



## The State of Partnering in the Water Sector: Prospects and Pitfalls

Drafted by Ken Caplan  
Partnerships in Practice  
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### The backstory

The water sector is full of, some might say overwhelmed by, partnerships – from local programmatic efforts to expand the scale of operations and experiment with new approaches, to joint national and global advocacy efforts to push for specific causes, networking opportunities to share lessons learned, to efforts to leverage finance and pool resources more effectively.

The timing is right to have a closer look at how partnerships are contributing to progress in the water sector. With the launch of the 17 Sustainable Development Goals, the United Nations Climate Change Conference 'COP21' commitments, and the World Economic Forum

Global Risks Report listing water crises as a leading concern of governments and businesses, water's critical interdependencies with other key development sectors are in the spotlight as never before. Similarly, the emphasis on 'partnering' in these global forums has reached new heights with the standard platitudes that we all need to work together to solve global, national and local problems.

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Designed as a **reality check that critically reviews the current use of multi-stakeholder partnerships in the water sector<sup>1</sup>**, this think-piece explores whether they are creating the **cross-linkages desperately needed to deliver systemic change**. Our goal with this piece has been to reflect a more honest and open discussion about what is required to allow or foster partnership working to live up to its potential in the water sector. Whilst conversations tend to revert to normative framings of how partnerships *should* or *could* work, we have been keen to ground our framing in what is *actually* happening both at the global and local levels. This has included looking at general trends in the sector and how they are impacting on partnership working.

Within the context of the SDGs, we have attempted to reflect on the water sector in its entirety, with a view to more coherently joining up the integrated water resources management (IWRM) and drinking water, sanitation and hygiene (WASH) sub-sectors.

### The rhetoric-reality gap

The headline, of no surprise perhaps, is that **the rhetoric and the reality of partnership working in the water sector remain quite far apart**. Contexts are not sufficiently analysed, and partnerships are often initially crafted or funded following one size-fits-all approaches neglecting the particular attributes of the local context.

There are pockets of success, of course, but having reviewed a wide range of literature, scanned through numerous partnership evaluations, conducted 30+ interviews, and combining this with PiP's and its predecessor BPD's almost 20 years of experience working with hundreds of partnerships across the global, regional, national and local levels, the picture is far from rosy.

### The challenge of measuring the impact of partnering

Partnership working is complicated and the expectations are incredibly high. A key challenge in understanding the contribution of partnerships is that while we know how to measure outputs and, to some degree, outcomes, we still have not fully cracked how best to analyse whether partnerships were the most effective mechanism for achieving these.

The clearest indication of success is to see if partner organizations are delivering on their commitments and participating in decision-making. This fails, however, to capture whether levels of ambition were appropriate and sufficient. **PiP continues to take the view that if ambition is very low, then a partnership is not appropriate – a contract should be used instead. If ambition is too high, then commitments to and participation in the partnership will fall off.**

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<sup>1</sup> This paper does not reflect on regulated contracts or market-based transactions generally referred to as 'Public-Private Partnerships' (PPPs) between the public and private sectors. That said, whilst these PPP arrangements appear to be fewer and farther between in the water sector compared to 10-15 years ago, some interesting evolutions in local tailoring, participation and stakeholder engagement, customer responsiveness, etc. should be explored further. The promotion of some countries to lower middle-income status (Kenya, Ghana, etc.) already sees a shift in levels and focus of development assistance. As a result, some countries will increasingly look to such PPP mechanisms with a focus on economically viable models. This will require government support to facilitate new investment models.

Related to this, if deliverables are very tangible and already known, then a contract is a more straightforward way of working. If deliverables are intangible, emerging or iterative, then a partnership is likely to be needed.

In reviewing a range of evaluations of water partnership programmes at the global level, the widely used OECD/DAC methodology proves revealing. Of the five criteria of relevance, efficiency, effectiveness, impact and sustainability, a quick scan suggests that relevance (related to the problem the partnership is seeking to resolve) is usually high but that performance based on the other criteria are often medium to low. Admittedly, solid evaluations are not in abundance and not without their analytical challenges. Indeed evaluation methodologies are still emerging to assess multi-layered, multi-stakeholder arrangements with a wide range of variables and moving pieces, partnerships may not be publishing more damaging verdicts that might affect their influence (and funding), and impacts and sustainability are hard to predict for partnerships that have not been operational for very long.

