More often than not, a prepared space for MSPs will not already exist. MSP participants have to find room for the partnership to manoeuvre as per the graphic above. Furthermore, the space required will depend on the nature (goals, characteristics, style, etc.) of the partnership. The diversity of interests and actors means that one should *not* expect the partnership space to be standard issue. **Each MSP will have to ‘create’ the space that is appropriate.** The possible permutations of the space that it forges for itself are numerous, given the multiple nature and interests of the partners themselves. The notion that one party (generally the government) will create the perfect enabling environment for a MSP is not always likely, regardless of their interest in the programme or project.

Enablers will allow the partners to expand the room for manoeuvre whilst the disablers will constrict the room for manoeuvre. A primary challenge for most practitioners is in identifying and anticipating these enablers and disablers. The second challenge is to generate sufficient analysis to make thoughtful decisions about how to create greater space versus where to concede defeat in some aspects in order to devote more energy and resources to other opportunities.

⁶ For a wealth of specific and helpful guidance on how to construct Public Private Partnerships for water supply and sanitation, the reader should refer to Policy Principles and Implementation Guidelines that can be found at www.partnershipsforwater.net

Agreeing on levels of ambition

Partners should decide what kind of space they anticipate for the MSP. The level of ambition of MSPs may vary: do they seek ‘wriggle room’ to carry out a task and produce specific deliverables? Will the MSP seek to influence practices? Or is it likely that the MSP participants will be asking their colleagues or other actors to reappraise and revise the common ‘rules of the game’?

Even if the specific focus of a MSP is not to bring about what may be called ‘systemic’ change, experience suggests that it is useful for partners on entering into the MSP (and periodically thereafter) to assess (and re-assess) the level of ambition of the MSP. Firstly, because the chosen level of participants’ ambition will need to be matched by partners’ commitment. Secondly, MSP partners may find themselves bumping into or heading towards larger obstructions than anticipated.

MSP participants may find it useful to consider how they would characterise those

obstacles or factors according to whether they are practices, norms or rules (or a combination of each) (see Box 1). Seeking clarification through structured discussions shall hopefully assist MSP partners in overcoming entrenched views of the problem and assumptions about other’s positions and approaches.

Relevant questions that MSP participants may ask as part of planning ahead include:

- How much of an obstruction are we dealing with?
- What is the nature of the challenge? Is it another organisation’s practice that can be overcome with a convincing argument, a more widely held norm that would require a more systemic approach, or a rule that would require significant effort to change?

BOX 1 ...

Practices, Norms and Rules

Practices are habitual ways of working *within a particular organisation*. They are often unwritten and thereby not incorporated into concrete rules or standards. However, because they may be ingrained, their influence upon partnerships may need to be explored explicitly. Practices might involve, for example, different ways of going about planning, of evaluating progress, of managing staff, or different interpretations of “conflict of interest”.

Norms usually refer to broader considerations of what is customary within a sector or within society (i.e. beyond one organisation). An example might include standard corporate expectations around profit margins or standard NGO expectations around participation.

Rules are standards or principles that require some form of compliance. They generally imply something that is fixed and definite and, unlike practices and norms, are usually expressed in writing (in law, codes of practice, or public policy principles). MSP participants may reflect on what kind of challenge would be posed were the MSP to decide to depart from a rule. Examples of rules that may block an MSP’s progress are standards expressed in laws or regulations (e.g. tax laws, regulations on fair trading, or procurement rules).

- How hard do I want to work to address the obstruction? What might the logical implications of this effort be? Is one partner ready or obligated to do more, or less?
- Can we design around the obstacle by amending the idea or approach, or by adapting the partnership itself?
- Can we add another partner who has the relevant skill, knowledge or contacts to resolve the problem?
- What is in my best interest and/or the partnership’s interest?

SECTION 4 – Discussion tool for MSP planning and decision-making

The tool described below is based on the image of a group of people (the MSP participants) assembled in a box. Creating the space for innovation includes making the best use of the space in the box, and also enlarging it by pushing back the walls, which are pliant. The dialogue tool is designed to be a practical aid to partnership planning and decision-making, a way of discerning how much space partnerships have available for innovation. Whilst created with the water and sanitation sector in mind (and indeed from discussions with many water and sanitation sector professionals), it can probably be widely applied to partnerships in development more generally.



According to the research team's analysis, three basic strategies are most likely for dealing with a barrier. The partnership could seek to:

1. Influence or overcome the obstacle by, for example, appealing to decision-makers to change the rules or give special dispensation for a pilot approach (See box on La Paz-El Alto case study);
2. Circumvent the obstacle by enlisting the support of new partners or other resources that allow for different approaches to be used (See box on Cartagena, case study); or
3. Redirect the MSP or backtrack away from the obstacle by shifting the focus of the initiative or the project (i.e. away from a certain type of technology, approach or geographic focus).

The challenge for partnership practitioners is to determine which of these strategies shall contribute most to the effectiveness of the partnership.

MSPs are often demanding on participants' time, and may stretch partners' available resources and commitment. The rationale for using this kind of tool is, as much as possible, to plan ahead in order to reduce the likelihood of a MSP being over-stretched at a later date, by making a realistic assessment of level(s) of ambition and adapting plans and/or resources accordingly.

The three tables below provide some open-ended questions that partners might seek to answer as part of a review or even in the preliminary stages of a partnership's development. The discussion before each table provides some of the insights from the research interviews from which the questions in the tables are based. *Appendix 2* lists a range of specific examples of enabling and disabling factors cited by interviewees.

Though they overlap in many ways, the enabling and disabling factors have been grouped around three general strands of inquiry that explore the:

Overcoming an obstacle

Case Study... La Paz-El Alto, Bolivia

In La Paz-El Alto, Bolivia, regulations developed in 1992 by the Ministry of Housing and Basic Services defined in-house water and sewerage services as the only acceptable long-term water and sanitation solution for urban areas. The partnership was allowed to pilot alternative service standards through a condominium approach that was ultimately accepted by the regulator. Condominial systems deviate from the normal system in several ways, including reduced pipe diameters, shallow trenching and drainage incline.

