forumnews02

OECD LEED **forum** on
**partnerships and
local governance**

First Forum Meeting of the OECD LEED Forum on Partnerships and Local Governance

Foreword from the Deputy Head of LEED Programme, OECD

The first meeting of the OECD LEED Forum of Partnerships and Local Governance confirmed that there is a demand for exchanging and comparing concrete experience and practices on partnerships and governance issues internationally. 139 experts from 33 countries, from the European Union and South-East Europe to North America and Asia Pacific, participated in lively debates in Vienna on 26-27 April 2005. Despite a wide span of backgrounds, several views converged. Participants reaffirmed the need to take an integrated approach to economic development and social cohesion issues locally. Partnership helps combine resources from government, business and civil society, establish a joint strategy and support local initiatives.

It was also clear from the discussions that partnership is a fragile construction. Built on trust, goodwill and volunteers, they can achieve great results and then disappear quickly.

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Demonstration, evaluation, dissemination, transparency and accountability are key words for the success of partnerships. Partnership should work hand in hand with government, not in parallel. This means that activities should be steered and monitored jointly. The impact from working in partnership should be made clear, and disseminated widely. Evaluation should be rigorous. Proceedings should be transparent. In other words, partnership should be a normal way of working.

And yet, partnership is a different way of working. The conference raised two issues that make partnership different, and which call for further work. The first is evaluation. Partnerships' output is broader than projects. It encompasses improvements in governance: partnerships stimulate, facilitate, co-ordinate. A result of their work may be to cancel an action that would otherwise be carried out. Such role is hardly glamorous. However, governance outcomes are no less relevant than concrete programmes. For accountability reasons and to nurture commitment, they should be recorded, monitored and duly evaluated. How can we keep track of governance outcomes?

A second issue is the critical importance of skills and capacities locally. We are well in the age of networks, and yet working effectively in networks is not easy nor obvious. Bureaucratic, administrative and political concerns clash in miscomprehensions over sub-optimal uses of resources. Clearly, effective partnership depends on a core structure that has expertise in a wide range of fields (project management, organisation, strategic thinking, resource management, evaluation); on members in constituencies who know what is there to gain from partnership, and what is to be contributed; and on a civil society that is well organised and represented. How can we identify the skills gap on these three levels in order to tailor capacity building more accurately?

This work cannot be done without the expertise of practitioners. This is why I would like to invite all Forum members to share with us information on the systems for performance evaluation and skills assessment that they use. This will feed into our analysis, and in the debates of the 2nd Forum Meeting /International Partnership Fair, to be held in Parkhotel Schönbrunn on 13 - 15 February 2006 in Vienna. I have no doubt that this event will be as fruitful as the first one.

Sylvain Giguère
Deputy Head of LEED Programme, OECD

Conclusions

Mark Considine, rappoteur

The First Forum Meeting 'Enhancing the Effectiveness of Partnerships' was held at the Renaissance Penta Vienna Hotel on 26 – 27 April 2005 in order to re-assess today's need for partnerships, debate on best ways for government, business and civil society to work in partnership in practice, exchange know-how and experiences of existing partnerships and discuss the main innovations in funding partnerships.

Learning from Diversity

>> Similarities and differences It is one of the remarkable things about local governance partnerships that so many experiences and different national traditions can speak together and learn from both their similarities and their differences. The Vienna meeting began with Sylvain Giguère's outline of the different economic, social and environmental dimensions of local governance collaborations. On one side of this diversity is the regional model of co-ordination found in places like Norway and Sweden, and perhaps to some extent in the County Boards of Ireland. Here we see a common set of institutions being developed to achieve integration of public services across a whole region and linking national and local agencies. One the other side of the range is the model found in Austria, Ireland and Italy where local partnerships receive central support but are shaped by different conditions and actors at the local level. **<<**

> **Common objectives of partnerships are to achieve better local governance**

>> Common objectives What do we see as the common objectives of these different styles and models? The clear answer in the Forum is that the common goals are to do with achieving better local governance. Regardless of how much the initiative is top-down or bottom-up, the challenge is always to fashion a set of arrangements which links key actors into an effective governance system. The end product of these governance arrangements is to generate innovation among these actors so that bottlenecks are removed and local development is achieved. **<<**

