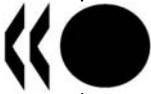


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**EVALUATING THE EFFECTIVENESS AND EFFICIENCY OF PARTNERSHIPS INVOLVING
GOVERNMENTS FROM OECD MEMBER COUNTRIES**

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FOREWORD

This report has been prepared in response to a request from a meeting of OECD Environment Ministers in 2004 to examine the efficiency and effectiveness of partnerships. It focuses on the evaluation of partnerships involving governments from OECD countries. Preparation of the paper benefited from the discussion at a workshop in Paris, 12 September 2006 and at a meeting of the OECD Environment Policy Committee (EPOC) in Krakow, Poland, 26-27 October 2006.

The report has been drafted by Eija Kiiskinen and Roberto Martin-Hurtado under the overall guidance of Brendan Gillespie. The OECD Environmental Partnerships Evaluation Survey presented in the Annex 1 was carried out with the support of Darian Stibbe, from the Centre for the Advancement of Sustainable Development Partnerships (CASDP) and Eva Halper together with Ros Tennyson from the Partnering Initiative. They also provided useful support for other parts of the report. The OECD Secretariat is grateful for the Workshop participants for their useful comments, and to partners who responded to the Survey questionnaire and provided additional information on their partnerships.

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EXECUTIVE SUMMARY

The use of the partnership approach is growing worldwide. Partnerships are often seen as a complement to traditional governmental approaches to environmental protection and sustainable development, and as having an important role to play in leveraging funding from different sources, supporting dissemination of technology, and bringing together expertise from governments, universities, the business community, environmental organisations and others. But not all partnerships work. OECD Environment Ministers discussed the challenges related to the partnership approach in April 2004 and called on the OECD to examine the effectiveness and efficiency of partnership initiatives. This paper aims to respond to the ministers' request and to help promote more effective and efficient partnerships through better evaluation. It focuses on partnerships involving OECD Member country governments.

While there is no agreed definition of partnerships, this paper characterizes them as *voluntary arrangements* that *share risks and benefits* among partners and combine and *leverage the financial and non-financial resources* of partners towards the achievement of specific goals. A dedicated survey collected information on partnerships with a major environmental component registered with the UN Commission on Sustainable Development (CSD). It suggests that partnerships have different rationales and involve a range of different activities, often simultaneously. CSD partnerships often facilitate, coordinate or feed into environmental action rather than improving environmental outcomes directly. This has consequences for the evaluation of their environmental effectiveness and economic efficiency.

Evaluation is important in order to assess critically the value-added of partnerships. Robust evaluations of partnerships are needed to demonstrate that partnerships actually are a complementary approach to traditional policy-making and implementation. However, comparatively little work has been done on evaluating partnerships at this time, perhaps because insufficient time has elapsed since partnerships were launched after the WSSD. In the survey of CSD partnerships conducted for this report only 28% of the partnerships that responded had completed an evaluation. At the same time, there is an increasing interest in methodological aspects of partnership evaluation, and several organisations have developed assessment frameworks and methodologies to evaluate partnerships.

A range of success factors has been identified in the evaluations that have been conducted to date. Some have to do with good project management (such as clear objectives, detailed plans, good leadership, sufficient resources and accountability) while others deal more with the dynamics of partnerships (such as understanding the needs of different partners, shared ownership and flexibility). However, examination of the major costs and benefits generated by partnerships is rare.

Clearly further work on evaluating the effectiveness and efficiency of partnerships is warranted, both case studies and on the related methodologies. In order to support these efforts, the paper identifies possible elements for an evaluation framework for partnerships involving governments. It approaches evaluation from a public policy perspective and partnerships as a complement to other public policy instruments. This approach would not necessarily be applicable to partnerships involving only non-governmental partners. In addition to procedural aspects, the paper suggests that evaluations of partnerships involving governments could address: policy rationale for the partnership, effectiveness, efficiency (including transaction, operational and opportunity costs), benefits, financial leverage, policy consistency and sustainability. Two aspects that risk hindering the development of robust evaluations are the absence of clear objectives and the failure to analyse the costs and benefits of non-partnering solutions.

1. INTRODUCTION

In April 2004, OECD Environment Ministers called on the OECD to examine the effectiveness and efficiency of partnership initiatives¹. During the discussion, Ministers recognised that such initiatives could complement traditional governmental approaches to environmental protection and sustainable development; for example, by leveraging resources, disseminating technology and drawing on the expertise of different groups. Ministers also recognised that not all partnerships work. They considered that in view of OECD's independence and analytical capacity, it would be well-placed to assess partnership initiatives, analyse successes and failure, and share experience on good practice.

The aim of this report is to respond to the OECD Environment Ministers request and contribute to the analyses of evaluating the effectiveness and efficiency of partnerships. It focuses on partnerships involving OECD Member country governments. More specifically, the objectives of the report are:

- To analyse the purpose and value added of partnerships;
- To review evaluations of partnerships and the methodologies used, and to summarise lessons learnt;
- To consider how the evaluation of partnerships could be strengthened from the public policy perspective including by identifying possible elements of a partnership evaluation framework.

This report benefited from discussions at the Workshop on Evaluating the Effectiveness and Efficiency of Partnerships held at OECD in Paris on the 12 September 2006. Some of the participants at the workshop suggested that the paper could serve as a reference for governments wishing to conduct evaluations of partnerships, and that when additional experience had been accumulated, further exchanges of experience could be useful. Participants also suggested that it would be more appropriate to carry out any future work on partnerships within a sustainable development rather than environmental policy framework: following the World Summit on Sustainable Development partnerships are generally developed within a sustainable development framework.

Italy provided a financial contribution to support preparation of the report and the organisation of the workshop.

¹ "Chair's Summary". Meeting of Environment Policy Committee at Ministerial Level. 20-21 April 2004.

2. TYPES OF PARTNERSHIPS: THEIR PURPOSE AND VALUE-ADDED

2.1 What are Partnerships?

In the last ten years, partnerships – collaborative initiatives between public authorities, international agencies, civil society organizations and the private sector – have rapidly risen up the public agenda as a mechanism for tackling environmental and developmental issues. The increased emphasis on partnerships is a consequence of the changing roles, responsibilities and relationships of the different stakeholders and ‘a broadening of the range of people and institutions that are seen – and see themselves – as having a legitimate role and responsibility for sustainable development’².

In the international context, the partnership approach was introduced in discussions at the Earth Summit (Rio de Janeiro, 1992), as one of the mechanisms for achieving Agenda 21. Ten years later, partnerships were an important point of discussion at the World Summit on Sustainable Development (WSSD). At the Johannesburg summit, governments were encouraged to launch new partnerships. Since then, more than 300 have been registered with the UN secretariat³.

There is no universally agreed definition of partnerships, beyond a general understanding of ‘some form of joint activity that is mutually beneficial’⁴. In the technical literature as well as the general media, the term is used loosely and covers any type of relationship or alliance. To complicate matters, as the concept of ‘partnership’ has become more fashionable, many traditional arrangements have been reclassified in this way, sometimes purely for public relations reasons.

This paper will focus on CSD Partnerships – Partnerships for Sustainable Development. These are defined as “*voluntary multi-stakeholder initiatives contributing to implementation of inter-governmental sustainable development commitments in Agenda 21, the Programme for the Further Implementation of Agenda 21 and the Johannesburg Plan of Implementation.*” Such partnerships “should be developed and implemented in accordance with an agreed set of criteria and guidelines.”⁵ The UN Commission on Sustainable Development (UNCSD) has been designated to serve as the focal point for discussions on these partnerships. As requested by OECD Member governments, this paper is intended to be supportive of discussions in CSD.

Since this project is being carried out in the framework of OECD’s Environment Policy Committee, it will focus on partnerships that:

- i. involve OECD Member country governments, and
- ii. are primarily environmental in nature.