Circumventing an obstacle

Case Study... Cartagena, Colombia

As the regulator refused to modify national regulations stipulating that bills cannot be issued to customers at intervals less than once a month, the partnership in Cartagena, Colombia brought local community organizations more clearly into the frame, establishing mobile payment collection units to collect money from residents on a bi-weekly basis. This innovative approach complies with the national regulations while still giving the residents the flexibility to pay more frequently, and thus accommodating the financial circumstances of poor households more appropriately.

- **Organisational Cohesion** including capacity, interests and willingness of each partner to engage;
- Strengths and weaknesses in the **Relationships Between Partners**; and
- **Appropriateness of the Scope** of the partnership.

Organisational Cohesion

Partnership practitioners often refer to the challenge of creating and/or sustaining the internal buy-in that allows them to pursue partnership activities with greater authority. The questions in the table below explore some of the ways in which internal dynamics may be a hindrance or a help.

Ensuring Sufficient Authority of Partner Representatives – A few key inter-related themes have emerged in our discussions with practitioners. The first relates to the distance (either literally or figuratively) between the partnership representative and the partner organisation’s decision-makers. This will impact on the partner representative’s ability to muster resources to meet commitments. In its simplest terms this could be described as the difference between a maverick with a budget versus a maverick without a budget. In reality, different departments or units within a larger organisation often compete for funding, ownership of ideas, profile and voice, or other “assets”. Given the need for different departments to work together to deliver commitments to partnerships, senior level buy-in thus only forms part of the picture.

Assessing Attitudes to Risk – A second aspect that warrants consideration is the organisational attitudes towards risk and innovation. Whilst directors may publicly encourage innovation, mechanisms may not be in place to acknowledge or reward new approaches. Key questions arise around whether there is any pressure to innovate (and thereby to assume risks). Many respondents suggested that, on the contrary, the external context makes an internal emphasis on innovation unlikely. Donor procurement rules, MDG attention to quantifiable targets through taps and toilets, and other stakeholder demands make an MSP approach to exploring different options difficult.

Each institution may have its own pressures to maintain the status quo. International NGOs may be under pressure to concentrate on simple targets that are easily communicated to supporters, e.g. the number of new water points installed (discounting the emphasis on ensuring that the necessary “software” is in place to maintain it). Shareholders will want to see percentage corporate returns maintained from proven corporate activities, alongside any steps taken towards successful innovation in the medium term. Meanwhile, national regulators or line ministries in some countries

Small and flexible

Case Study... “one” water

The “one” water initiative has succeeded in promoting its new bottled water to major clients, including retail chains in the UK, thereby raising funds for the partner charity. The process of developing ‘one’ water involved finding space for this innovative product* in a very competitive retail market. The case of “one” water illustrates a key point around organisational cohesion, particularly with regard to decision-making. While negotiation of deals with *large* clients is essential in the medium term, the current small structure of the company allows for the legal powers to approve changes to their business models *quickly*: a case of ‘small is beautiful’?

* www.we-are-one.org.uk

may be unwilling to support innovative practices in secondary cities. In each case, this presents a challenge to MSPs seeking to promote new forms of collaboration and new ‘business models’.

Timing (Part 1) – A further aspect relates to whether the timing is right within the organisation and whether the organisation has sufficient time to devote to the partnership. Partnerships as a mechanism require sufficiently more time to develop than more straightforward transaction-based arrangements.

Notes on the use of the tables below:

- The tables are divided into two primary columns that represent the internal institutional barriers and the external factors that may block a MSP’s progress.
- Whilst all questions may not apply, the lesser/greater columns aim to provide some scale of the problem. A response closer to the question column indicates that the area under discussion requires some attention. Questions should be asked beginning with the phrase “To what degree...”
- The three outer columns are aimed at helping partnership practitioners determine what their strategy for dealing with the obstacle might be (i.e. to seek to influence the obstacle, seek to circumvent the obstacle, or seek to redirect the partnership away from the obstacle).
- As a dialogue tool, the tables can be used in a number of ways, either in facilitated partnership working groups, by individual partner institutions or even by individual partner representatives.
- Questions adjacent to each other in the two columns are not necessarily related. Given that the sub-sections are very inter-related, some questions may also fit into more than one table.
- Many of the questions in the tables are self-explanatory and thus no further discussion has been provided in the text.

STRATEGY			DEGREE					INTERNAL FACTORS	EXTERNAL FACTORS	DEGREE					STRATEGY			
Redirect	Circum-navigate	Influence	High	+++	Neutral	---	Low	ORGANISATIONAL COHESION To what degree...	Low	---	Neutral	+++	High	Influence	Circum-navigate	Redirect		
									To what degree is there a smooth relationship between the partnership representative fronting the MSP and the operational departments?									To what degree ...do the organisation's primary stakeholders support the activities of the partnership?
									... are senior staff supportive of and engaged in the partnership?									... will other external stakeholders (media, academia, etc.) embrace the partnership?
									... are there complementary incentives for different departments in each partner organisation?									...are operational departments under outside pressure to innovate?
									... are internal incentives (salaries, rewards, job descriptions, etc.) sufficient to foster innovation?									... is the business case (i.e. financial, reputational or otherwise) sufficient to foster innovation?
									... does each organisation have the legal mandate to carry out its contribution?									... does the operating environment (tax regimes, procurement rules, etc.) reward cutting edge experimentation?
									... is there organisational energy to review and reappraise existing 'business models'?									... are there any major limitations on participation placed on the different partners (i.e. equity restrictions, etc.)?
									... is the organisation quick to institute new activities or approaches once approved?									... are operational departments under outside pressure to report on partnership activities?
									... do the partner organisations have sufficient time to devote to the initiative?									... is the timing right for each organisation to engage?