>> Problems solved by partnerships One reason why partnerships are gaining such a strong support base in many countries is that government itself is facing challenges it cannot resolve on its own, and cannot hand off to the market. Michael Förschner made this point very strongly in his opening presentation. The institutional frameworks we have inherited in the public sector often do not meet the challenge of contemporary problems. Yet the time and effort needed to reform those institutions would be enormous. Partnerships enable new combinations of actors to come together in new arrangements alongside these older structures. **<<**

>> Weaknesses and strengths Of course we can be enthusiastic about partnerships without being naive. The Forum recognized from the outset that there are weaknesses as well as strengths in the history so far. Sylvain Giguère's, Michael Förschner's and Anna Orologa's presentations each pointed out that partnerships found it difficult to co-ordinate policies across departments. In other words they are very good at local adaptation, but not so good at resolving central steering problems. Michael Förschner made the point that partnerships often evolve from the work of a major sponsoring department. Anna Orologa called this the 'primary connecting relationship'. Sylvain Giguère observed that there was often one good link to a

central department, but rarely more than one. This provided the first challenge of the Forum, to think about ways in which partnerships might evolve or develop over time, particularly with regard to their relations with government sponsors. **<<**

>> Partnership as a policy instrument Having set the scene for the meeting the opening speakers also raised some potential problems with partnerships as policy instruments. For example, when partnerships come from one dominant policy sector such as employment, or economic development, they often lack capacity to coordinate policies from other sectors such as health or education. In some cases partnerships also have weaknesses in regard to developing strategies for their localities. If funding or accountability requirements point them towards projects and project management, they may not fulfill their capacity to be strategic. And of course if governments use partnerships for symbolic purposes, to show they have the rhetoric of collaboration, but do not shift real decisions down to this level, then the potential for real partnering will be lost. **<<**

From Structures to Relationships As the Forum began to dig deeper it looked at several cases where new partnership structures are being put in place.

>> Belgian example One interesting case of a major new initiative is the Flemish region of Belgium where Han de Bruijn told us of a new structure for regional co-ordination being established, transferring a national model down to regional and sub-regional level. Here is a case where formal legal process and black letter law are used to enact partnerships. Starting at the top with the government's Social and Economic Council, the main social partners come together to define the goals of development and to coordinate the efforts of different actors. In a new law voted in 2004, the provincial and local governments are also to take responsibility for development. **<<**

Necessity of regional co-ordination demonstrated in case examples

>> Swedish example The Swedish model of County Administration Boards and their role in developing Regional Development Agreements (RDA) had some parallels with the Belgium case. Jenny Bergkvist spoke of the serious needs of remote and undeveloped regions and the methods for bringing agencies together under the RDA mechanism. In the discussion of this model it was recognised that these changes from above would depend for their success on the skill of the partners and their willingness to move from a purely sectoral view of development, to one with a more integrated focus. Because they must reach consensus before a decision is made or a plan approved, the potential for veto by any one interest is high. This has been one of the major challenges for countries with a long tradition of social partnership among government, business and unions. They certainly have an ability to address workplace and wage issues, but can they develop the skills to address health, childcare, refugee issues and other matters outside the workplace? **<<**

>> Irish and Austrian examples In contrast to the Belgium approach, the Irish model described by Marion Byrne is one where a great variety of partners is engaged at local level but using a more voluntary structure. The Irish and Austrian partnerships are quite remarkable in the way in which they manage to engage so many groups and interests without the need to create a very strict regulated system of rules and structures. One reason for this is that they have a strong focus on employment and inclusion of the disadvantaged. This helps provide the coherence and rationale that might otherwise have to be created through a legal mandate or a set of institutional structure. Paradoxically the Irish model is based on a private company, Area Development Management (ADM) which is owned by the key government actors and is used to distribute funds to the 72 partnerships at local level. The Irish model could be summarised as 'strategic planning for the disadvantaged' and undoubtedly this clear focus has helped the partners stay committed to an outcomes focus. The big question raised by the Irish case is how

to stay committed and enthusiastic after 14 years? Does the partnership become somewhat tired or does it lose the sense of cutting-edge innovation? **<<**