² Greener, 2005

³ <http://www.un.org/esa/sustdev/partnerships>

⁴ Rein *et al.*, 2005

⁵ E/CN.17/2003/6

The main characteristics of the partnerships that are the subject of this paper are:

- a *voluntary arrangement* (although there may still be certain binding agreements, particularly when funding is involved⁶) involving governments.
- a vehicle for *sharing risks and benefits* among partners (beyond pure financial risks or benefits).
- an instrument combining and *leveraging the financial and non-financial resources* of partners towards the achievement of specific goals.

Box 1. Different Understandings of "Partnership"

Some examples of different understandings of partnerships are provided below:

i) the UK Government understands the term a "public private partnership" as 'a contractual arrangement between the public and private sectors... with clear agreement on shared objectives for the delivery of public infrastructure and/or public services by the private sector that would otherwise have been provided through traditional public sector procurement'⁷.

ii) Governments in some OECD countries, for instance in the US and Canada, define environmental partnerships as voluntary collaborative arrangements between the government and private entities that are developed to achieve environmental improvements in local, regional and national programmes, in areas that are often not regulated, or where government control and resources are limited. Some environmental partnerships may be characterised as Voluntary Approaches (VAs)⁸ for environmental improvement.

iii) Partnerships are promoted increasingly in the global co-operation as collaborative initiatives demonstrating innovation and addressing global problems through local actions, for example through the World Business Council for Sustainable Development (WBCSD) and donor initiatives such as USAID's Global Development Alliance (GDA), the SEED Entrepreneurial Partnerships for Sustainable Development (*Supporting entrepreneurs for environment and development*).

2.2 What are different Types of Partnerships?

Within the definition of partnerships employed in this paper, there are a variety of different types. Various typologies have been developed (see Murphy and Bendell (1997), Caplan and Keatman (2001), Tennyson (2004), Waddell (2004) and Witte and Reinicke (2005)). Table 1 illustrates some different types of partnerships according to the stated objectives, and provides an example of each.

It is clear from the Table 1 that the formal objectives of partnerships vary widely, and some overlap. Some are quite specific and have clear environmental objectives such as Madagascar's First Community-run Marine Protected Area. Others have looser objectives such as "information exchange" or "facilitation". In some cases, the stated objective could be considered as intermediate step to achieving an eventual environmental outcome *e.g.* the UK partnership on capacity building which ultimately aims to improve biodiversity conservation.

⁶ Thus this idea of partnerships would exclude contractual- style partnerships, which drawing on the definition by Warner (2003) are: legally binding under contract law, often seek to transfer risk to contracted party, terms of contract generally dictated by one party and fixed over time, workplan implemented by one party / consortium, clear required outputs, dictated by one party and benefits are mainly complementary rather than mutual (added by authors).

⁷ <http://www.ppp.gov.ie/faqs/faqs/>

⁸ For the purpose of the current report, voluntary approaches (VA) are not considered in detail. They were assessed in another OECD report, "Voluntary Approaches for Environmental Policies: Effectiveness, Efficiency and Usage in Policy Mixes" OECD, Paris. The methodology used in that report may serve as a useful reference for those interested in evaluating this type of partnership.

2.3 How do Partnerships Add Value?

A partnership can generate different types of benefits and costs. For a partner to remain involved in a partnership, the partnership must result in benefits (collective and individual) which exceed the financial and opportunity costs of the partner's involvement. The value-added of partnerships will not necessarily be the same for each of the parties. Governments will view partnerships as complements to public policy instruments whereas private companies will only engage in partnerships when they cannot achieve their objectives by themselves, and when there is a clear business case for such an engagement. These perspectives need to be clearly understood.

Box 2. Possible "Business Cases" for Private Sector to Engage in Partnerships

- Secure the business license to operate
- Strengthen the corporate supply chain
- Improve stakeholder relationships
- Strengthen the corporate brand and reputation
- Raise employee motivation and productivity
- Improve operational efficiency
- Lower risk profile
- Market development
- Protect the resource base of raw materials

Source: Presentation by Jacqueline Coté from the World Business Council for Sustainable Development (WBCSD) at the OECD Workshop on Evaluating the Efficiency and Effectiveness of Partnerships, Paris 12 September, 2006

The stated goals of a partnership provide an important reference for evaluating their value-added. However, partnership advocates argue that it is often the unintended effects that are as important as the stated goals. From a public policy perspective, it is the effects of partnerships – intended and unintended - rather than the stated goals that are most important. To the extent that objectives are specific and measurable, it will be easier to evaluate success in achieving them. However, Table 1 suggests that this is often not the case which may make it difficult to evaluate the benefits and costs of the partnership.

Table 1. Types of Partnerships

Type of partnership: objective	Characteristics	Example
Advocacy	A range of stakeholders from different sectors come together to advocate collectively a position or action. This may mean advocating downstream to sections of society, or advocating upstream to policy makers. Potentially a wide network.	<i>Population and Sustainability Network:</i> A type II partnership, the Network is an advocacy group bringing together development, environment and reproductive health NGOs, government departments, academics and others, to increase leverage on population issues. It looks at unsustainability in population increase, including its impact in a finite physical environment - causing degradation of land, pollution and loss of biodiversity.
Information exchange and/or research	Often a wide network of organizations, this type facilitates the free exchange of knowledge, experience or combines resources for collective research.	<i>Global Forum on Oceans, Coasts and Islands.</i> This type II partnership is an alliance of leading ocean experts from the governmental, nongovernmental and international and intergovernmental sectors formed to advance the interests of oceans. As well as an advocacy role, it acts as a mechanism for the exchange of knowledge and experience and for drawing out lessons-learned by practitioners.
Capacity building	A partnership to provide capacity development to environmental stakeholders	<i>Capacity Building for Biodiversity Conservation in Eastern Europe, the Caucasus and Central Asia.</i> With assistance from the UK Department of Environment, Food and Rural Affairs (Defra), an NGO and an educational charity from the UK and the Belarus National Academy of Science are working together to train twenty-eight key conservation professionals in botanical research, biodiversity monitoring, project management, environmental education and involving communities in biodiversity conservation.
Consultation	A partnership designed to engage the views (and often the support) of a wide range of stakeholders.	<i>ARET (Accelerated Reduction/Elimination of Toxics), Canada:</i> A Stakeholder Committee made up of industry, professional associations, provincial and federal government and health and environmental groups drew up a list of toxic chemicals found in the Great Lake basin, and challenged Canadian industry to reduce or eliminate their release.
Facilitation	Often a wide network of organizations, this type facilitates action on the ground by bringing together relevant stakeholders	<i>White Water to Blue Water (WW2BW).</i> This international type II partnership is an international alliance of governments, international organizations, financial institutions, non-governmental organizations (NGOs), universities, and corporations. WW2BW aims to stimulate partnerships that will promote integrated watershed and marine ecosystem-based management.
Framework or co-ordination	Designed to create a framework for future action and/or to co-ordinate the work of a number of interested parties	<i>State of the River Management Partnership, UK.</i> This type II partnership helps to support and co-ordinate activities towards improving the environment and amenity of the river Ayre in Yorkshire, UK. Each of the partners, including the UK environment agency, the local city council, the local water company and local NGOs, has a mandate to act, and the partnership prevents duplication and exploits synergies.

Implementation	Implements direct environmental action on the ground.	<i>Madagascar's First Community-run Marine Protected Area.</i> A partnership between an eco-tourism/marine conservation UK NGO, Madagascar's national marine research institute and the local community has created a marine protected area (MPA) in south-west Madagascar run by the community and enforced by local traditional law. The MPA protects fishing stocks and biodiversity, while the programme also helps to diversify the economy and create sustainable coastal livelihoods.
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Resource mobilisation is often advanced as an important reason – if not the most important reason - for partnering. Partnerships combine and leverage the resources and competencies of the collaborators, whether finance, technical skills, access to knowledge and experience, managerial skills, influence in a community, or in-kind provision of material. In certain cases, by working in partnership the resources necessary to implement a project may be mobilized where none of the parties working alone would have sufficient resources to tackle the problem.