Relationships between Partners

A variety of internal and external factors can influence the relationships *between* partners. Many participants entering into a multi-sector partnership, especially for the first time, report a steep learning curve. They speak of misconceptions amongst MSP participants of the different perspectives and interests of public, private and civil society sectors. Such misunderstandings take considerable time and energy to dispel or overcome.

Overcoming Mistrust – A key challenge is to manage the tension that underlies the relations between private and public sectors – see **Box 2**. Ideally a ‘pro-poor’ public sector initiative will include users/customers from *all* income groups, and an underlying tension will exist (at least as a starting point) with the private sector’s general tendency to seek competitive advantage over how the project is designed. This tension must be openly recognised as a first step to managing it, through, for example, a process of negotiation and compromise. For example, whereas some private sector companies may insist on promoting their own brands, other companies may accept *generic* branding in return for the benefits of public support (e.g. in the form of complementary public finance). In one MSP, it was reported that one company refused to participate in the initiative except in countries where generic marketing would benefit it *first* before its rivals. In response, a steering committee at national level tried to ensure that local businesses were included (alongside international companies).

In one MSP, local government authorities were eager to proclaim the success of an innovative MSP service delivery programme, but interviews with the other partners involved condemned their local government partner as corrupt and self-interested. They felt they were forced into an MSP arrangement with a partner that they would never be able to hold accountable because of the existing power imbalances of the partnership.

Meanwhile, both public agencies and private companies may be wary of civil society ‘reserving the right’, when it chooses, to switch from a collaborative to an oppositional mode, including using the media as a tool of mobilising opposition publicly. Findings indicate that engaging with civil society leaders early-on in programme design and educating external stakeholders, especially the media on the political, institutional, financial and social issues around water may help to mitigate this risk to the partnership process.

As pointed out in other BPD literature, though partner representatives may come to trust each other, partner organisations may not. Greater understanding of historical, cultural or other

BOX 2...

Public-Private: Managing the Tension*

‘Firms’ (private sector) may be small/large, rural/urban-based, foreign/local, formal/informal, but a ‘basic tension’ underlies relations between private and public sectors.

Firms exist to make profit for their owners – something they’ve done for thousands of years – and their policy preferences are guided by that objective. In contrast, government policies need to balance the preferences of firms with broader social objectives...

Governments thus have to understand where the interests of firms may diverge from those of wider society... and must deal with the implications of differences in preferences between and within firms.’

* Source: the World Development Report 2005 of the World Bank, ‘A Better Investment Climate for Everyone’, page 37 (emphasis added).

Recognising partner strengths

Case Study... Global Handwashing Initiative (GHI)

MSP participants reported lack of understanding, and in some cases scepticism, amongst health professionals in public agencies to marketing by *private* companies of health products in developing countries. The report of the UN Task Force on Water and Sanitation* noted (p.83) that most *public* agencies are unfamiliar with or ill-suited for the role of influencing household actions which progress in sanitation nevertheless requires (emphasis added). The GHI**, a global partnership that includes private firms with substantial marketing experience, is exploring how marketing and related business models may be adapted to poor areas/regions, e.g. by making available soap in *small* quantities and at *affordable* prices.

* ‘Health, dignity and development: what will it take? UN Millennium Project, Task Force on Water and Sanitation, January 2005

** www.globalhandwashing.org

contextual factors will tend to increase trust between partners, but we should not expect organisations to see fully ‘eye-to-eye’. BPD experience would suggest that significant energy should be placed on reaching mutual understanding at an early stage of the partnership but without necessarily seeking full agreement. Partners should ensure that the processes for making decisions, implementing activities, and resolving conflict are as predictable (and thereby trustworthy) as possible.⁷

Greater emphasis needs to be placed on creating processes that are as predictable as possible.

Limiting or Encouraging Participation – Decisions around who should be involved are important to MSPs. Greater inclusion can make partnerships more innovative – generating new ideas from a larger pool of participants. Many argue that, as it creates buy-in and more tailored solutions, an inclusive approach ensures a greater chance of creating sustainable systems. Limiting the number of partners, on the

other hand, more easily facilitates the creation of more manageable, stronger accountability mechanisms (fewer players equals fewer people to keep an eye on to

ensure they are accountable).⁸ Whilst there are continued calls that ‘all stakeholders must be involved in decision-making’, in practice this makes for a very unworkable and unwieldy process. For more broad-based partnerships, to facilitate stakeholder engagement and a consolidation of voice, each of the different stakeholder groups appears to be creating sector-based coalitions to channel participation. (Examples include the Association of Private Water Operators in Uganda, a network of NGOs in Africa called ANEW, the International Federation of Private Water Operators (AquaFed), UN Water, etc.) A significant challenge thereby becomes ensuring proper representation.

Ultimately partnerships involve dynamic processes with the power ebbing and flowing between different partners depending on the situation. Use and abuse of this power can see partners being intentionally or unintentionally brought in, discouraged or pushed out without much systematic forethought as to the consequences. The recommendation is therefore to approach the topic strategically and regularly with as much information about incentives and disincentives to participate as possible.⁹

Sharing Information – Different organisations have different approaches to sharing information.

Ensuring Sufficient Dialogue

Case Study... Urban Zambia

In the peri-urban settlements around Lusaka (and cities of similar size) various NGOs are actively working to scale-up successful community-driven development projects in partnership with resident development committees, local and central government authorities, small-private water vendors, private construction firms and the commercial water utility. One of the major lessons learned from scaling up these projects has been the importance for partners to learn alongside communities and to be flexible. However, a great deal of debate remains at the local level as to whether pre-determined project components including inputs and outcomes of the MSP arrangement should be established at the project design phase. Measuring success can prove difficult in some cases, especially when the dimensions of scaling-up are not understood by all partners involved in the process. NGO partners are also becoming conscious of the need to coordinate more effectively with central government authorities and the regulatory agency to assure greater sustainability for MSP initiatives. Central government authorities and the sector regulatory authorities have also come to recognise the value that many of these programmes have had on the lives of peri-urban residents. Increased dialogue with all stakeholders involved in community-driven development projects in the water sector has led to greater discussion by the regulatory authority for alternative service provision.