>> Canadian example This question of motivation was answered in part by the case of Quebec where Hélène Deslauriers presented a model structure which seems to guarantee high levels of enthusiasm at the local level. The Community Futures (CF) Program is very much a bottom-up partnership structure is which 250 local groups get together and develop local plans. More than 5000 volunteers form the backbone of the CF approach, with professional staff of some 2000 agents helping them to create priorities and projects. The key to the CF approach seems to be to start with a clear picture of the local conditions. They do local research and get agreement on what really is happening. For instance if the demographic data show that in some communities the average age is 60 years, then a crisis in workforce preparation is evident to all the different partners, firms, first nations communities, NGOs and unions. Using this 'strong analysis model' with community and government working together, there is a firm foundation for the later discussion of funding of projects. It also provides the base for very good performance indicators of success. Once a project is defined to meet these agreed conditions, the discussion of indicators is focussed on ways to improve the real conditions of people. Of course, the challenge is for the government to get its side of the partnership organised. In this model the two sides operate separately and come together for the analysis and the discussion of projects. A lot then depends on the various agencies of government being able to work together. **<<**

Precisely defined performance indicators of success needed

Instruments or Institutions? In several of the Forum discussions there was reflection on the role of partnerships as a part of the overall effort to create local development. From Michael Förschner's first introduction of the idea that partnerships are a response to problems of traditional institutions that find the new complexity of the world hard to manage, through to local observations about difference in types of partnerships, the question of definitions came to the surface.

>> Partnerships to achieve local outcomes There were many examples of partnerships being policy instruments developed by government to achieve local outcomes. Probably there is nothing wrong with such an approach if it really does enable bureaucracy and political elites to understand the different local needs of programs. But because so much of the focus of the Forum was on local governance questions, the 'instruments' approach was constantly challenged by those who see that partnership requires new relationships, and from new relationships may grow a different kind of governance. For example, when collaborations such as the UK Local Strategic Partnerships bring non-government agencies into play, and empower these to spend their own money and the money committed by government, they will often develop their own strong perspectives and a legitimacy which grows out of their local representation. Penny Wakefield make this point about the Liverpool partnership. **<<**

Important role of the EU Structural Funds in building and implementing partnerships

>> Financing the partnerships One of the tasks of local governance through partnerships is to manage the tension between these different claims of legitimacy. Central rules and finance cannot be allowed to determine everything that happens or other actors will not commit resources. But equally, funding agencies at national, International and European level will always want to define outcome targets. The role of the EU Structural Funds in shaping the partnerships in most member countries was noted by many participants. Anna Orologa defined this as the 'expectations environment' and pointed out that partnerships must be highly skilled at navigating this environment. In the open discussion which followed we heard a number of important points

raised. For instance, it has argued that partnerships would not evolve very far if all they ever did was chase government funds and allow this to shape their own agenda. **<<**

>> Benchmarking partnerships performance Alessandro La Grassa from Italy argued that partnership was a legitimate model even where government was not the primary actor in local development. Local priorities and processes for setting them must always be part in the action plan. And those countries with long experience in partnership made the point that this local governance issue was made manageable when partnerships had a clear idea about how to benchmark their performance. **<<**

Capacity and Performance

>> Developed indicators Several of the speakers and many participants talked of this performance measurement issue. Sylvain Giguère made the point that we need to distinguish the partnership from its projects. Marion Byrne also made this point in regard to Ireland. It is one thing to measure the change in local employment and attribute some of this to partnerships; it is another thing to measure or estimate the effectiveness of the partnership so far as participation, collaboration and accountability are concerned. As we saw earlier, the Quebec experience was also important here. They have a well developed indicators program which measures success and Hélène Deslauriers made it clear that they could not have last 25 years if they did not show governments and the community exactly how they add value. **<<**