Other objectives that the combination of resources and expertise in a partnership are often considered to facilitate include:

- Improving the design of the activity.
- Generating innovative solutions.
- Increasing the sustainability of the activity.
- Increasing the legitimacy of the activity.

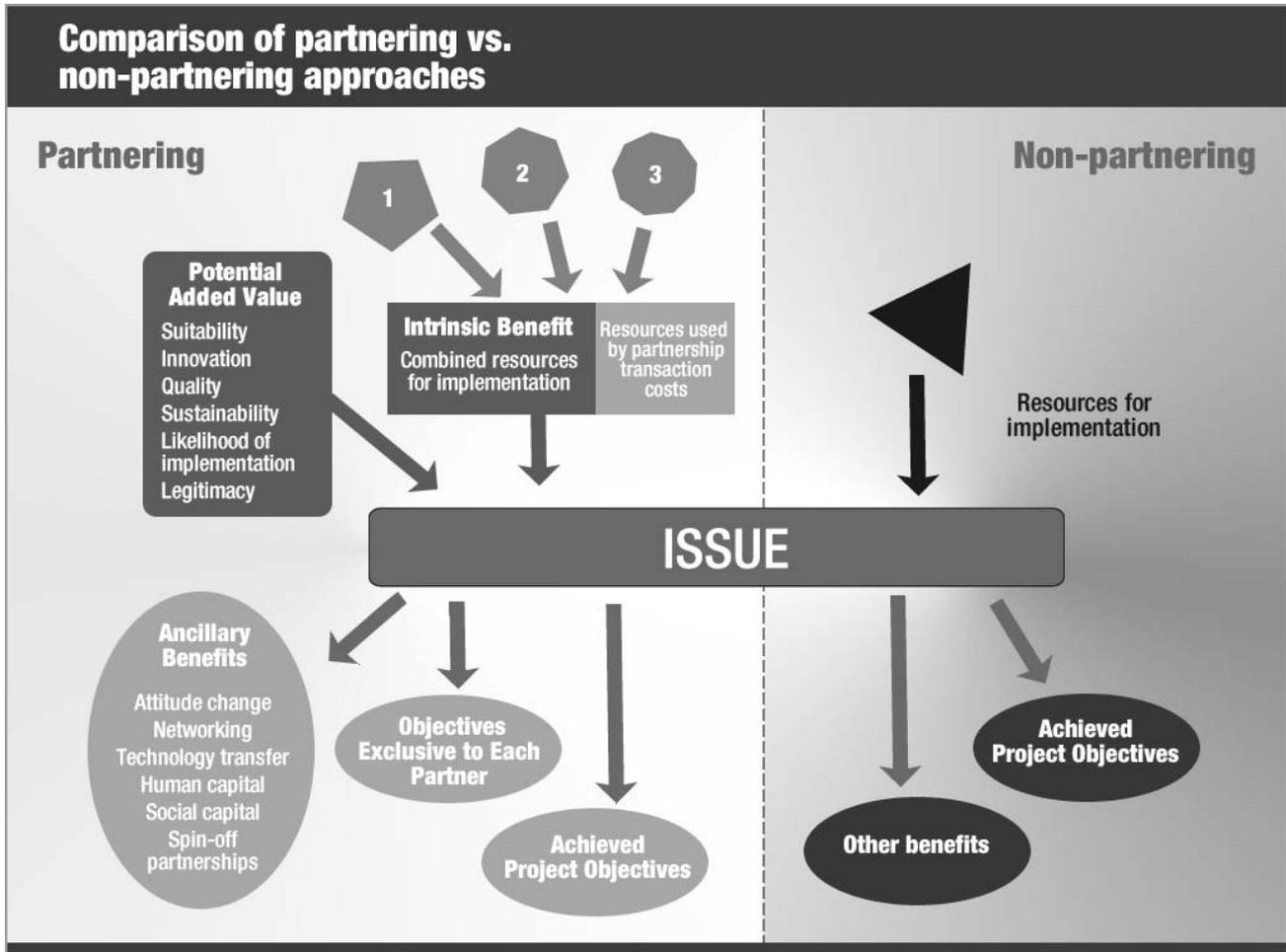
There may also be a range of more-or-less unintended benefits from partnerships, and evaluations of partnerships need to take these into account. Partnership advocates often mention:

- *Attitude change* – greater understanding and valuing of other sectors/communities;
- *Networking* – the development of new, trusted connections;
- *Technology and knowledge transfer* – cross-partner transfer of technical and other skills and knowledge;
- *Human capital* – improved working practice and human capital development from exposure to different working methods and view points;
- *Social capital* – an improvement in reputation (and hence a greater willingness for others to work with and/or trust an organisation);
- *Spin-off partnerships* – an increased interest, capacity and opportunity to build future successful partnerships.

The costs of partnerships include both the direct human and financial costs associated with the project, including the communication and co-ordination costs. There may be unintended costs as well as unintended benefits. Ideally, to prove the value added of a particular partnership, it would be desirable to compare the benefits and costs with an alternative approach.

Figure1 prepared by the Centre for the Advancement of Sustainable Development Partnerships (CASDP) /Partnering Initiative aims to illustrate some of the differences between partnering and non-partnering approaches.

Figure 1. Comparison of partnering vs. non-partnering approaches



Source: CASDP / The Partnering Initiative

3. LESSONS LEARNED ON EVALUATIONS: IDENTIFYING SUCCESS FACTORS IN PARTNERSHIPS

3.1 Why Evaluate Partnerships?

An important reason to evaluate partnerships is to assess critically their value-added. Indeed, from a public policy perspective, the absence of robust evaluations may call into question whether partnerships actually provide any value-added as policy instruments. If donors, policymakers and the private sector are to continue investing in partnerships – including putting in the necessary resources for their often long development stage and accepting more flexible arrangements – evidence of partnership performance must be forthcoming. Evaluations need to demonstrate convincingly that partnerships are a complementary approach to traditional policy-making and implementation.

A second reason to evaluate partnerships is to improve their design and implementation so as to maximise their impact. Partnerships are not a panacea – they are not appropriate in all circumstances and even where they are, some will fail, as any project can fail. Through evaluation it becomes easier to understand why a particular partnership succeeded or failed, to learn lessons from the experience, and assess how different models could be replicated in another region or sector.

Third, the various partners, particularly governments, are accountable for their use of human and financial resources. Generally government agencies will have an obligation to identify the benefits produced relative to the resources they commit to partnerships; and private sector and non-governmental partners will generally need to justify their actions to their managers or constituents. There are both “internal” and “external” dimensions to accountability.

Other reasons for evaluating partnerships advanced by partnership advocates include: providing motivation to sustain partnering activity, capacity development (by enhancing learning from experience) and building social capital (by strengthening ownership and commitment).

Given the voluntary nature of partnerships, evaluation procedures should have a corresponding voluntary character. Imposing evaluation requirements may undermine incentives for some parties to participate in partnership initiatives. When partnerships only involve non-governmental partners, the reason for conducting evaluations may be different from those involving governments and methodologies developed for use by government partners may be inappropriate for evaluations conducted by non-government partners. A business entity in evaluating a partnership, regardless of whether or not government is a partner, would likely focus on the private costs and benefits internal to the business, such as financial contribution to the partnership, in-kind contributions, increased profits attributed to the partnership, or other benefits to the private sector participant. Governments assessing the same partnership should examine both the private and social costs/benefits. Social costs and benefits include impacts on society as a whole, such as improvements to quality of life of affected populations or preservation of unique ecosystems.