⁷ The authors acknowledge the helpful work of Ros Tennyson of The Partnering Initiative for her exploration of trust in partnerships.

⁸ For further analysis on accountability in partnerships, please refer to Caplan, K. *Partnership Accountability: Unpacking the Concept*, BPD Practitioner Note Series: London, June 2005 (available at www.bpdws.org).

⁹ Exclusive or inclusive relationships may be determined by rules on access to water services markets that either limit or open them up to foreign ownership, hiring of foreign personnel, and presence of foreign businesses. Based on the contextual environment, national governments decide what rules they wish to apply and can frame them either within the local or national regulatory environment or related to commitments made under the General Agreement on Trade in Services (GATS) (or bilateral/regional trade agreements).

Commercial companies may be loath to approve releases of information especially where that information is in danger of becoming available to rival companies. Public agencies may behave similarly with regard to rival political parties. Even NGOs may withhold information (on poor evaluations, for example) if it will adversely impact on their fundraising efforts.

Inflexible interpretation of competition law may prevent public agencies from exploring more innovative mechanisms for service delivery...

In principle, rival organisations may seek to prevent others from participating in order to maintain strategic advantage. Thus, when a MSP is being established, different partners may try to insist on solely one-to-one relations with donors and other public agencies. With regard to corporate partners, this risks infringing competition laws and rules, e.g. of the European Union prohibiting a bilateral donor agency of a member state from giving undue advantage to a company domiciled in that member state. One question that arises is how much will MSPs push the limits of competition law, forcing public authorities to follow the letter of the law with regard to procurement rather than supporting non-competitively formed innovative institutional arrangements? Whilst there are solid reasons for competition rules, the type of innovations that MSPs seek to create may need to be fostered by more flexible, less heavy-handed procurement procedures. Supporting the establishment and development of a MSP is not like issuing a contract against pre-defined criteria.

The participants of one MSP observed that existing players in a very competitive business market actively excluded new entrants, undermining their fledgling rivals. An enabling response to such rivalries would be to ensure that the MSP is more programme than project focused, including more organisations and appealing to the *sector-wide* business case for each type of partner (a larger overall market, more people served, greater voice for poor communities), i.e. paying more attention to the benefits to the sector as a whole rather than to specific organisations. The lesson seems to be that for more systemic change, the more organisations involved the better.

For more systemic change, the more organisations involved the better.

Timing (Part 2) – As implied above, partnership building activities are often perceived by practitioners and external stakeholders closer to the operational level as slow and costly. Though a variety of relatively new discussion tools can be used to “speed up the process”, partnership initiatives still require sufficient time to generate interests, ensure that incentives can be aligned, and get buy-in from related stakeholder groups. Again, defining quick milestones may be the most appropriate strategy to bring people together.

STRATEGY			DEGREE					INTERNAL FACTORS	EXTERNAL FACTORS	DEGREE					STRATEGY										
Redirect	Circum-navigate	Influence	High	+++	Neutral	---	Low	RELATIONSHIPS BETWEEN PARTNERS To what degree...	Low	---	Neutral	+++	High	Influence	Circum-navigate	Redirect									
									To what degree do partner organisations collectively define and agree on the long-term goal of the partnership?									To what degree are partnership goals and objectives clearly articulated to external audiences?							
									... are roles and responsibilities towards meeting the objectives clear and straightforward?									... are external audiences including the media likely to respond positively to the initiative?							
									... is there a tension between the organisational objectives of the different partners (i.e. can profits and social objectives be easily reconciled?)									... do all partners front the initiative? (Or is one partner particularly dominant?)							
									... does the decision-making process within the partnership take into consideration the risk presented to each partner?									... does the decision-making process systematically consider changes in the external environment?							
									... is the partner base sufficient to seek systemic change if that is the objective of the partnership?									... are partners held accountable by external stakeholders?							
									... has sufficient time and space been made for partners to get to know each other?									... do public sector policies affect partners in different ways?							

Appropriateness of the MSP's Scope

Section 3 above refers to the level of ambition of the partnership, i.e. whether it is ambitious and aiming to effect systemic change or whether it is more modest in its objectives to meet the needs of a specific target community. Through the interviews, workshops and different discussions, the research team found a number of overarching themes that influenced whether the scope of a MSP was realistic, sound and possible.

Allocating Sufficient Resources – Depending on the nature of the MSPs' work, different kinds of resources may be needed. The more obvious resources include funding and dedicated staff time. Some less quantified, but equally critical, resources include the more strategic – convening power, information collection and dissemination skills – as well as the more mundane logistical support, accommodation, etc.

With regard to funding, most MSPs would suggest that their staffing and financial resources are overly-stretched. In the case of two MSPs, a national government and a multilateral agency respectively provided funding for the MSP's secretariat, considered by all to be a major boost towards progress. Several MSP participants mentioned cumbersome donor funding cycles to which the only systematic response was to plan the timing of approaches for support. Notably the issue of competition for public funds, which may often be intense, was generally played down by the promoters of MSPs working within public sector agencies. Their private sector counterparts, however, generally felt ill-informed of both the processes and hurdles inherent in obtaining funding from public agencies and then disappointed when their MSP's bid for public funds failed.

Insufficient technical and managerial capacity, particularly of decentralised government partners, may provide a significant block to MSPs. Decentralisation reforms may designate municipalities as key public agencies responsible for delivering and/or supervising the delivery of water and sanitation services. Where responsibility is passed to municipalities without corresponding powers and autonomy (financial as well as technical and administrative), a disabling trap is created for MSPs. One strategy for overcoming this block is for other MSP partners to provide support to activities that help build that capacity with training and education.