**Importance
of measuring
the effectiveness
of partnerships**

>> Tailored financing The New Zealand regional development partnerships were instructive from this perspective. They have a clear target for including all the stakeholders and Ann Verboeket pointed out that funding was tied to successful inclusion strategies, especially for Maori people. Because it recognizes that inclusion in the partnership is far from easy to achieve, the New Zealand government has used capability grants to assist with this build-up of local engagement. **<<**

>> Funds leverage One indicator of partnership success which many felt was important was 'funds leverage'. This is one direct way we can measure the extra 'spill-over' effect of governments funding partnerships. In simply terms the leverage level is the extra money raised in addition to the core government funding for the projects. This was seen as a good measure, although it was pointed out during the open sessions that when speaking of community resources it would be important to count non-financial contributions by volunteer labour. **<<**

>> Capacity building The other major theme to come from the open discussions was the importance of capacity building within the partnership. Many individual country reports stressed the need for special skills among partners (planning, negotiating, priority setting, evaluating) and in general discussion the capacity issue was also seen as important in the life-course of partnerships. For instance, in Kosovo and Hungary the NGOs who might make a good contribution needed to be organized and supported and this could not always be done success-fully by the government partners. The Austrian case described by Helga Kainer and Michaela Vorlaufer also points to the need for capacity among partnerships to build their links with one another in a learning network. **<<**

>> Exchange between partnerships And there were also capacity issues for the long established partnerships in the form of renewal of their local support, advanced skills in working between different departments, and financial management expertise. Among many useful ideas for capacity building were those that suggested direct exchange between partnerships on a bench-marking basis, perhaps facilitated by a network such as LEED. There were different forms suggested for this kind of learning model. For instance partnerships could use a peer-review method such as universities employ to raise standards and promote development. Or different models of independent review could be developed to reflect both partnership expertise and stakeholder demands. **<<**

Need for further development of the knowledge base

Out of the great diversity of partnership types and partnership trajectories, the Forum generated a high level of enthusiasm and optimism for the future. Even where partnerships seem to be difficult to establish and maintain they are seen as a far better approach than the available alternatives. And at the end of the two days there was common concern to develop further the knowledge base with regard to capacity building methods and appropriate frameworks for performance measurement. These seemed to be the most widely agreed challenges for the next stage of the partnerships journey.

## Many thanks to the speakers at the First Forum Meeting:
(In alphabetical order)

Reiner Aster (Germany); Jenny Bergkvist (Sweden); Han de Bruijn (Belgium), Marion Byrne (Ireland); Mark Considine (Australia); Hélène Deslauriers (Canada); David Galliers (United Kingdom); Andrew Chapman (European Commission); Helga Kainer (Austria); Alessandro La Grassa (Italy); Pat Leogue (Ireland); Anna Orologa (Greece); Ann Verboeket (New Zealand); Ria Van Peer (Belgium); Marian Vickers (Ireland); Michaela Vorlaufer (Austria); Penny Wakefield (United Kingdom); Denise San Antonio Zeman (United States).

First Forum Meeting in numbers

>> Participation at the Meeting 139 partnership practitioners and managers, partnership members from government, business and civil society, national co-ordinators of partnerships, policy-makers and academics coming from 33 countries (OECD members and non-members countries) participated at the First Forum Meeting.