Beyond impact and institutionalisation, influence, ambition and the critical mass in terms of resources and partners to achieve these, a key criteria going forward needs to be around responsiveness – with some clear assessment of how real learning comes back in to the partnership and what it is doing differently as a result.

### Partnering in the water sector – some defining characteristics

Given the variety of ways in which societies interact with water, the sector is highly fragmented with multiple (sometimes competing) oversight agencies and numerous stakeholders with vested interests (from agriculture, domestic and industrial users). Apart perhaps from drinking water, water is generally seen as one of numerous interdependent inputs (for sanitation, for growing crops, for production of manufactured goods, etc.). Whilst necessary to protect the resource, establishing linkages between these uses proves extremely challenging. The water sector hence finds itself divided amongst domestic use, water for agriculture, water for industry, and water for the environment, with little institutional connection between these practitioners and policymakers.

However, **increasing public awareness, social media and media exposure, combined with shifts as a result of climate change, demography and other causes for competition for water, have led to increased attention to the water sector in general and hence pressure to act.** In some cases, new laws, directives and governance frameworks (e.g. the Aarhus Convention and EU Water Framework Directive) have formalised ambitions for more inclusive decision-making in the water sector and boosted stakeholder engagement. For the private sector (i.e. those companies that use water rather than provide water services), emerging though still nascent pressure from investors, stakeholders in the catchments in which they operate, and growing consumer awareness around water issues will gradually encourage a greater attention to water risks. This combination of growing awareness and a changing policy environment has been shaping new expectations around the role that partnerships or collective action can play.

## Water as a ‘Wicked Problem’<sup>2</sup>

Academic literature increasingly categorises the kinds of challenges that water partnerships seek to address (around water allocations, meeting the water and sanitation needs of the poor and marginalised, etc.) as ‘Wicked Problems’, which can be viewed as issues [*abridged from the literature*]:

- Having no definitive formulation but instead having innumerable, essentially unique causes that are difficult to describe (and thus likely to require efforts to align the viewpoints of different partners).
- Having a no-stopping rule, despite partners having to stop when they run out of resources. The understanding of the problem continues to evolve (forever!) as the problem changes and grows.
- Having no opportunity to learn by trial and error, whereby every attempt is a ‘one-shot’ operation that counts significantly, is probably expensive and may have lasting unintended consequences.
- Being symptomatic of another problem or set of problems.

In essence, solving Wicked Problems requires significant effort to understand the different perspectives that stakeholders bring to the table. **In other words, what the problem is, and what might be the solution, will depend on who you ask. The number and diversity of stakeholders with an interest in the outcomes of a water initiative creates communication challenges that require attention.**

Indeed, many constraints facing the water sector have less to do with water (or sanitation) but rather with the interdependent aspects of the issue that are well beyond the control of water professionals – like land tenure and land rights, political accountability and corruption, regulation and representation, projectised funding, organisational governance, expectations of short-term gains on investments, etc.

For instance, investing in water and sanitation means overcoming an emphasis on curative as opposed to preventive health care. Or, for IWRM, workable and financially viable compromises are needed when balancing environmental protection with economic growth and job creation.

## The move from the Millennium Development Goals to the Sustainable Development Goals

The shift from the MDGs to the SDGs provides a handy backdrop to many of the issues described by interviewees. A key point is around the need for more integrated responses that ensure that water of a sufficient quantity and quality is available for growing populations, expanding industrial and agricultural uses, and also for maintaining healthy and well-functioning natural environments. By all accounts, such **system requirements**,

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<sup>2</sup> Based on an original article in Policy Sciences magazine by Horst W.J. Rittel & Melvin M. Webber (1973) Interpreted by John C. Camillus in Harvard Business Review – May 2008 (and) Chapter entitled *Wicked Problems & Social Complexity* in Dialogue Mapping: Building Shared Understanding of Wicked Problems by Jeff Conklin ([www.cognexus.org](http://www.cognexus.org)).