3.2 To What Extent are Partnerships being Evaluated?

Within the UNCSO, voluntary self-reporting on CSD partnerships is encouraged. According to the CSD secretariat, this has proven to be an important way to strengthen legitimacy and accountability, to identify what is working and what is not working, and to identify gaps and opportunities for collaboration.

Nevertheless, while the use of the partnership approach is growing worldwide, there appears to have been relatively little work done on evaluation. In an OECD survey⁹ of CSD partnerships (see Annex 1) only 9 of the 32 partnerships that responded to the survey had completed an evaluation. In the area of health – an area with more than average partnership evaluation activity – a recent report by the UK Department for International Development (DFID) on global health partnerships (Druce and Harmer, 2004¹⁰) found that of over 50 such partnerships, no more than 10 had been formally evaluated.

The OECD survey conducted for this report was based on a questionnaire that was sent to over 100 UN-registered partnerships with a strong environmental component¹¹. Of the 32 partnerships that responded to the questionnaire, 9 had completed an evaluation, 5 had agreed a methodology for evaluation, but had not yet implemented it, 12 had planned some form of evaluation in the future, and 6 had no plans for evaluation. However, out of 32 respondents, only five returned completed evaluations or detailed plans for evaluation. This would tend to confirm that, at this time, evaluation is not an established part of partnership initiatives. However, the relatively short time that has elapsed since WSSD and the launch of partnerships may also account for the relatively small number of evaluations at this stage. Moreover, it is likely that the individual partners are continually evaluating their participation in a partnership, particularly if it is a voluntary one, to determine whether or not it is appropriate to continue to participate or if their limited resources would be better spent elsewhere. These considerations underline the need for further work on the evaluation of partnerships.

3.3 What do Existing Methodologies for Evaluating Partnerships Look at?

There is an increasing interest in methodological aspects of partnership evaluation, and several organisations have put forward assessment frameworks and methodologies to evaluate partnerships. Some of the most prominent ones are the following¹²:

- USAID, which has accumulated considerable experience in the evaluation of partnerships, developed an assessment framework in 1999 intended to help members of a partnership to monitor and evaluate their own success by looking at the capacity of the partnership, the processes used by the partners to engage with each other and with stakeholders, and the impact of the partnership.
- The Nuffield Institution for Health (NIH) has developed a methodology aimed primarily at identifying areas of conflict among partners and move to a remedial action plan.

⁹ The survey was carried out in August-October 2005. More details on the survey can be found in the Annex 1 to this document.

¹⁰ Druce N and A Harmer (2004), “The Determinants of Effectiveness: Partnerships that Deliver. Review of the GHP and ‘Business’ Literature” *GHP Study Paper*; DFID Health Resource Centre, London, UK.

¹¹ This was defined as an activity that included as one of its primary themes: agriculture, air pollution, biodiversity, desertification, disaster management and vulnerability, forests, marine resources, mining, mountains, oceans and seas, protecting and managing the natural resource base of economic and social development and water.

¹² Additional information on those methodologies is provided in Annex 2 of this report.

- The Canadian Institute for Environmental Law and Policy (CIELAP) has developed a methodology aimed primarily at identifying gaps in a partnership that are impeding it from functioning well.
- The Partnering Initiative's¹³ approach looks at the impact of the partnership on partners and stakeholders, how partners engage with each other and stakeholders, and the partnership as a mechanism (including transaction costs, value added, sustainability of outcomes, and comparison with non-partnering alternatives).
- The Natural Resources Cluster of Business Partners for Development (BPD) has put forward a methodology for measuring the impact of partnerships in the extractive industries that focuses on the value-added of the partnership approach.

While none of those organisations has tried to develop a comprehensive methodology - further information on these methodologies is provided in Annex 2 of this report-, they provide useful guidance for evaluating partnerships. It seems, however, that existing assessment frameworks and evaluation methodologies focus largely on procedural aspects of partnerships. Not all of them examine the impact of partnerships and fewer still look at efficiency aspects. The methodology developed by the Business Partners for Development (BPD) is one of very few methodologies which attempts to assess the costs of partnerships and to test the assumption that collaboration results in the more efficient allocation of complementary resources.

The OECD Development Assistance Committee (DAC) has developed Principles for Evaluation of Development Assistance which provide a useful reference for evaluating partnerships, particularly partnerships with a strong development component (such as most CSD partnerships) – indeed, several partnerships covered in the OECD survey have used the DAC Principles. Developed in 1991, the DAC Principles guide aid agencies from OECD countries on how to conduct evaluations of programmes and projects, from the need to set up an evaluation policy to what to include in the terms of reference of an evaluation. They identify three basic groups of issues to be evaluated: rationale, achievement of objectives, and impacts and effects. (Annex 3 provides further information on the DAC Principles.)

More recently, the DAC and World Bank have launched a project to develop consensus principles and standards for evaluating global and regional partnership programmes (GRPP). In view of the size and complexity of these programmatic partnerships – some having budgets in excess of USD 200 million, multi-tiered governance and management and complex decision-making –there are specific aspects in their evaluation that require particular attention. Initial findings from this work are consistent with the results of the OECD survey; namely, effectiveness is not always easy to evaluate because of vague definitions of objectives/targets, and efficiency is rarely evaluated.

3.4 Which Features of Partnerships have been most Frequently Examined?

Table 3 identifies which aspects of partnerships were considered by the respondents to the OECD survey, and ranks them in order of frequency. The internal aspects of partnerships – how well they operated - received the most attention. The effectiveness of achieving objectives was considered in 91% of the respondents, while the economic efficiency in achieving those objectives was considered in only 38%. However, as Table 2 illustrates, the concepts of efficiency and effectiveness used in evaluations varied and did not always conform with definitions usually used in evaluation work.

¹³ The Partnering Initiative is a collaboration between the International Business Leaders Forum (IBLF) and the University of Cambridge Programme for Industry (www.thepartneringinitiative.org).

Sustainability of outcomes and unexpected benefits were also considered in 53% and 41% of cases respectively. Capacity building (78%), networking (63%), additional resource mobilisation (59%) and technology transfer (44%) were other parameters that featured in survey responses. Costs – financial, in-kind and transaction costs – also featured prominently. Comparison with non-partnering alternatives featured in 16% of responses and an assessment of the replicability of the partnership, in 25% of responses.

Table 2. Efficiency and Effectiveness in Evaluations of Partnerships

Partnership Title	Type of partnerships	References to effectiveness and efficiency in their evaluation procedures
Development and Protection of the Coastal and Marine Environment in Sub-Saharan Africa	An advocacy, capacity building, knowledge exchange and research and framework /co-ordination partnership	Evaluation of efficiency was defined as 'evaluating the efficiency of project management, including delivery of outputs and activities, in terms of quality, quantity and timeliness'. The final report assessed effectiveness and efficiency as 'Assessment of the extent to which expected outputs and results have been achieved, as per planned budget and timeframe; and if these were achieved in a cost-effective way'.
CAP-NET (International Network for Capacity Building in Integrated Water Resource Management)	A facilitation, knowledge-exchange and capacity-building partnership in integrated water resources management;	The CAP-NET partnership evaluates the benefits of being in a partnership as partnership is a central element in their strategy for capacity building. Evaluation criteria for reviewing the success of this strategy include effectiveness (in terms of clarity and achievement of goals and objectives) and efficiency (in terms of cost of collaboration such as maintaining the network, cost of product development as compared to valued-added from built capacities).
Watergy (Energy and Water Efficiency) Programme	An advocacy, facilitation and capacity-building partnership to develop sustainable strategies for increasing energy efficiency within municipal water supply systems;	The evaluation of this partnership asks how the results measure up to the quantitative targets and indicators (such as percent reduction in energy use and energy costs and increase in the number of households with access to clean water). However, the efficiency in achieving quantitative targets is not explicitly mentioned. The evaluation asks as well for qualitative indicators of programme success.