Overall rating of the First Forum Meeting
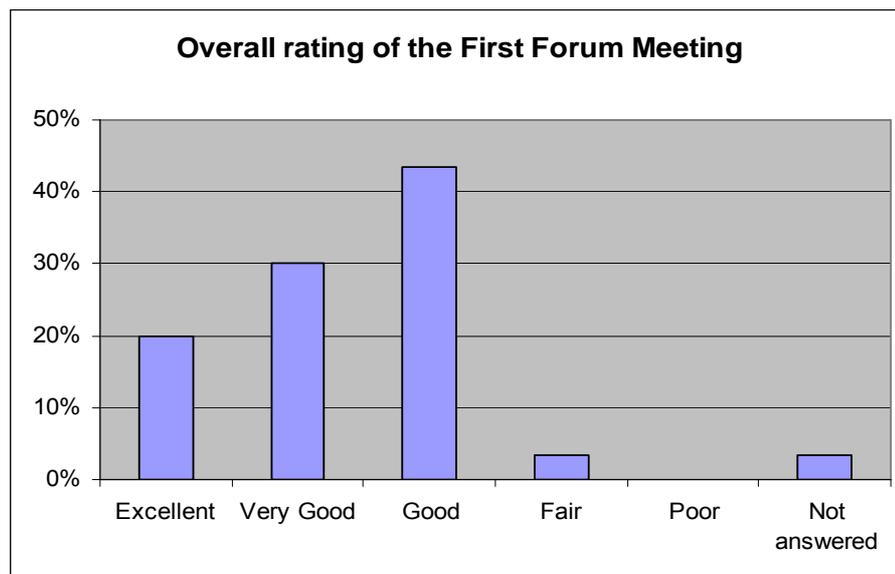
Overall rating of the First Forum Meeting: 43,3% of the responding participants evaluated the First Forum meeting as good, 30% participants as very good, 20% as excellent and 3% as fair. No indication from 3% of the respondents.

Most favorite session: 30% of respondents apprised Session 2 (Financing the partnerships) as the most favorite session; 26,7 % scored Session 3 (Partnerships at work: from planning to action) highest; 23,3% Session 4 (Building the future of partnerships); 20% of responding participants scored Session 1 (Why partnerships today?) highest and 16,7% of respondents did not indicate their preference. **<<**

Mentorship system

The mentorship system is one of the key activities of the OECD LEED Forum on Partnerships and Local Governance. Its creation was announced to the Forum members at the First Forum Meeting on 26 - 27 April 2005.

Providing assistance to countries, regions and localities interested in building partnerships

>> Assistance in building partnerships The system is established to provide assistance to countries, regions and localities interested in building partnerships on the basis of knowledge gained from already successful partnerships. Emerging partnerships will be accompanied by relevant well-established partnerships who will act as mentors. The mentoring activities will be funded by the mentors and recipients, though resources are available to cover some expenses for mentoring activities taking place with OECD Trento Centre target countries (Central, East and South East Europe). **<<**

>> How does the mentorship system work? Partnerships interested in being mentors will be asked to describe their "good practice" approach, which might help others (for instance regarding their structure, framework, partners, etc.), while recipients should inform about their needs in advice. The Forum will assess these requests and match the mentors with appropriate recipients. **<<**

Are you interested in participating in the mentorship system? If so, please visit http://www.oecd.org/cfe/leed/forum/partnerships to download mentorship request and mentorship agreement or contact office@forum.zsi.at !

Annual Brochure

The Annual Brochure on partnerships will provide up-to-date information on the framework and setting, the objectives, outputs and outcomes and the contacts of area-based partnerships. The Brochure will be published on the OECD webpage by the end of June 2005. The printed version should be available in autumn 2005.

>> Aims of the Brochure The aims of the brochure are to overview and describe the functionning of various models of partnerships in OECD and non OECD member countries. The brochure will contain information sheets on selected types of partnerships. Each information sheet will focus on a specific group or model of partnerships from one country/region. **<<**

Would you like to present your partnership models in the Annual Brochure? Please contact office@forum.zsi.at or download the information sheet on partnerships at http://www.oecd.org/cfe/leed/forum/partnerships.

News & Events

3rd Forum Newsletter September 2005 The third Forum Newsletter will be published in September 2005. If you did not receive the second newsletter directly from us, please send an email to **rubik@forum.zsi.at** indicating "Add to mailing list for Forum Newsletters". Thank you.

2nd Forum Meeting/International Partnership Fair 13 -15 February 2006, Vienna, Austria The 2nd Forum Meeting/International Partnership Fair is organized by the Centre for Social Innovation (responsible for the implementation is the OECD LEED Forum on Partnerships and Local Governance and the Austrian Co-ordination Unit of the Territorial Employment Pacts, co-financed by ESF). This unique conference will enable participants to exchange practical experience via bilateral meetings and build up co-operations between partnerships.