**together with the unpredictability of climate change, will need bold collaborative and joined up initiatives that challenge the status quo around current practices both in and jointly between the IWRM and WASH spaces.**

Indeed, the initial negotiations around the SDGs brought the IWRM and WASH subsectors together in a way perhaps not seen before. According to a number of interviewees though, a burgeoning familiarity between stakeholders across the subsectors, with the promise of mutually reinforcing relationships, appears to have waned with a reversion back to siloes along the lines of the targets 6.1/6.2 and 6.3/6.4. Although the general consensus is that the water SDG demands this more than ever, **partnerships that straddle the two subsectors, comprehensively addressing water quality and water quantity issues as well as access, appear few and far between.**

For WASH, providing universal access to the harder-to-reach will require all hands on deck, with added capacity and resources needed particularly in supporting decentralized government structures, experimentation on appropriate approaches in different contexts, and incentives to engage at this level.

For IWRM, a clear steer will need to come from government, engaging local civil society groups as well as technical support partners. Interestingly, some interviewees suggested that the nutrition, housing, land-use and other sectors will play the bridging role, forcing the different sub-sectors working on water to overcome its internal fragmentation. Some evidence seems to suggest that there is more hope for this at the local level than at the global level.

### Value for Money and Sustainability Clauses

Partnership approaches require the flexibility, ambition and staying power that also engage a range of non-traditional stakeholders (from other sectors that are not in the business of resolving water – or sanitation – issues directly). Yet, as discussed below, various constructs may inadvertently stymie the risk-taking that is required.

For example, whilst an emphasis on Value for Money and Sustainability Clauses makes clear and logical sense in safeguarding and ensuring accountability for public spending, there is a general sense that these funding parameters may reinforce conservative and risk-averse approaches and also force a greater concentration on what is easier to quantify. However, **measuring the impact of stronger stakeholder engagement, behaviour change, institutional strengthening and advocacy efforts is methodologically much more complicated, more costly, less objective, and thereby tends to be neglected as a result.** The level of effort put into analysing such critical activities is often perniciously affected by their correspondingly low importance in monitoring and evaluation frameworks.

In practice, Value for Money is easily interpreted as saving money and reducing unit costs rather than maximizing actual outcomes and impacts. Imposing sustainability clauses on intermediate funding recipients who may have little ultimate control over service provision in future years, many suggest, also leads to cherry picking project sites. For a host of reasons (including reachability, technology choice, affordability), focusing on the poorest of the poor means higher cost and high risk in terms of sustainability. Addressing these aspects requires the flexibility and innovation of genuine partnership approaches. **Funding modalities, however, more often than not instil a more contract-based accountability that**

**penalises innovation rather than encouraging it.** To deliver on such funding arrangements, recipients tend to play it as safe as they can.

For example, many interviewees reflected on ground-breaking work in terms of technical and technology fixes (otherwise known as more hard science areas) to improve sustainability and cost-effectiveness. Using renewable energy to bring costs down, data collection on water point functionality through mobile telephony, converting waste to energy or agriculture inputs, rainwater harvesting and storage solutions, and flood mitigation measures certainly all hold promise. Similarly, starting with the end game in mind, a growing consensus is emerging in the sanitation sector that sorting out the end of the value chain through resource reuse would have a major impact on each segment of provision further up the chain (from toilet provision to emptying to transport).

The difficulty is generally in the “softer” side of engaging local government and communities, and getting the partnership elements working well. **In direct opposition to partnering requirements, funding arrangements tend to require tangible and clearly identified plans up front, overlooking the investments needed to give space for genuine debate, to bring stakeholders on board, to fund the risks of moving beyond pilot testing under controlled environments.**

No one would deny the urgency of the issues and the need for accounting to the taxpayer for public funding. Towards this end, where deliverables are clear and tangible, funding through a contract certainly makes sense. Partnerships, however, require flexible funding mechanisms that allow them to adapt and respond to new information as it becomes available, to bring in new partners to fill emerging gaps, and to encourage new spaces of experimentation that engage all relevant stakeholders.

### Engaging the private sector

Much of the discussion in the interviews centred around the evolving role of the private sector. Indeed, the private sector has received significant attention in recent years as a potentially significant driver for redressing water challenges, particularly given an increasing understanding of the risks that companies may face with regard to water.