Table 3. Evaluating Different Aspects of Partnerships

Percentage of partnerships that have included/plan to include the different aspects in their evaluations

Partnership dynamics/relationship		Outcomes/Impact		Costs		Added-Value of Partnership		Added Benefits to Partners	
75%	Efficiency of partnership operations (communication, clear roles and responsibilities, secretariat etc.)	91%	Effectiveness in achieving partnership objectives	72%	Financial costs	59%	Additional resource mobilization	78%	Capacity building and transfer of good practice
75%	Capturing of experience and creation of lessons-learned	56%	Contribution to Millennium Development Goals	69%	In-kind contributions by each partner (time and other)	16%	Comparison with non-partnering alternatives/opportunity cost	63%	Networking (e.g. resulting in creation of other opportunities)
66%	Sustainability of partnership	53%	Sustainability of outcomes	47%	Partnership transaction costs (financial and in-kind) – i.e. the costs involved in forming and maintaining the partnership itself rather than activities towards objectives			44%	Transfer of technology
56%	Degree of institutional support or embeddedness within partner organisations	41%	Unexpected or additional benefits to stakeholders	38%	Economic efficiency of achieving objectives				
16%	Legal or voluntary agreement aspects	28%	Fulfilment of each partners own, proprietary objectives (i.e. not necessarily shared objectives)	25%	Replicability of partnership				

Note: The figures refer to the 26 partnerships that have carried out evaluations or plan to carry them out, out of the 32 partnerships that responded to the questionnaire. Although the response rate was relatively high for a postal/e-mail survey, the figures should be read with caution, as there is likely to be strong sample selection bias.

Source: OECD Survey

3.5 What are Common Success Factors in Partnerships

Several partner organisations, such as the Business Partners for Development¹⁴ Dutch Ministry of Environment, the Canadian Institute for Environmental Law and Policy (CIELAP), the Nuffield Institution for Health (NIH), the USAID have examined factors related to the success and failure of the partnerships. The following *success factors* appear to be the most common:

- A *positive enabling environment*; such as appropriate government policies/legal frameworks or the existence of appropriate institutions to bring partners together;
- A focus on important *needs that can be best fulfilled through partnerships* and that are recognised and accepted by all partners;
- A *clear understanding of the objectives* of the partnership, and the tasks to be carried out, involving all parties, ideally the objectives should be specific, measurable, agreed, realistic and time-bound (SMART);
- A result-oriented and appropriately *detailed plan* for achieving the goals and *targets* set up jointly for the partnership, with clear allocation of responsibilities;
- Clear understanding of *mutual benefits* (win-win) for all involved parties, as well as the incentives that motivate each to achieve the agreed objectives;
- Effective relationships and communication built on *mutual respect and understanding* and a *shared commitment* and *ownership* by all partners; this requires *patience and time*;
- Sufficient and appropriate *human and financial resources committed* from all partners;
- Good leadership which could include competencies in facilitation and change management; the leadership roles need to be clearly defined and there should be recognition that they may change with time;
- Clear and enforceable lines of *accountability*; this can involve adhering to agreed standards or procedures, sharing information on decisions, actions and performance, and justifying publicly why decisions were made;
- *Flexibility* is vital – there is no “one size fits all” approach
- Accurate and appropriate *indicators to be used to evaluate*, inter alia, progress in achieving the goals of partnerships and costs involved;
- Constant and effective *monitoring, measuring and learning*.

¹⁴ See for example, Caplan, K. (2005) “Partnership Accountability, Unpacking the Concept, Partnerships” *BPD in Water and Sanitation Practitioner Note*, London, UK http://www.bpdws.org/bpd/web/d/doc_4.pdf

4. STRENGTHENING THE EVALUATION OF PARTNERSHIPS

The preceding section concluded that few evaluations of partnerships have been conducted. There is no established methodology that governments could use for conducting such evaluations, though the DAC Principles for Evaluation Development Assistance provided a reference for some evaluations. Some of the basic concepts and definition used in evaluations, including those on effectiveness and efficiency, vary and do not always conform to definitions commonly used in evaluation work. Clearly further work on evaluations is needed, both evaluations of partnerships and on the related methodology.

In order to support further work, some possible elements for an evaluation framework for partnerships involving governments are presented below. The framework does not prescribe a specific evaluation process/format, but rather suggests possible elements that different partner governments, organisations and groups could use as a starting point for preparing an evaluation plan. Since partnerships have a voluntary character, decisions about whether and how evaluations are to be conducted are the prerogative of the partners concerned. Given the diversity of partnerships, evaluation plans would need to adapt the proposed elements to their specific conditions, capacity, available resources. The time and resources available for the evaluation process would have a major influence in the depth and scale of the evaluation.

4.1 Possible Elements of a Partnership Evaluation Framework

WHY evaluate?

At the outset it is important to decide the purpose of the evaluation. There may be many reasons to carry out the evaluation depending on the nature of a particular partnership or the needs of a single partner. From a public policy perspective, partnership evaluations may be carried out:

- To assess whether the (government's involvement and) commitment of resources yielded value-added.
- To identify the key factors that determine the success or failure of partnerships and thereby improving their design and implementation.
- To assess the potential to scale-up and/or replicate a partnership solution in another region or sector.
- To gather evidence of the performance of the partnership as an alternative or complementary approach to traditional policy-making and implementation.

WHO is the evaluation for?

Evaluations may be carried out solely for the partners in an initiative, individually or collectively. They may also be carried out for parties that are external to the operation of the partnership such as financiers.

Clarity about the intended audience will be important for the design of the evaluation. Some of the perspectives of governments are identified above, but it will be important to recognise that other partners will have different criteria of success.

When an evaluation is completed, it will be important to ensure that the main messages are clearly communicated to the intended audience so as to maximise the influence of the evaluation.

WHO should evaluate?

Evaluators can be *internal* (i.e. conducted by one or all of the partners) or *external* (i.e. conducted by external entities and/or individuals outside the partner groups), or a *combination* of the two. Which approach should be chosen depends on the rationale and purpose of the evaluation and should be agreed by the partners. Evaluators – whether internal or external - should be acceptable to all parties, and they should be provided with clear criteria.

Internal evaluations, when conducted jointly by the partners themselves, can facilitate communication and strengthen ownership and commitment to perform better. However, one single evaluation may not be relevant to all parties' interests. Governments, for example, may need to evaluate how partnerships contribute to specific policy objectives. It is often difficult for internal evaluators to distance themselves from their institutional affiliation and this can affect the independence of the evaluation, or the perception of its independence. Internal evaluators need to be given sufficient time and resources to complete their task.

External evaluations may be useful in order to avoid bias and to ensure the credibility of evaluation. However, external evaluators may not fully understand the partnership's dynamics and context. External evaluations may also entail costs which may be considerable for complex partnerships.

Some partnership experts consider that, in the view of the collaborative nature of the partnerships, it is also important to consider *joint* evaluations, involving partners themselves as well as other stakeholders and beneficiaries. Such approaches involve all stakeholders working together in designing, carrying out (e.g. data collection) and interpreting the evaluation. They aim to strike a balance between external 'objectivity' and internal knowledge/experience of the partnership's history. If stakeholders are involved, their relationship to the partnership needs to be carefully examined to determine the nature and extent of their involvement in the evaluation.

WHEN to evaluate?

The purpose of an evaluation is likely to vary at different times in the life-cycle of a partnership. Evaluation can be continuous throughout the partnership cycle and internal monitoring system could be put in place for this purpose.

Evaluations should be conducted at a time which is appropriate for the decision-making process. They need not only be *ex-post*. From a public policy perspective, it would be useful also to have *ex-ante evaluations* that compare the expected performance of a particular partnership solution to that of traditional approaches¹⁵.

Evaluations conducted during the initiation phase of a partnership would facilitate planning and collaborative activities. They can help ensure that all partners have a common understanding of the purpose of the partnership and are working towards the same shared goals.