The aims of the International Partnership Fair are:
- to foster regional and local development;
- to enhance the outcomes of employment and social policies;
- to exchange know-how and experiences of existing partnerships on the thematic issues of employment and social issues and economic development and
- to provide opportunities to build co-operations between partnerships.

For further information please visit http://www.oecd.org/cfe/leed/forum/partnerships or contact **machacova@forum.zsi.at** or **brandstetter@zsi.at.**

Conference on "Local Development and Governance in Central, East and South-East Europe" 6-8 June 2005, LEED Trento Centre for Local Development, Trento, Italy This conference will be a unique opportunity to discuss the progress made in this region in the light of a broader international experience. More than 30 papers will be presented and debated on the five themes of the conference:
1. Design and Implementation of Local Development Strategies in Central, East and South-East Europe
2. Local Development: a Multilevel Governance Issue
3. Tools for Better Governance
4. Financing Local Development
5. Fostering Participative and Representative Democracy

For further information please visit http://www.trento.oecd.org/

Conference "Fostering Entrepreneurship: The Role of Higher Education" 23-24 June 2005, LEED Trento Centre for Local Development, Trento, Italy
This event is organized by the OECD Centre for Entrepreneurship, SMEs and Local Development and the OECD LEED Trento Centre for Local Development and will address the role that higher education institutions play in fostering entrepreneurship, with a particular focus on Central, East and South-East European countries.

For further information please visit http://www.trento.oecd.org/

Conference "Social Economy in Central, East and South-East Europe: Emerging Trends of Social Innovation and Local Development" 22-23 September 2005, LEED Trento Centre for Local Development, Trento, Italy This conference seeks to build on the interest registered at the capacity building seminar in November 2004 to further explore the trends, opportunities and challenges that social economy actors face in the countries of the Baltic States, Central, East and South-East Europe.

The conference will address the following issues:
    Theme 1: Social Economy awareness: legal frameworks, partnerships and network
    Theme 2: Social Innovation and Local Development: experiences, tools and practices
    Theme 3: Decentralization and EU integration: challenges and opportunities for financing and developing the social economy
    Theme 4: The role of international institutions and social economy networks in supporting social economy development

For further information please visit http://www.trento.oecd.org/

Forum in brief

Creation of the OECD LEED Forum The OECD LEED Forum on partnerships and local governance is a network to exchange information and experiences between partnerships.

>> Forum mission The Forum mission of the OECD LEED Forum on Partnerships and Local Governance is to enhance the contribution of partnership structures to local development and local governance and the effectiveness of policies.

>> Forum partnerships The area-based partnership is a tool to improve governance. It seeks to improve policy co-ordination and adaptation to local conditions, lead to better utilisation and targeting of programmes, integrate civil society's concerns into strategic planning exercises, stimulate corporate involvement in local projects, and promote greater satisfaction with public policy (OECD, Local Partnerships for Better Governance, 2001).

Forum partnerships are focusing on employment and social issues and economic development and are characterised by a multi-level, multi-sectoral and multi-dimensional approach.

The Forum is a network of partnerships in order to exchange information and experiences between partnerships.

>> Objectives of the Forum The objectives of the Forum are:

- to improve the dissemination capacity and facilitate the transfer of expertise and exchange of experiences;
- to create synergies;
- to assess and develop co-operation models and
- to advise and support.

>> Forum Structure All institutions and organisations involved in the management of area-based partnerships may become members of the Forum. Delegates and national partnership co-ordinators interested in providing further advice on the implementation of tasks in the Forum Board. The Forum Co-ordination is the support structure to build up the network.

The Forum is an activity of the OECD LEED Programme. All tasks are undertaken jointly by the ZSI (Centre for Social Innovation) and by the OECD LEED Trento Centre (Italy).

>> Tasks of the Forum

- Building the network (identification and networking of institutions)
- Building the data base (Documentary base, Guide on successful partnership)
- Forum meetings and international partnership fair
- Mentoring and Policy advice
- Information exchange (Annual Brochure, Electronic newsletter, Forum Website, Electronic discussion group). **<<**

Contents

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