Ensuring Sufficient Knowledge of the Market – Some MSPs are challenged by their insufficient familiarity with the market. Within this research project, in one case it became clear that the practices of key players in the market originally targeted by a MSP meant that the MSP needed to re-focus its efforts to enter a less intensely competitive market. Conversely, as noted above, markets may be effectively closed to MSPs because of regulatory blocks that do not allow for certain types of approaches or products to be piloted without special dispensation or waivers.

Unequal access to information between partners is common in the water and sanitation sector, a reality that partners have to deal with when planning innovative initiatives. A well-intended MSP programme offering an alternative lower-cost service to users, for example, must not only be able to assess user demand and ability and willingness to pay, but must also anticipate the reaction of users to the product or service being offered. Some communities may be more responsive than others about using communal water points versus household-connections, for example, or communities may be divided with some residents willing and able to contribute their time and labour to a project while

Anticipating the Market

Case Study... Cochabamba, Bolivia

The Agua para Todos partnership brings together a locally-based private pipe manufacturer, the public water utility, the municipal authority, UNDP and two local micro-finance institutions. Success for the partnership's ability to get projects started in poor communities is clearly owing to high demand in an area where a public service is not yet available, a willingness on the part of the community to invest, strong community cohesion with relatively straightforward mobilisation, and clear and enabling legislation that facilitates locally-based organisations to prioritise and invest in their own needs.

others wholeheartedly object. Some communities have long histories of social solidarity while others are undermined by unrest or violence. MSP initiatives may mistakenly contribute to those tensions rather than easing them. The clear message is for partners to spend time getting to know the market.

Convincing the Sceptics – MSPs can easily be overtaken by external perceptions, particularly where there is a lack of early success stories to demonstrate the value of the initiative. A pragmatic response would be for a MSP to focus on achieving initial tangible successes to demonstrate the value of its work. The current challenge of answering the sceptics is not helped by the lack of appropriate and effective mechanisms and frameworks to measure and evaluate both the processes and the outcomes of MSPs.¹⁰

Some challenges are more fundamental, however, and relate to more normative debates around for example, the role of the private sector in the delivery of water and sanitation services. Considerable confusion as to the different modes of participation of the private sector contributes to these debates. Government funding multi-sector partnership arrangements to expand or upgrade networks in low-income areas may be criticised for ‘subsidising the private sector’. Whilst there are rational fears about losing control, private sector participation (PSP) does not necessarily amount to, and need not lead to, privatisation of water services. More action may be needed to ensure that consumers come to understand the ways in which a combination of public, private and civil society sector inputs, including through MSPs, may help to improve access in poor communities.

Consumers and communities have to feel that the short-term losses that may arise from the innovation will be offset by long-term gains. Where communities have no experience with partnership activities or where they have participated in ineffective or poorly designed projects, it is likely to be difficult to align the interests of communities around new innovations. It would appear that clear communications and platforms for dialogue would be the only way to forge genuine and more inclusive relationships.¹¹

Timing (Part 3) – Focusing on the theme of time and timing, MSP practitioners often refer to a concept that could be called “a partnership moment” – a specific point in time where the circumstances are right for a partnership initiative to flourish. This “moment” can be hampered by any number of factors including upcoming elections, changes in staffing, changes in the boardroom, competition from other seemingly similar initiatives, etc. Assessing whether the time is wrong seems fairly straightforward. Assessing whether the timing is right, however, is not always so easy.

A further factor related to time deals with the difficulty in ensuring that the partnership arrangement is designed to be only temporary. As other BPD analysis has shown, generally the goal is for the partnership initiative (as defined in Section 1) to meet its objectives and then to close down, take on new objectives or transform into a different institutional arrangement that may be more contracts or transaction-based. Though the partnership *approach* will no doubt be around forever, individual initiatives need not be. The nature of creating initiatives, though, creates the need for their own self-perpetuation. Whilst a partnership may achieve its objectives and then move on to other areas of interest or other geographic targets, a discussion needs to be had at the beginning to determine where the partnership ends and if it has done the job it was established to do. A clearer discussion along these lines will also address some of the challenges (or disablers) that all sectors face around partnership fatigue.

¹⁰ For further analysis, the reader should refer to Stott, L., *Listening to the critics: Can we learn from arguments against partnerships with business?* (See www.bpdws.org for a copy.)

¹¹ See Stott, L. & Keatman, T. *Tools for Exploring Community Engagement in Partnerships*, BPD Water & Sanitation, 2005, available at www.bpdws.org

Using the dialogue tool

As an example, through a facilitated conversation between partners, the table could look as below. The area in grey in response to the specific questions reveals quite clearly how much space the partnership has to maneuver, where it needs to concentrate its efforts to address internal and external challenges, and what strategies have been identified to meet these challenges. A more conducive space for partnering would see the table largely shaded. (Also see Annex 2 for actual disablers and potential solutions from the different cases.)

STRATEGY			DEGREE					INTERNAL FACTORS	EXTERNAL FACTORS	DEGREE					STRATEGY			
Redirect	Circum-navigate	Influence	High	++	Neutral	...	Low	To what degree...	Question...	Question...	Low	...	Neutral	++	High	Influence	Circum-navigate	Redirect
	C										Question...	Question...						
		I						Question...	Question...							I		
								Question...	Question...									R
		I						Question...	Question...									R
	C							Question...	Question...									
								Question...	Question...									
R								Question...	Question...								C	

SECTION 5 – Disablers specific to international and local MSPs

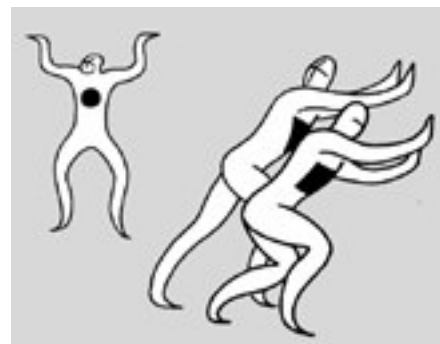
Many of the enablers and disablers discussed above are relatively generic or easily resonate with partnership practitioners at the international or local and national levels. Some however are fairly specific to either one or the other. The discussion below attempts to identify some distinguishing characteristics.