¹⁵ It is unclear to what extent this type of ex-ante evaluations are being currently carried out. An exploration of this issue would require approaching partners, while the OECD survey did approach partnerships directly.

Evaluations conducted during the implementation phase often constitute process evaluations and can help to identify changes needed in the work plans and the organisation of partnerships.

Usually most evaluations are carried in at the final phase or at the end of the partnership. They constitute an outcome evaluation to assess the impact of the partnership and to what extent the objectives were achieved. They identify lessons learnt and may explore whether partnership should be continued or refocused. This is the stage at which assessment of environmental effectiveness and efficiency aspects is most appropriate.

WHAT to evaluate?

What to evaluate will depend on the purpose of the evaluation, the context and the drivers for the various parties to engage in the partnership. The objectives of the partnership are an important starting point for any evaluation. Equally important is a good understanding of the incentives that have driven the involvement of the various parties in the partnerships. As the motivations and interests of the partners are likely to be different, it will be important to assess their coherence and consistency.

From a public policy perspective, the following issues are relevant for evaluations:

- **Policy rationale**

Partnerships can often be considered as policy responses to a given problem. Any policy evaluation needs to begin from an understanding of the rationale of the policy. What is it trying to do, and why? Why should the government be involved? Could the objectives be achieved without government involvement? Often the answer to these questions would be in terms of some particular market failure, which the partnership aims to fix. Different types of partnerships try to address different types of market failures (whether information failures, credit rationing, the public good nature of environmental amenities or others). While it would be possible to elaborate frameworks for evaluating individual partnerships, the approaches would be very different, and it is probably not feasible to elaborate a single framework.

- **Effectiveness**

Environmental effectiveness refers to the extent to which a particular partnership has achieved the environmental objectives that were set to be achieved. Although there may be issues of attribution, effectiveness is a relatively straightforward dimension to be evaluated, as long as the objectives to be achieved by the partnership have been clearly defined, targets set and indicators identified. However, this is often not the case when measuring the achievements of a partnership. CSD partnerships often tend to “facilitate”, “co-ordinate” or “feed into” environmental action rather than themselves producing direct environmental benefits and outcomes. Establishing an output-oriented logical framework¹⁶ is another mechanism to facilitate the assessment of effectiveness.

- **Efficiency**

Economic efficiency refers to the extent to which environmental objectives are achieved at least cost. It is more difficult to evaluate than effectiveness.

Identifying the total cost of a partnership is less straightforward than it may seem at first glance. There are different components to the **total cost** of a partnership. First, there are **transaction costs**. Each

¹⁶ Such a framework would involve identifying inputs, outputs, outcomes, impact and their causal relationships, indicators and the assumptions or risks that may influence success or failure. Approaches for preparing logical frameworks are described in project management manuals.

partner will incur additional costs arising from their participation in a partnership; for example when negotiating the partnership arrangement, and in supervising the partnership, communicating with other partners, monitoring the partnership, etc.

Second, there are the **operating costs** of a partnership. In a non-partnering situation, it may be simple to measure operating costs: a donor, for example, provides a certain amount of funding for a particular environmental project which would then be implemented. In a partnership, however, partners are more likely to provide a combination of financial and in-kind resources for implementation. This creates a practical issue in that partners rarely record accurately the time they spend on a partnership, particularly in the early stages. For partnerships designed to spearhead projects, project-based budget structures enhance the risk that the “overhead costs” of the partnership (such as network creation and maintenance) will be overlooked when looking at the efficiency of those individual projects.

Finally, there is also the issue of **opportunity costs**. Strict cost-benefit analysis would require analysing the benefits of the best alternative use of the resources used to develop and implement the partnership – those benefits represent the *opportunity cost* of the partnership solution. In evaluating the performance of a partnership, it is important to identify the alternative non-partnering solution against which to compare the partnership. What would have happened if the partnership would have not been implemented? In some cases, a partnering method is being used precisely because there could be no non-partnering solution to the problem. In other cases, even if in theory a single-party solution might be feasible, a partnership is formed because in practice no single party has sufficient resources to implement it. Yet, in other cases, an alternative policy instrument/solution could have been implemented.

- **Benefits**

It is often argued among partnership practitioners that to make a reasonable comparison with other approaches, one needs to add up all the benefits which may accrue from a partnership. This would involve the inclusion of benefits that are not part of the stated objectives of the partnership¹⁷. From a public policy perspective, if those other benefits are relevant, they should be part of the decision of whether to use or not a partnership to resolve a particular problem. Indeed, from a welfare optimisation perspective, evaluating effectiveness would require a comparison of all the cost and benefits (private and social) associated with the implementation of the partnership, including opportunity costs. Particular measurement problems that affect this kind of benefits assessment include: (i) since these benefits are not identified, there will be no baseline for the indicators that could measure them; (ii) these benefits may take a significant time to appear, often not being identified until after the initial evaluations take place, and (iii) these benefits may be intangible and not monetizable.

- **Financial Leverage**

Financial leverage is often identified as one of the main benefits of partnerships. From a government’s point of view, the rate of financial leverage (non-governmental resources committed divided by government resources committed) provides a quantitative indicator that could be used to assess and compare the performance of different partnerships.

¹⁷ Examples of additional benefits often mentioned include: attitude change, networking, technology transfer, human capital, and spin-off partnerships.

- **Policy consistency**

The use of the partnership approach should be consistent with existing strategies and policy instruments. Even when partnerships are conceived as environmental policy instruments, they would rarely be the only instrument available. Thus, it would be important to examine how partnerships interact and compare (in terms of their relative advantages) with other environmental policy instruments.

- **Sustainability**

The question of whether achievements are sustainable in the long run is of critical importance. Many cases partnerships may have a “sunset date” or certain partners (such as donors in the case of development partnerships) may have committed for a fixed period of time. Will the achievements remain once the partnership closes down? Is the period of engagement enough to ensure the sustainability of outcomes? These questions can be explored both in ex-ante and ex-post evaluation.

When the problem that a partnership is trying to resolve requires efforts over an extended period of time, it may also be appropriate for ex-ante and ex-nunc evaluations to look at the sustainability of the partnership itself. Particular issues to be examined include the extent to which the survival of the partnership depends on critical partners remaining engaged, the capacity of partners to deliver, but also external environment dimensions, such as stakeholder (including the public) confidence in the partnership approach.

- **Procedural aspects**

This involves assessing process related issues, partner dynamics and relationships, operational aspects including the management of the partnerships. How well partners work together (how adaptive is the structure) in addressing joint aims and long-term sustainability? How well partners communicate? Other key factors include legitimacy, transparency and accountability. The “success factors” identified at the end of section 3 of this paper could provide a useful reference in this regard.

HOW to evaluate?

Evaluations require careful *preparations* in consultation with different partners in order to:

- Define the main objectives of the evaluation.
- Establish the scope, including the issues to be considered.
- Establish a baseline against which the impacts of the partnership can be evaluated (e.g a scenario of what would have probably happened in the absence of the partnership).
- Determine who will be involved.
- Generate buy-in for the evaluation process and to ensure that partners support how data are collected and used.

It is important to *establish a work plan* for evaluation and most appropriate *methods* of measurement¹⁸. This would involve:

- Deciding what analytical approaches and data collection methods will be used.
- Considering logistics.
- Establishing a set of criteria for evaluation.
- Defining appropriate indicators, both quantitative and qualitative.
- Clarifying resources available to the evaluation and establishing schedule.

Finally, it may be necessary to develop a strategy for communicating the results and preparing for any decisions that may be need to be taken on the basis of the evaluation.

¹⁸ *The Partnering Initiative's Case Study Toolbook* <http://thepartneringinitiative.org/mainpages/case/tool/index.php> is a useful reference in this regard.