**Companies that use water (as opposed to those that provide water) are becoming more familiar with the issue, seeing the potential or actual impact of water shortages or poor water quality across their whole value chain or seeing the impact of their perceived water use on their “social license to operate”.** Most interviewees noted that companies are understandably primarily focused on immediate compliance issues and internal efficiencies to reduce costs as well as their reliance on water from external sources.

There comes a point though, where the costs of investing in marginal increased internal efficiencies become too great as compared to other channels of securing water for their business. This leads to partnership approaches that take the company “beyond the fenceline”. Such partnerships could be geared around offsetting corporate water use (for example, by planting trees to shore up catchments and reduce sedimentation) or efforts to strengthen utility capacity to reduce leakage to save water in the entire system. The key challenge currently hotly debated is whether partnerships to deliver on these objectives should be used to guarantee access for the company.

Taking a step back, from the private sector's point of view, there is an increasingly urgent **operational** incentive to partner in order to:

- Ensure consistency of supply of resources within their supply chains,
- Ensure a legal license to operate,
- Reduce regulatory risk,
- Bring operating or resource costs down, and
- Support the safeguarding of a natural resource (particularly if this enhances their social license to operate) (Often through **CSR** funding).

From a **commercial** perspective, incentives to partner may involve an aim to:

- Expand the company's customer base (increased sales),
- Establish a position in a new market (through displaying competencies and by promoting reputation),
- Test a new product / service (innovation), and
- Ensure a social license to operate (through stakeholder outreach and engagement and community initiatives) (Usually through **CSR** funding).

However, our evaluations and interviews suggested that **partnerships are generally not identifying and working with these private sector incentives effectively**. Few partnerships appear to be leveraging commercial funding or operational relationships with companies, but rather continue to appeal to Corporate Social Responsibility (CSR) or foundation funding. Several interviewees thus suggest that, **with some exceptions, private sector ownership and true engagement in problem-solving appears less convincing than has been hoped**.

In part, some suggest that the more transactional relationships that are emerging between NGOs and corporates do not afford any leverage to fully engage the corporate sector. The difference in attention spans and timescales (one year cycles for companies and three to five year cycles for NGOs to engage with social rather than market systems) are often not sufficiently addressed or negotiated from the outset.

Whilst companies increasingly see the value of making a contribution, they are generally keen not to be seen to be monopolizing or capturing an issue. Their response then is to enlist the support of corporate foundations and CSR programmes to work in partnership with different stakeholders (usually NGOs) at the project level. Interestingly, such corporate entities often also impose their own conditions on partnerships to reduce the possibility of or ensure against failure. As corporate colleagues will attest, having their logo on disused or failing infrastructure is understandably not an option.

**Not wanting to be seen to be colluding with companies, governments are stuck in a bit of a quandary with regard to the private sector. Governments may be keen to leverage private sector resources and expertise but may lack the capacity to drive an agenda and ensure public oversight.** Most importantly, in many instances, water has yet to become a critical issue and governments are keen not to antagonize the private sector's contribution to increased employment and economic growth.

Decentralization processes have yet to provide the resources and capacity for government to engage effectively with the private sector at the local level on water (and sanitation) programmes. It seems unlikely that companies will or even should invest in capital-intensive water infrastructure without some form of guarantee. Thus, engaging the private sector requires further thought and exploration. Again, reverting back to the nature of the business and the incentives that might meaningfully draw them in is the logical place to start.

Interestingly, most collaborative actions reported by the private sector to the CDP Water Disclosure Project for example are with industry forums, academic partnerships and capacity building within their supply chain (small scale farmers and local production centres). Increasingly, there is talk of 'pre-competitive' partnerships that engage a handful of companies in a river basin to jointly address issues with authorities and communities. How these are working in practice requires further study and the partnerships themselves will certainly require more time.

### Other stakeholder perspectives on partnering

Alongside efforts to safeguard quantity and quality for different users, for the **public sector** specific incentives to partner with the private sector (and also with civil society) with regard to water might include:

- Bringing in partner support to manage resources (for example, coastal wetlands programmes),
- Improving reach (for example, agricultural programmes with a key objective of reaching poor farmers or providing services to difficult to reach users), and
- Increasing creditworthiness/financial viability that then leverages finance into a public good (utility programmes)

Whilst these are laudable goals, the reality is that public sector scope to engage effectively and contribute financially to partnership initiatives is generally quite low. **The private sector then is understandably reluctant to contribute financially when the public sector has so little 'skin in the game'**. With limited capacity to work in partnership, the tendency for government is to focus on hardware, with outsourced or contracted software interventions delegated to civil society organizations.