International-Level MSPs – Perhaps not unexpectedly, the majority of interview responses relating to international experiences were “external” in nature, i.e. beyond the control of the partnering organisations or the partnership. Interestingly also, even if the vast majority of factors cited were external, very few of these were *force majeure*¹² type of events or phenomena. Whilst for example, a possible global (avian) flu epidemic (and the effects it would have on the health sector) was noted, global crises or processes were barely mentioned. For example, the GATS was not explicitly mentioned, including in the national/local interviews, either because the persons interviewed were not aware of its potential implications in the water services sector, or because they considered that GATS rules are unlikely to present a block (or support) to MSPs.¹³

Of the many enabling and disabling factors provided, very little mention at the international level was related to enablers or obstacles of a regulatory or legal nature. International MSPs seem to come into little contact with international treaties or agreements. Meanwhile competition and procurement rules stand out as the principal issue for MSPs under relevant national laws applying to companies and organisations operating internationally. (While tax treaties and laws were not specifically mentioned in an international context, they will surely also be of relevance to some MSPs.) Apart from those examples, at the international level more present and pressing than laws are the wider thematic and normative discussions around governance, the role of the private sector in water supply and sanitation, shifts in corporate investment trends (as a function of political and financial risk), civil society voice, etc.

Obviously a key challenge of international MSPs is that the ability to influence behaviours (educating consumers, for example) or rules (adapting standards) of other relevant external actors may be uncertain or painstakingly slow. An MSP with objectives and goals that explicitly seek such systemic change needs to be carefully negotiated to ensure that 1) partners recognise this is a long-term process, and 2) there is clear understanding of which partners will do what to achieve those aims.

Competition between international companies may prove challenging to MSPs, particularly if the companies are seeking to use the MSP to strengthen their own reputation (and thereby potentially allow them to bid on new contracts related to the work of the MSP). To avoid this, one MSP ultimately created rules of engagement to avoid using the MSP as a marketing tool for the companies. For one or two companies, this then left little commercial incentive for them to participate. In response, they exited from the MSP in order to create an alternative.



At the international level, more pressing than laws are the wider normative discussions around governance and the role of different stakeholder groups.

¹² A *force majeure* event or phenomena refers to natural, unavoidable and unexpected catastrophes that interrupt the anticipated course of events.

¹³ See also Slaymaker, T. et al., *Water and GATS: Lots of smoke but where exactly is the fire?* London: ODI Opinions 62, December 2005 (available at www.odi.org.uk) and Trecco, O., *Water and GATS: Exploring their impact on local-level partnerships*, London: BPD Occasional Note, January 2006 (available at www.bpdws.org).

Better coordination between donors, in line with declared aid ‘harmonisation’, was cited as a potential enabling factor for international MSPs. More country-driven planning and programming as a result of evolving aid approaches (a core principle of poverty reduction strategies) would allow for more focused interventions by MSPs.

National and Local MSPs – Though not exhaustive, the majority of factors at the national and local level uncovered by the team are also external (i.e. beyond the control of the partners). Unsurprisingly, at this national/local level, the number of respondents suggesting that regulation is an enabling or disabling factor was higher. *Force majeure* was mentioned, as was a national (and possibly international) economic climate unfavourable to investment, as disablers. In some cases, an emergency situation like a cholera outbreak may be an enabler as it galvanises partners to respond more quickly.

Some interviewees mentioned the heavy dependence on external donor funding of the water sector in some developing countries. Related to finance, a critical obstruction to local people developing innovative solutions cited in the interviews was lack of access to credit. Incentives for micro-entrepreneurship may be constrained by national policies, laws and municipal ordinances, in which case legal/regulatory measures are needed to strengthen and formalise “non-traditional” delivery mechanisms through, for example, partnerships between utilities and small-scale providers or community-based organisations.



SECTION 6 – Reacting to disabling factors

A key issue for an MSP is whether it inadvertently creates the situation where a factor that is enabling for one partner is disabling for another. A minimum requirement is that the enabling factors are not mutually exclusive. For example, as discussed in the previous section, in one case there was significant discussion about whether the private sector partners could use the partnership as a platform to canvas for non-partnership related contracts. Creating a specified time period before which the private partners could not solicit for contracts provided some reassurance to the civil society

partners who could then convince their stakeholders that, with this clause in hand, the partnership would not subsidise immediate private sector marketing efforts. It was, however, perceived by the companies as an unnecessary disadvantage that may have cooled some private sector interest in the MSP.

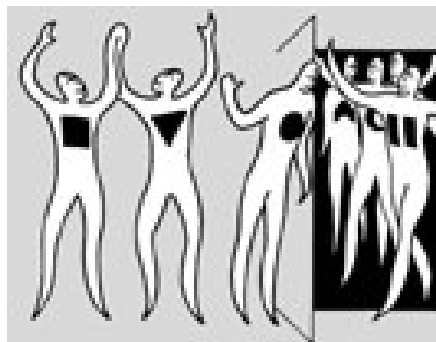
When a MSP anticipates or encounters an obstacle to its progress, the partners will consider what the MSP can do. As discussed above, the ‘pushing away’ of the pliant box (as in the evolving image shown) may involve different approaches that include:

- Influencing – removing the obstacle by strengthening the approach or finding new partners that can help in fortifying or expanding commitments to the partnership through further investment of time and resources;
- Circumnavigating – moving around the obstacle through further innovations; or
- Redirecting – moving away from the obstacle by redirecting the partnership.

Given the dynamic nature of partnerships, careful consideration needs to be given, however, to how a strategy to overcome one problem might lead to other unexpected unhelpful outcomes.

SECTION 7 – Taking the subject further

As noted above, this has been a scoping study. The intention at this stage has been to identify factors that both support and constrain partnership working. Though based on a series of detailed discussions, the challenge to the authors has been to distil the findings down into a useful dialogue tool for both partnership practitioners and the policymakers that support them. Whilst we recognise that there will be shortcomings, hopefully the document offers sufficient preliminary practical pointers for anticipating enablers and disablers of MSPs in the water and sanitation sector.



