PARTNERSHIPS: THE FOUNDATION OF MARKET SYSTEMS DEVELOPMENT

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EYE Enhancing Youth Employment

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Unveiling the Art of Partnership Brokering

Market systems development is an approach which is founded on facilitating change through partnerships. However, little is written about the techniques of partnership brokering that are used in projects, what works and what is considered to be good practice. This report explores the practical experience of one project in Kosovo – Enhancing Youth Employment (EYE) and introduces several major sources of good practice that could be useful to MSD practitioners that want to improve their partnership brokering skills.

Recently, EYE staff considered their experience over twelve years of working with partners (businesses, government, education providers and civil society). The intention was to identify the common principles and challenges of partnerships, and to review and better understand established models of good practice of partnership brokering. *How can EYE improve the way it uses partnerships to achieve the project's purpose and objective?* Partners were invited to provide their own assessments of the partnership experience.

EYE is a project funded by SDC and implemented by a consortium of Helvetas and MDA. The overall goal of EYE phase III is to increase the employability of young women and men in Kosovo. The aim is to achieve it in a socially inclusive and sustainable way through systemic interventions in two interrelated areas:

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Young women and men in Kosovo increase their employability by enhanced market demanded skills through improved access to training through industry-led training providers and non-formal training institutions	**Young women and men can make better-informed career choices due to a more demand-driven career guidance system, while at the same time benefitting from a more efficient labour market information system.**

Elevating Partnership Dynamics in MSD

Clearly, partnerships are at the root of an MSD project whether in a pilot or whilst stimulating crowding-in. This report shows that EYE, like other projects, has acquired some understanding of effective partnership brokering, but this knowledge has taken many years and has come through the long journey of experience rather than through formal training.

Like many projects, EYE trains its staff as part of project administration on how to broker partnerships, and there are guidelines on partnerships. However, most formal attention in EYE was placed on the administration of the partnership (documents, risk, delivery, results, payments) rather than on the way the partnership is created, grows, learns, develops and succeeds.

Also, projects often focus more on the partnership between the project and the partner, than between the partner and its partners. For example, between the project and a manufacturing business that establishes a training service to solve its need for more skilled workers, than between that business and its owners, potential trainees, social marketing consultancies that help promote the course and the industry association that is interested to fix the skills gap in the industry. The wider space of partnerships is full of potential for stimulating systemic change.

MSD project leaders and intervention managers are encouraged to use the resources referenced in this report to improve their partnership brokering practice. They are also encouraged to make full use of existing MSD techniques that support partnership brokering, such as the AAER model. Contractors are encouraged to organize specific training on partnership brokering for project staff. This will contribute to the effectiveness of the projects, particularly to the depth, scale, local ownership and durability of systemic change.

EYE'S EXPERIENCE OF PARTNERSHIP: PRINCIPLES AND CHALLENGES

During the project, Helvetas arranged some training and coaching for EYE staff on facilitation and partnerships, drawing on its quality criteria for partnerships, a partnership toolbox and its overall approach, policy and guidelines. EYE staff also attended some external training on facilitation and partnerships as part of MSD training. There was also training on the administration of partnerships, e.g. how to manage the delivery and financial risks of partnerships. And, there has been a lot of 'learning by doing'.

EYE experienced a wide range of partnerships over the last ten years during three phases of the project.

Here are EYE's principles of partnership:

TRUST

Building trust between partners is essential so that partners invest their own funds and take ownership of projects, fostering a sense of mutual commitment and accountability. Partnerships were structured to ensure that both EYE and its partners benefited, promoting long-term engagement and collaboration. EYE ensured alignment of goals and mutual understanding, creating a collaborative environment where all parties felt their contributions and needs were valued.

SYSTEMIC CHANGE

Advocating for systemic changes that benefit the entire industry, not just one partner. Promote sustainability and alignment of partners around a shared agenda and goal. Encourage exchange and understanding between partnerships so that there is a sense of community and shared responsibility for learning and achievement of systemic change.

FACILITATION, RISK SHARING, AND CO-FINANCING

Providing facilitation support, sharing risks and benefits, and establishing a long-term partnership based on results, ownership, and co-financing.