As for **civil society**, larger international NGOs seem to be moving more towards catalyst, innovation, advocacy and learning roles at the local, national and regional levels. The LatinoSan, AfricaSan, and SacoSan meetings have emerged as established fora in which to share and potentially benchmark experiences, creating greater coherence amongst an otherwise disjointed civil society. **There is the need in some contexts, though, to manage the shift from service delivery towards more of an advocacy role in such a way so as not to antagonise governments and thus jeopardize registration in-country.**

NGOs also need to carefully balance their roles with regard to working with companies. Different departments within large NGOs could simultaneously be seeking to fundraise from companies, support company implementation of community programmes, influence corporate practice with regard to water, and advocate against certain corporate behaviours.

Needless to say, each of these aspects proves challenging for partnership working between NGOs and companies.

Whilst co-opting the language of partnership, where international NGOs continue to deliver on implementation targets, the tendency is to contract local partners in much the same way as they are ‘contracted’ by funders. A further challenge is that the same local civil society organizations keep being asked to partner, take on new contracts, participate in forums, etc. Whilst this may have some benefits for individual institutions and for continuity in the sector, as is the case with government officials, this stretches institutions to participate in multiple initiatives that may in fact be competing with each other.

As for the funders and **donors**, whilst the language is “all about partnership”, relationships are increasingly contractualised through results-based funding. Again, whilst this is understandable from a public accountability perspective, as noted below, the tendency is to transfer risk down to the recipient. Funders like to use the language of partnership and are eager to portray themselves “as partners”. In practice, though, this seems to happen rarely – whereby funders actually contribute to the strategic decision-making of the partnership rather than responding to reports from the partnership. **As one interviewee noted, “People should stop abusing the term ‘partnership’ to reference what are really transactional relationships.”** With an ever-shrinking civil servant base in development aid agencies, a further potential challenge to partnership working is the use of intermediary organisations (such as fund managers, consulting firms, universities, INGOs, etc.) as outsourced donor oversight and administration. Again, understandable given the capacity required to channel significant sums of funding, such intermediaries may themselves be risk averse (“on behalf of the ministry”) and thus not best placed to foster partnership working, working instead within clearly contractualised relationships.

Whilst there is growing familiarity between stakeholder groups – and this is critical for partnership working – cross sector prejudices remain and get translated into assumptions about partners that can be quite unhelpful. **Several interviewees noted a lack of real understanding of the constraints, risks and objectives across organisations or that assumptions are made even between organisations in the same sector.** In an example provided by one interviewee, water utilities in Europe may look familiar vis-à-vis water utilities elsewhere, but the culture and constraining factors around pricing, politics, customer expectations, etc. may be quite different. Hence this might be why twinning and water operator partnerships prove so difficult to structure well.

## Partnership forms and processes – thinking through the gaps

### The partnering dynamic

By all accounts, the SDGs require a different way of working that is more integrated across stakeholders, geographic areas, initiatives, and sectors. This will require different skillsets, different ways of holding each other to account, and a more accurate mapping of who contributes what and how. It will also force a more mature and undoubtedly complicated conversation around the individual visions and objectives of organisations in the water sector. Whilst framing around ‘theories of change’ is beginning to take off as a way of charting a path within organisations, the implications of these are rarely juxtaposed or fully debated against those of partner organisations.

As noted, the water sector is rich in partnerships. New initiatives crop up with great frequency. As several interviewees observed, the water sector (perhaps not unlike other sectors) is not very good at forcing existing institutions to adapt to new contexts or killing them off if their added value is less than expected. Instead, we either expect the same organisations to deliver different kinds of results or, with a view that there is room for everyone, we create new overarching or intermediary institutions that ultimately increases the competition in the sector both for positioning as well as for resourcing. As one interviewee noted, this in part reflects a fragmentation amongst the funders and rather unhelpfully forces them to determine which “horse to bet on”. Attempts to map the sector are often met with derision as few will agree with the limitations and implications of how they are positioned or the influence they have (in terms of direction, procedures, etc.) on partnerships that they host or in which they are heavily involved. **Whilst the sector is “forever analyzing itself”, this analysis does not appear to galvanize a more effective and wider conversation around what and who is needed, particularly when there is “no pressure to kill off underperforming organisations or partnerships.”**