Though not explicitly discussed, power relations, politics and personalities are subjects implicit throughout this document. In this light, the document may best be read in conjunction with BPD's work on partnership agreements, *The Partnership Paperchase*, which goes into further detail about the areas that should be raised in negotiations between partners.

BPD shall be incorporating this dialogue tool into its training modules and, in an effort to refine it, shall certainly seek to apply it in different partnerships with which it works.

Areas that require further exploration would undoubtedly include the following:

1. As the term continues to be used quite loosely, some further refinement of the definition of partnership would be helpful;
2. With a clearer definition of partnership, some greater understanding of the different forms of partnership (from systemic change to task-orientation and from networks to more legally binding constructs);
3. Further work on how to measure and evaluate partnership progress;¹⁴
4. As procurement seems to stifle much partnership initiative, further analysis on ways to make procurement channels more 'partnership friendly' would be helpful; and
5. As regulatory constraints continue to pose a challenge, are there ways of designing partnership activities to more clearly engage regulatory bodies without compromising them?

The authors would be interested to hear about experiences from participants in multi-sector partnerships around creating space for innovation for their MSP. Please write to us at info@bpdws.org

¹⁴ Please see forthcoming BPD document on evaluating partnerships that aims to set the stage for more thinking in this area.





APPENDIX 1 – Further Information on Methodology Used





1. A brief **overview of the literature** describing partnership typologies in the WSS sector confirmed the general lack of a deeper analysis of enabling factors for partnership constructs other than conventional contractual public-private partnerships.
2. To gain insights into international/global processes that may be generating macro enabling/disabling factors, a first set of about 15 **semi-structured interviews** was conducted primarily with practitioners involved in the provision of water and sanitation in three international centres – Washington D.C., London and Paris. Those interviewed did not specifically have experience with MSPs. These interviews were designed to understand the perceptions which these practitioners had toward civil society involvement in the sector and to assess what they believed to be the benefits and challenges of MSPs. Those selected for these interviews were representatives of international NGOs, The World Bank, IFC, EBRD and international water companies based in Britain and France.
3. These initial findings were used to structure a two-day **workshop** organised in London with a mix of stakeholders involved in MSPs. Although many of the participants had experience in the water sector, partnership specialists from other sectors were also valuable to this piece of the research. The objectives of the workshop were to (i) confirm the gaps in the MSP literature; (ii) discuss different partnership typologies, using a BPD dialogue tool; (iii) debate the barriers for MSP success; and (iv) agree on the methodology for the rest of the research process, including the examples of MSPs to be studied. It was agreed that interviews with MSP participants should be carried out on a non-attributable basis to maintain confidentiality. The objective should be to identify generic ‘enabling’ and ‘disabling’ factors and present them in an analytical tool comprehensive enough for practitioners and policymakers alike to explore where stumbling blocks for MSPs may occur throughout the process.
4. The next phase of the research involved **organising and verifying the findings**: (i) interviewing stakeholders involved in particular MSP programmes/projects in WSS – three examples of ‘international’ MSPs, as well as MSP cases in two different countries, one in Latin America and the other in Sub-Saharan Africa; (ii) designing the visual analytical tool to collate and present the findings; and (iii) identifying findings from the examples and grouping them under headings, first determined to be as follows: ‘Interests’, ‘Power’ and ‘Communication’, many of which have been distilled in this document.

In relation to the ‘international’ MSPs, the following questions were asked to each person consulted, making for a common core element of each interview: (i) How would you summarise the aim of the MSP and the objective desired by its partners? (ii) What, in your view, have been the three things in the "environment" surrounding the partnership which have been most challenging for it to deal with? (iii). What ways exist to respond to those challenges? (iv) How far would you assess there has been a good "fit" or a mismatch of cultures between the organisations involved in the MSP?
5. A second round of **discussion with a small group of partnership specialists** was held to discuss the findings and identify an appropriate analytical tool.
6. Circulation of the draft study report to an informal ‘**peer review**’ group and consideration of the comments and feedback.

APPENDIX 2 – Examples of Enabling and Disabling Factors

The table below provides a series of actual examples from specific case studies in the research. (Please note that some obvious more macro disablers are beyond the scope of this paper – such as high inflation rates, high unemployment, low economic growth, unfriendly investment environment, etc.) The inner columns represent obstacles and the outer columns suggest strategies to deal with them. As above, the left-hand columns represent issues related to the internal dynamics of the partnership and the right-hand columns represent issues related to external factors. These are broadly arranged in the order of the strands of inquiry above (organisational cohesion, relationships between partners, and scope of the partnership). There are some areas where an obvious solution was not forthcoming. BPD would welcome hearing of practical solutions to any of the blockages noted below at info@bpdws.org

Internal Dynamics		External Factors	
Possible Solutions 	 Obstacles	Obstacles 	 Possible Solutions
Clear risk assessment at partner level	Partner’s internal dynamics allows for different departments to adopt different positions with regards to the partnership	Hostility towards private sector; Misrepresentation or misunderstanding of role of private sector; Local anti-globalisation activists use the media to paralyse a MSP	Labels, titles and descriptions are important; Ensure that messages that stakeholders receive is the message that is intended. Activists should be encouraged to engage in a dialogue in order to promote counter proposals instead of only opposition
Resource and role mapping	Fragmentation of institutions relating to water at the national level	Companies not willing to release information that might help rivals	Depending on the context, information could be framed in generic terms that are non-attributable
	Low public sector salaries encourage rent-seeking	Disinterest of external stakeholders: 1) Lack of political will from government to support innovative solutions; 2) New ideas do not appeal to donors	Communication strategies should be used to encourage donors to support innovative approaches rather than “business as usual”
MSP participants increase their understanding of internal incentive and decision-making structures within their organisations	Internal power asymmetries or organisational policies determined at the centre hinder rather than enhance receptivity of in-country staff to new ideas	Number and power of existing players in (very) competitive business markets excludes new entrants; Powerful players actively undermine fledgling rivals by indulging in unfair trade practices	National steering committee ensures local businesses are included in MSP; Better enforcement of rules on fair trading
Facilitated workshops; Secondments may provide a good cross-sectoral learning tool	Public-private-civil society misunderstanding and misconceptions that take time and energy to dispel or overcome; Challenge of aligning the interests of the range of local stakeholders	Tension between public sector mission that is inclusive of users/customers from all income groups and the private sector’s targeting of user groups with greater capacity to pay	Structured (and facilitated) dialogue and discussion to reach compromise (Interest-Based Negotiation)