FLEXIBILITY

The flexibility to adapt to changing circumstances and new information allowed the project to remain responsive and relevant, ensuring that interventions were impactful and sustainable.

CONTINUOUS MONITORING, REFLECTION, AND LEARNING

Regularly assessing and reflecting on the partnership's progress and experiences to gain insights and improve future collaboration. Decisions and strategies were backed by thorough analysis and data, ensuring that interventions were well-founded, and partners felt confident in their effectiveness. Maintain an open mind to making changes in the partnership to overcome challenges. Give partnerships time: do not rush.

EYE FACED SOME **PARTNERSHIP CHALLENGES**

Pandemic situation and shocks: In some cases, changes in the partnership agreement were needed because of the global Covid-19 pandemic. The project helped partners to adapt their services to online or hybrid. The project renegotiated deliverables with a more realistic due date. Several times, unexpected changes of government led to delays. The project met new people, established relationships and built trust to keep the partnership on track. This takes time and energy for the intervention manager. This challenge is part of the work. EYE maintained an open mind and pragmatic approach to this situation.

High ambition: Sometimes the project set unrealistic targets for partnerships and then was disappointed with the progress. Whilst it is good to aim high, it is good practice to review with the partners occasionally and adjust. It can also help to bring expertise to the project to give the plans a reality check. This is particularly important if the activities involve technical details with which the project is not familiar. It is also important at the start and during the partnership to properly assess the capacity and motivations of the partner to deliver.

Accountability and emotional involvement: There is a balance for the project to make between wanting the partnership to succeed and being objective in making decisions and accountable for the partnership. EYE routinely convened team meetings to support the intervention managers to keep this balance. In these meetings, progress was reviewed and decisions were made.

Partner dynamics in thin markets: At the start, the project found that there were only a few businesses with which to partner. This is because of the undeveloped state of the market, the activities of other donor-funded projects and because of the project's due diligence requirements. Also, throughout the project period, there were limited partners in the public sector because of the small size of the government. Selecting a few catalytic partners is normal for MSD projects, but it is better to have a wide range from which to choose. To solve this challenge, the project worked hard to distinguish itself by showing organizational and personal integrity and building trust with leaders in potential partner organisations. Once partnerships had been agreed, the project managed the relationship in a professional manner.

Challenges in communication: Overcoming issues of communication, commitment, and effective partnership management to ensure successful planning and delivery is a natural and expected challenge of partnerships. Intervention Managers must spend time building good working relationships with people in the partner's organization. It is also important to communicate clearly before the partnership is formalized so that there are no misunderstandings regarding what the partnership will involve. It is important to assess the incentives of the potential partner and only form partnerships with those that have incentives aligned to the purpose of the project (e.g. business growth, sector transformation, increased competitiveness, increased innovation).

During the three phases of the project, Helvetas responded to EYE's request for some changes to the administrative rules for partnerships. Now, the rules are set in relation to the size of the grant: smaller grants have less administrative controls. EYE continues to externally audit all partnership agreements to ensure quality not just in grant management but also in partner contribution and outputs. In general, EYE emphasized building good working relations with partners as a foundation for ensuring effective partnerships. With good working relationships, it was possible to be flexible and adaptable within the rules set by Helvetas. The potential for partnerships is determined by how they are brokered but also by the nature of the organisations involved. EYE identified some advantages and disadvantages of different types of partner.

PUBLIC SECTOR:

- *Advantages:*
  - Geographic spread: Public sector organizations often had a wide geographic reach, enabling broad-scale interventions.
  - Broad impact potential: Capable of impacting large segments of the population through public programs and services.
  - Legitimacy: Government endorsement landed legitimacy and credibility to EYE.
  - Stability: Generally stable and enduring institutions, providing long-term partnership opportunities.
- *Disadvantages:*
  - Donor overcrowding: Overcrowded by donors, leading to competition for attention and resources.
  - Bureaucracy: Complex bureaucratic processes slowed down decision-making and implementation.
  - Slow to change: Often slow to adapt to new approaches and innovations due to rigid structures and processes and a dislike of risk and bad press.
  - Limited incentives: Public sector employees might have limited incentives to innovate or go beyond standard practices.