ANNEX 1: OECD ENVIRONMENTAL PARTNERSHIPS EVALUATION SURVEY¹⁹

Introduction

As a background to this OECD report on Evaluating the Effective and Efficient Partnerships, and in order to better understand to what extent evaluations of partnerships are taking place and what issues are they covering, a survey of active partnerships was carried out in August-October 2005. The survey focused on partnerships registered with the United Nations Commission on Sustainable Development (UN CSD). It was not, however, designed to be a comprehensive survey of UN CSD-registered partnerships. The primary aim of the survey was to collect examples of evaluations of “environmental” partnerships. Additional objectives were to understand better what partnerships are, to identify what plans partnerships had for evaluations, and to elicit the views of partnership managers on what aspects of evaluation are considered important.

Sample

The partnerships surveyed were “environmental” partnerships involving at least one partner from an OECD country and registered with the UN CSD. To be registered with the UN, certain criteria need to be fulfilled. The original criteria (‘Bali guidelines’) in place at the time of the WSSD included that the partnership be voluntary, had the participation of at least one government (or Intergovernmental Organisation) and that there was an international component. Although the criteria were later changed so as not to require an international component, around 95% of registered partnerships reflect the original criteria.

The definition of when a partnership is an “environmental” partnership is not black and white. This is particularly true for the UN-registered partnerships as they concentrate on sustainable development (so that environment likely plays some role in most partnerships) and since so few of them have direct environmental outputs. In the analysis performed here, a partnership was considered “environmental” if one of its primary objectives, as described by the partnership themselves, included ‘Agriculture’, ‘Air pollution’, ‘Biodiversity’, ‘Desertification’, ‘Disaster management and vulnerability’, ‘Forests’, ‘Marine resources’, ‘Mining, mountains, oceans and seas’, ‘Protecting and managing the natural resource base of economic and social development’ or ‘Water’.

In all, 101 partnerships fulfilled the criteria for inclusion in the survey, of which 34 responded. Given the relatively small sample size, and the clear bias of the partnerships responding towards having some interest in evaluation, the results cannot be considered indicative of all CSD-registered partnerships; and, certainly, CSD-registered partnerships cannot be considered indicative of the much wider world of partnerships.

¹⁹ The Survey was carried out with the support of Darian Stibbe, from *The Centre for the Advancement of Sustainable Development Partnerships (CASDP)* and Eva Halper and Ros Tennyson from *The Partnering Initiative*. They also provided support for other parts of the report.

Method

The questionnaire was designed around four main sections:

- General information about the partnership
- Typology of partnerships requesting responders to type their partnerships
- Plans for evaluation
- Attitudes on the importance of different aspects of evaluation

Draft questionnaires were sent to a small number of partnerships and individuals for their feedback on the content and usability. The questionnaire was then adjusted based on feedback received. The final questionnaire was sent by email to the registered email contact for each of 101 UN-registered partnerships in two batches in mid-August. 34 completed questionnaires were returned, of which 32 were sufficiently complete to be included in the analysis.

Results

A. General information: Are partnerships active? Do they provide direct environmental benefits?

Most but not all of the partnerships that responded to the survey are active: 70% of the partnerships described themselves as currently ‘underway’, 15% ‘under active development’ and 15% ‘completed’.

The majority of the partnerships do not provide direct environmental benefits: 28% of partnerships considered themselves to provide clear, direct environmental benefits; 66% were one step upstream (*e.g.* facilitate new projects with direct benefits); and 38% two-steps upstream (*e.g.* collects data, provides training, research or policy network). The figures do not add up to 100% since partnerships may have a number of different strands to their work. The figure of 28% producing clear, direct environmental benefits seems to be an overestimate. From the description of the partnerships available in the UNCSD database, it would seem that in several cases a more appropriate response in line with the intention of the question would have been ‘one step upstream’ – it is likely that of the 32 partnerships only three or four had direct environmental impact with the rest facilitating impact further down the line.

B. Types of partnerships: What are partnerships for? What do partnerships do?

In order to understand better what partnerships are about, partnerships were asked to describe themselves according to three different typologies tested out in the survey. The typologies were built around (i) the reason for using the partnership approach, (ii) the objectives/activities of the partnership, and (iii) the constituency of the partnership (membership and level of geographical focus).

According to the survey responses (reproduced in table A1), partners tend to have multiple rationales, objectives and constituencies. In particular, on average partnerships would be involved on four different types of activities.

Another dimension explored in the survey was about who the primary beneficiaries of the partnerships are: 13% of the partnerships indicated that the partner themselves are the primary beneficiaries; 66% indicated that partners and others are the primary beneficiaries; while 21% of partnerships indicated that others are the primary beneficiaries.

Table A1. Understanding “environmental” partnerships

Reason to partner		Objectives/Activities		Membership and geographical level of focus	
59%	Alliance to combine and leverage available resources (both financial and competencies)	78%	Capacity-building	59%	Global/regional alliance with global/regional objectives
56%	Alliance to engage necessary stakeholders for necessarily cross-sector action	75%	Exchange of knowledge, experience, good practice	53%	Mixture of international and local partners, action focussed on particular location
47%	Alliance to co-ordinate partner efforts and avoid duplication	50%	Facilitation/opportunity building (for example to create new partnerships)	38%	Network (large number of contributing partners without particularly strong ownership)
41%	Alliance to combine and connect constituencies (i.e. members or stakeholders) of individual partners	44%	Creating framework/ co-ordinated plan of action	6%	Local partners plus donor not actively involved
25%	Alliance to build legitimacy	44%	Advocacy/outreach (e.g. spreading use of particular method or behaviour)	3%	Local partners only
		41%	Influencing policy		
		38%	Direct action/implementation		
		28%	Research		
		16%	Consultation		

Note: Columns do not add to 100% as multiple responses were allowed.

Source: OECD Environmental Partnerships Evaluation Survey

C. Evaluation plans

The sampled partnerships were also asked about their plans for evaluations: 28% of the partnerships indicated that they had already completed an evaluation; a further 16% said they had already agreed a methodology for evaluation, but had not yet implemented it; 38% said they planned some form of evaluation in the future; 19% had no plans for evaluation. (Five partnerships were able to supply completed evaluations of their programmes.)

The most common reasons given for evaluation were (i) to measure the success and impact of the partnership in reaching its objectives, (ii) to allow the revision and improvement of the partnership, and (iii) to demonstrate the value of the partnership in order to gain further funding to replicate and/or scale up the partnership programme.

The timing of evaluation was varied. Some partnerships have planned evaluations only after the end of the programme. Several had initial pilot projects which would be evaluated before the main programme was initiated. Others planned interim evaluations at key stages of their projects, while one had quarterly evaluations – perhaps more akin to monitoring than evaluation. One partnership that they would have an evaluation ‘at the time when it would be felt that all the partners fully understand the meaning of the partnership’.

Other interesting results are as follows:

- Only a quarter of the projects had a specific budget line for evaluation.
- Around half the partnerships had developed indicators against which to measure the success, although these were often simply the log frames of the original project proposal.
- None indicated that they had made baseline measurements for their indicators, due mainly to the type of partnerships we are considering.

D. Issues for evaluation

Partnerships were asked about which aspects of partnerships had been evaluated (if an evaluation had already been completed an evaluation) or considered essential for future evaluations. Three blocks of issues were explored:

- **Effectiveness aspects** (impacts and outcomes). 91% of projects indicated that they would evaluate their effectiveness in achieving the partnership's objectives. Perhaps more surprising – since almost all the partnerships surveyed involve a government partner –only 56% would evaluate their contribution to the Millennium Development Goals. Almost 60% of the partnerships would not evaluate unexpected or additional benefits to stakeholders of the partnership.
- **Economic efficiency aspects**. 38% are concerned with the economic efficiency of achieving its objectives. Around 70% would evaluate the financial and in-kind costs of the partnership, but only 47% would explicitly evaluate the transaction costs associated with running the partnership. Only 16% would evaluate the partnership by comparing it with non-partnering alternatives.
- **Procedural aspects** (partnership dynamics). 75% of the partnerships indicated that they would evaluate the efficiency of partnership operations. 75% would also plan to capture the experience of the partnership and create lessons-learnt from it. Most (66%) would evaluate the sustainability of the partnership itself with a slightly lower percentage (56%) looking at the institutionalization of the partnership.