Internal Dynamics		External Factors	
Possible Solutions 	 Obstacles	Obstacles 	 Possible Solutions
Revisit objectives of the partnership to see if they should be redirected	MSP's rules of engagement avoids conflicts of interest, but creates little commercial incentive for key private sector partners	Competition rules (e.g. of EU) prohibit a bilateral donor agency from giving undue advantage to a company from that country	Dialogue on refinements in competition law to promote greater flexibility for MSPs
	Asymmetries of information between MSP partners	Cumbersome donor funding cycles, inflexible procurement rules and conditionalities hamper innovation	Need to plan timing of approaches: Seek clear explanation of donor practices, cycles, restrictions, etc.; Clear and realistic assessment of partner funding strategy
Strategic communication strategy targets new partners; National government or multilateral agency provided funding for MSP's secretariat	MSP insufficiently resourced; Secretariat has insufficient (professional) capacity	Difficulty of converting MSP sceptics where there is, as yet, a lack of success stories to demonstrate value	MSP focuses on first successes to demonstrate value of new models for "bottom-line"
Ensure that partners have authority to quickly approve new business models; Ensure relationship to core "business" of each partner will foster greater interest	Partnership-building activities perceived by some at operational level as slow and costly; Some perceive too much emphasis placed on process rather than activities	Poor households are unable to afford the product or service	MSP compelled to re-define its target market; Lobby for tax regulations so innovative products (e.g. new cause-related marketing) benefit from zero or reduced tax rate
Review whether MSP can pursue more systemic change with greater benefits to whole sector; Or compromise, with 'generic' marketing (of the product, not a particular brand) where companies can see incentive of increased sales, e.g. in an emerging market	Companies' insist on promoting own brands as sole products; Companies insist on one-to-one relations with donors and other public agencies	Limited household-level data available to MSP participants; Limited access to micro-credit prohibits local entrepreneurs from participating	Consider bringing in partners that can facilitate wider networks for information gathering and wider participation in general (e.g. micro-credit agencies)
Emphasise training and other programmes to build capacity	Decentralised government and local NGOs in developing countries may have limited capacity and often limited financial powers to take up new models	Rules on access to water services markets or repatriation of profits limit foreign participation	
Seek some minimal donor funding to "oil the wheels" of the MSP	Reduced interest of agencies in-country if offer of technical assistance is not accompanied with funds	MDGs put the focus on narrow quantifiable targets	Show how MSP objectives include increased/improved WSS coverage, but also support maintenance of that system

ABOUT THE DOCUMENT

Legal considerations and disclaimer

This publication does not constitute legal advice. Rather, it covers a broad range of subjects and is intended to supply general information to individuals and organisations currently or potentially involved in some form of collaboration to provide water and sanitation services in low-income communities. We expect that most of the concepts and analysis will resonate with partnership practitioners from the health, education or other sectors and would welcome comments particularly around those elements of the publication that do not reflect the reader's own experiences.

Although BPD Water and Sanitation tries to ensure the accuracy of all of its publications, it cannot guarantee that the subjects described in this document are applicable in the many and varied relationships or countries in which the reader is engaged. Additionally, the national and local laws in any particular jurisdiction should be consulted before taking any specific action. To determine the applicability of this information to individual circumstances, the reader should conduct further research and/or obtain legal advice as necessary and appropriate.

About the authors

Peter Newborne is a researcher and consultant on water policy with a focus on institutional aspects. As well as English mother tongue, he speaks fluent French and has full working Spanish. His interest in multi-sectoral collaboration is a reflection of different strands of his own professional career. First, as a practising commercial lawyer and subsequently in 'international development', he has worked with/for clients in both private and public sector organisations as well as NGOs and other 'civil society' organisations. This study has provided an opportunity to look at the interfaces between the three.

Ken Caplan is the Director of BPD. Through BPD, Ken has authored and co-authored a number of pieces on partnership process. He has also served for four years as a tutor on the University of Cambridge Cross-Sector Partnership Course and a mentor on the Partnership Brokers Accreditation Scheme (run by the Overseas Development Institute and the International Business Leaders Forum). Prior to moving to the UK in 1998, Ken worked in Southeast Asia for 8 years with both donors and NGOs on issues including urban infrastructure, social inclusion, and partnerships around labour standards.

For more information

For readers who want to understand more about their partnerships, additional analysis and support is available in a number of places, some of which are listed below.

- AccountAbility: www.accountability.org.uk
- Building Partnerships for Development: www.bpdws.org
- Business Partners for Development Natural Resources Cluster: www.bpd-naturalresources.org
- Global Action Network Net: www.gan-net.net
- Global Public Policy Institute: www.globalpublicpolicy.net
- International NGO Training and Research Centre (INTRAC): www.intrac.org
- One World Trust / Global Accountability Project: www.oneworldtrust.org
- Partnership Brokers: www.partnershipbrokers.net
- Public Private Partnerships for Water and Sanitation: www.partnershipsforwater.net
- The Partnering Initiative: www.thepartneringinitiative.org
- The Seed Initiative: www.seedinit.org
- United States Food and Drug Administration (FDA): www.fda.gov/ora/Partnership_Agreements/partnership.htm

**Please also see accompanying abridged
Practitioner Note under separate cover.**

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