LOCAL GOVERNMENT:

- *Advantages:*
    - Decision-making involvement: Local government often had direct input into decision-making processes, ensuring that interventions were aligned with local needs and priorities.
    - Promoting social inclusiveness: These stakeholders were typically committed to promoting social inclusiveness.
    - Local knowledge: Local government had deep knowledge of the local context, which could be invaluable for designing relevant interventions.
- *Disadvantages:*
    - Lower capacities: Often faced limitations in terms of resources and capacities, which could hinder project implementation and sustainability.
    - Political affiliations: Political dynamics and affiliations could complicate collaboration and affect the neutrality of interventions.
    - Difficult mobilization: Mobilizing these stakeholders could be challenging due to bureaucratic inertia and competing priorities.

BUSINESSES:

- *Advantages:*
    - Flexibility: Businesses were typically more flexible and could quickly adapt to changing circumstances and opportunities.
    - Innovation: Often at the forefront of innovation, bringing new ideas and approaches to the table and willing to share risk.
    - Resource efficiency: Private sector efficiency in resource utilization led to cost-effective solutions and high-impact outcomes.
- *Disadvantages:*
    - PR focus: Some businesses prioritized public relations over substantive impact, leading to superficial engagement yielding poor results.
    - Profit motivation: Profit-driven motives sometimes conflicted with the broader social goals of development.
    - Commitment variability: Levels of commitment could vary significantly, affecting the consistency and reliability of partnerships.

NGOS:

- *Advantages:*
    - Project experience: NGOs are experienced in working with projects, managing expectations and requirements.
    - Local context knowledge: Deep understanding of local contexts and community needs, enhancing the relevance and impact of interventions.
    - Flexibility: Often more flexible and able to implement innovative solutions quickly.

- *Disadvantages:*
  - Sustainability issues: Many NGOs were donor-dependent and struggled with sustainability once donor funding ended.
  - Resource limitations: Limited financial and human resources limit their capacity to scale up successful interventions.
  - Operational risks: Smaller NGOs face operational risks and challenges in maintaining high standards of accountability and transparency.

How did partners of EYE assess the partnership with EYE?

The assessment by EYE's partners in a detailed survey is summarized in the table below. In summary, partners rate their partnership with EYE as excellent.

Question asked	Partner assessment (performance score)
How satisfied are you with the process from the evaluation of the idea to the signing of the agreement?	90%
What is your assessment of the relationship that developed and how EYE interacted with your organization?	The partnership with EYE has been exemplary, characterized by professional communication, clear objectives, and substantial support from intervention managers. EYE's practical and market-aligned approach has been unique and highly effective. The collaboration has been proactive and efficient, with a deep understanding of each partner's mission and needs.
During implementation, how easy was it to work with EYE to complete the activities?	Partners found it very easy to work with EYE during project implementation, appreciating the professional, flexible, and supportive approach of EYE's team, particularly the effective guidance and continuous communication from intervention managers. They valued the absence of unnecessary bureaucracy, the practical relevance of EYE's advice, and the consistent readiness of the team to assist.
How would you describe the partnership with EYE: transactional or transformational?	86% transformational meaning that EYE and their organization created something together, with shared responsibility; it was complex, long-term, involved shared risks, and led to significant and sustainable changes in their organization.
What do you value most in your partnership with the EYE project?	Partners highly valued flexibility, technical support, financial grants, stability and duration of the partnership, outcome measurement, and communication.
What has the partnership with EYE brought to your organization?	Partners reported that their partnership with EYE significantly increased the confidence of organizational leaders and boosted investments. The partnership also fostered new opportunities and created an environment conducive to growth and innovation.
Has the partnership with EYE helped in achieving new collaborations with other parties?	The partnership with EYE has significantly facilitated new collaborations for the organizations involved.

Conclusions for EYE on Partnership Brokering

EYE performed remarkably well in its partnerships. This is partly because the national culture of Kosove emphasizes collaboration and interpersonal relationships, and also because the intervention managers in the project were particularly skilled at influencing. More might have been achieved by the project if a one-day mini-course on partnership brokering had been added to the project administration training that Helvetas provided. In particular, there may have been even greater impact from fostering partnerships between organisations in the market system that were not directly connected to the project.