ANNEX 2: EXAMPLES OF THE METHODOLOGIES USED IN EVALUATING PARTNERSHIPS

USAID has been a front-runner in the evaluation of partnerships. In 1999 it developed an assessment framework intended to help members of a partnership to monitor and evaluate their own success. USAID identified important characteristics of partnerships and researched indicators that already existed to measure these characteristics or at least could be adapted to assess them. The framework takes a multi-dimensional approach that explores (i) the values and capacity of the ISP itself in terms of organizational capacities, organizational culture, and the external environment that impacts the partnership, (ii) the processes used by partners to interact with one another and outsiders, and (iii) the impact the partnership has had on a particular activity, the partners themselves, and society as a whole.

The framework is not intended as a complete methodology. It does not give indicators for the partnership objectives since these are entirely specific to the issue at hand. It does, however, provide indicators for the other two categories of impacts. As the main indicator of the impact on partners, the framework suggests a quantitative indicator: the number or percentage of institutions that are at a certain level on an institutional capacity index or achieving a defined rating. The framework also suggests a number of indicators for impact on society, split into two categories: 'social capital' and 'enabling environment'.

The Nuffield Institute for Health (NIH) has developed a methodology which is aimed primarily at identifying areas of conflict and move towards a remedial action plan. It suggests evaluating partnerships based on six principles that are considered the building blocks of successful partnering. The NIH methodology starts asking partners to come together at the beginning of the evaluation exercise to discuss the evaluation process and jointly decide how it will be conducted. In a second step, the partners are separately asked to complete 'rapid partnership appraisal sheets' – a series of graded agree/disagree questions based on each of the partnership principles. The responses are then analysed and later discussed among all the partners.

The principles for success identified by NIH are:

- (a) To recognise and accept the need for partnership;
- (b) To develop clarity and realism of purpose;
- (c) To ensure commitment and ownership;
- (d) To develop and maintain trust;
- (e) To create clear and robust partnership arrangement; and
- (f) To monitor, measure and learn.

The Canadian Institute for Environmental Law and Policy (CIELAP) has developed a methodology aimed primarily at identifying gaps in a partnership that are impeding it from functioning well. It suggests evaluating partnerships based on ten qualities that are considered to determine how well or

poorly a partnership will do. A checklist lays out each of the ten qualities of successful partnerships and then breaks each one down into different elements. While some checklist items provide concrete indicators, they do not mention whether effectiveness and efficiency will be considered.

The qualities of partnership identified by CIELAP are the following:

- (a) The partnership has a solid base of joint commitment and understanding
- (b) There is a clear and appropriately detailed plan for achieving the goals of the partnership
- (c) Each partner clearly benefits from the partnership
- (d) Sufficient and appropriate resources are committed from all partners for achieving the goals of the partnership
- (e) The partnership has an appropriate level of formality
- (f) The partnership has good leadership
- (g) The partnership has clear and enforceable lines of accountability
- (h) Partners communicate in productive and supportive ways
- (i) There is trust in the function of the partnership
- (j) Accurate and appropriate indicators are used to evaluate and improve the success and progress of the partnership.

The Partnering Initiative approaches evaluation from a three-fold perspective which looks at the internal aspects of the partnership, but also whether partnership is the most appropriate mechanism for achieving objectives. The first element is an assessment of the impact of the partnership on partners and their stakeholders: in technical/physical, human and financial terms. The second element is a partner relationship review. This review looks in a participatory way (involving all partners and key stakeholders) at how effectively the partners engage with each other throughout the partnering cycle to achieve their independent organisational as well as collective aims. The third element is an evaluation of the partnership as mechanism. Looking at issues such as transaction costs, value added, sustainability of outcomes, and offering a comparison with non-partnering alternatives, this element focuses on whether the partnership is operating at its optimum effectiveness, whether the particular type of partnership ‘mechanism’ is the appropriate model to achieve the stated aims, and whether the partnership approach is the appropriate form of delivery.

The Natural Resources Cluster of Business Partners for Development (BPD) has put forward a methodology for measuring the impact of tri-sector partnerships in the extractive industries that emphasises the ‘added value’ of a partnership approach, over and above the alternative ways in which the same social objectives could be reached by the organisations individually. This is one of very few methodologies which attempt to assess a true ‘cost’ of partnership and to test the assumption that collaboration results in the more efficient allocation of complementary resources. In order to ensure that it is ‘quick and cost-effective’ to apply, the methodology does not consider the wider impacts (societal or business) unless these are explicitly mentioned as objectives or unless their value is such that it cannot be ignored. Although the paper provides a number of indicators mainly specific to the extractive industry, the general methodology could eventually be adapted to the evaluation of implementation partnerships.

The four phases of the BPD methodology are:

- a) Scoping – to identify the key indicators of partnership benefits (both predicted and unpredicted) relevant to each sector (corporate operation, civil society organisations and government authorities) as well as the most appropriate methods of measurement;
- b) Data collection – to establish a baseline and to measure changes in these indicators;
- c) Assessment of incremental contribution – to calculate the effect of the tri-sector partnership as measured by changes in key indicators and an assessment of the strength of the evidence for direct causation;
- d) Value for money assessment – achieved by comparing the total costs of the partnering process to each of the individual partners (including monetary and non-monetary costs), and comparing these costs with the benefits.

A suite of partnership project management tools has been developed based on the findings of the BPD's programme. This includes a system to keep track of the costs and outcomes/benefits of a partnership whereby each partner is able to record its own expenditure (with guidance given to monetize in-kind contributions) as well as the outcomes of the partnership (both collective and for individual partners, monetary and non-monetary). The tool encourages users to evaluate the cost of non-partnering alternative solutions in order to give a monetary value for benefits received.

ANNEX 3: THE DAC PRINCIPLES ON EVALUATION OF DEVELOPMENT ASSISTANCE

The DAC Principles for Evaluation of Development Assistance were developed in 1991 to guide aid agencies from OECD countries on how to conduct evaluations of aid-financed activities. They establish good practice for conducting evaluation.

The DAC Principles cover the following aspects of conducting evaluation:

- Purpose
- Impartiality and independence
- Credibility
- Usefulness
- Participation of donors and recipients
- Donor co-operation
- Evaluation programming
- Design and implementation of evaluations
- Reporting, dissemination and feedback

Specific methodological guidance as to the design of evaluations is provided in paragraph 35, reproduced below.

"It is essential to define the questions which will be addressed in the evaluation – these are often referred to as the “issues” of the evaluation. The issues will provide a manageable framework for the evaluation process and the basis for a clear set of conclusions and recommendations. The following are basic groups of evaluation issues:

- *Rationale.* Does the undertaking make sense? Are the objectives relevant and realisable? Should alternative objectives be considered?
- *Objectives Achievement.* Evaluation is very difficult unless the objectives which the evaluated project/programme were to achieve have been clearly defined and the project agreements and operational plans and arrangements for obtaining relevant baseline data have been made. To what extent were the original objectives achieved? Or are likely to be achieved? What were the major factors influencing the achievement or non-achievement of objectives? Should objectives not have been stated clearly enough to allow for an evaluation of goal achievement, an assessment of impact and effects of the activities undertaken should still be attempted.
- *Impacts and Effects.* What has happened as a result of the project/programme? This involves not only direct outputs but, very importantly, the basic impacts and effects on the social, economic, environmental and other development indicators resulting from the activity. The examination should be concerned with both intended and unintended results and must also explain the positive and negative impact of external factors, such as changes in basic policy environments, general economic and financial conditions."

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