Good Practice of Partnership Brokering

This section introduces some sources of expert advice on partnership brokering. Partnership brokering is a facilitative process that aims to create and nurture effective partnerships between different individuals, organizations, or sectors. A partnership broker acts as a neutral intermediary who helps bring together diverse stakeholders, encourages collaboration, and supports the development and management of partnerships.

The role of an intervention manager includes brokering partnerships, which typically involves several key activities:

Identifying potential partners: The broker identifies individuals, organizations, or sectors that could form mutually beneficial partnerships based on their respective goals, expertise, and resources.

Facilitating dialogue and negotiation: The broker facilitates initial conversations, meetings, and negotiations between potential partners. They help establish common ground, clarify objectives, and facilitate agreement on shared values, roles, and responsibilities.

Building trust and relationships: The broker works to establish trust among partners by fostering open communication, addressing concerns, and promoting transparency. They help build positive working relationships, respect different perspectives, and foster a culture of collaboration.

Supporting partnership design: The broker assists partners in defining the purpose, structure, and governance of the partnership. They help develop shared goals, strategies, and action plans, ensuring that the partnership is aligned with the needs and interests of all involved parties.

Facilitating capacity development: The broker supports partners in identifying and addressing capacity gaps, providing access to training, resources, and expertise to strengthen their ability to contribute effectively to the partnership.

Managing conflicts and challenges: The broker assists in managing conflicts and challenges that may arise during the partnership. They facilitate dialogue, encourage problem-solving, and help partners find mutually acceptable solutions.

Monitoring and evaluation: The broker assists in monitoring the progress of the partnership, evaluating its impact, and providing feedback to partners. They help ensure accountability, adapt strategies as needed, and promote learning and continuous improvement.

Overall, partnership brokering aims to enable effective collaboration, promote shared ownership, and maximize the collective impact of partnerships by fostering trust, mutual understanding, and effective communication among stakeholders.

If you want to learn more about how to broker partnerships, there are several public sources of information on good practice, with some overlap and duplication:

Partnership Brokers Association has many resources including a Handbook on Brokering Better Partnerships that refers to the following principles of good partnership brokering: **diversity, equity, openness, mutual benefit and courage.**

The Partnering Initiative has a useful knowledge centre containing lots of guides and practical information to support projects working with partnerships.

Partnerships Resources Centre at the Rotterdam School of Management has published a guide to forming principles of partnership based on three aspects: humanitarian principles, good governance and corporate values. It has an online collection of tools, of particular interest is the partnership support tools page which includes advice on supporting effective collaboration: stakeholder mapping, partnering agreement template, internal prospective partnership assessment, value assessment framework, troubleshooting, managing power imbalances, partnership health check.

PRISMA is an example of an MSD project that has developed detailed guidance for intervention managers on brokering partnerships.

Annex: Summary of discussion on principles and challenges of partnerships in EYE project

<table>
<tr><th>Principles</th><th>Challenges</th></tr>
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Continuous monitoring and reflection
Learn lessons
‘Sebep’ {trad marriage broker}
Trust
Systemic changes that serve the whole industry not just the partner
Sustainability
Common goal
Ideas
Persistence
Facilitation
Risk sharing
Common risk and benefit
Long-term partnership based on results
Ownership and co-finance
Trust mindset – build on arguments
Facilitator being a role model of commitment
Networking to support learning from each other
Due-diligence checklist
Having a sustainable business model at the core of the partner’s vision
Sharing costs of the partnership
Facilitator supporting with budget

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Pandemic situation
Force majeure
Unknown future (high risk)
High ambition
Too much accountability
Other donors partnering with our partners
Emotional involvement to fair treatment
Limited number of partners
Changes in labour market trends and economic growth
Slow decision-making process in public sector
Complicated financial transactions
Dependent on donor resources
Centralised financial format for VET schools
Communication with the partner
Commitment
Partnership management
Contract agreement
Bad management > bad communication > challenge in planning and delivery of partnership

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