Partnerships are not meant to be permanent constructs but rather to create new ways of working that get embedded into different institutions. As is typical in most partnership practice, there is some sense that the water sector is not good at embedding new approaches to shift traditional ways of doing things. “Regardless of our enthusiasm at the meetings, once we are back at our desk, we have not sold the initiatives well enough to decision-makers and colleagues, and thus we are not afforded dedicated time.” Nor is the water sector good at welcoming in new players. Founding members of partnerships, having worked hard to establish rules and ways of working, are reluctant to open these up to negotiation with new partners, who instead then go off and set up an alternative initiative. **Keen to have a stake in the proceedings, we are not always good at relinquishing seats at the table and are perhaps too polite (familiar?) to ask others to step down or at least make some space.** Greater and more genuine accountability even with regard to areas where partners are uncertain of the solutions would lead to a far more robust framing of partnerships.

### Linking the global and national

Part of the challenge of partnerships relates to how global initiatives cascade global processes to the national level, and how national level issues and experience in turn feed up to the global debates. Various issues emerged through the review of global evaluations and through the interviews. A key element is around accountability for commitments made at the global level, like those through Sanitation and Water for All, the eThekweni Declaration or the ‘San’ forum commitments. These can be monitored at the global level but need to be driven from the national level. There is thus a risk of “making a global wave” but not embedding these processes sufficiently and not ensuring that there is political will (particularly in the face of constant ministerial turnover) as well as absorptive and technical capacity to deliver based on inter-ministerial connections that would make the commitments viable. Efforts appear to be underway to redress this but not all recognise this as a challenge and **not all governments in fact favour collaborative working, preferring instead to focus on bilateral relationships that are easier to manage, or, some might say, control.**

For their part, government constituencies tend to give a unified message that more resources are needed. However, unlike other stakeholder groupings, they rarely seem to create the nuanced and coherent messages borne out of truly sharing experiences. Some of the challenge here is the tendency to link countries based on geographic considerations (bringing East Africa together) rather than more meaningful comparators that might see some Southeast Asian countries, for example, sharing with African countries that have taken a similar approach. This would drive more tailored responses to different kinds of problems based on carefully considered contextual analysis.

As noted in different ways by numerous interviewees, **most global partnerships are solid on convening a critical mass but less solid on illustrating a path to solutions.** In part, this is due to the very challenge at the heart of working in partnership – seeking agreement or at least some common denominator consensus across stakeholder groups (or even within them). Numerous interviewees expressed a frustration that most partnerships thus struggle to articulate their unique value add – focusing more on tinkering around the status quo rather than operating in “the disruptive zone”.

### The fallback position – views on risk taking

Again much of the discussion in the interviews either implicitly or explicitly referred to how structural or administrative issues, particularly around how funding is organized, neither sufficiently allow nor encourage partnerships to experiment and take risks, nor even effectively respond to changing circumstances or risks that emerge after the collaborative effort has started. This is partly to do with how partnerships often start or quickly get subsumed with the funding or paperwork side rather than focusing on the negotiation around the idea and objectives. However, the overwhelming perception is that **funding modalities, increasingly based on Payment by Results or similar formulas, tend to lead to a transfer of the risk down the chain** from grant recipients who are more often viewed by funders as “suppliers”, to their local NGO, entrepreneur or government partners.

The funding often specifies the need to work in partnership and the need to include certain kinds of partners but tends to emphasise the less strategic and more implementation-orientated and time-bound deliverables of the work. So for example, where governments are weak on contract enforcement and rule of law, this tends to lead to more donor-funded direct delivery by NGOs or other third parties through a local partnership mechanism. Interviewees queried which partnerships, based on this framing, truly have the scope and time to have real systemic influence in the water sector. Again, the somewhat controversial sustainability clauses introduced now by a few donors, whilst certainly welcomed in terms of their emphasis on both accountability and the longer term, may not fully take into account the lack of control that implementing agencies have on sustained institutional coherence in IWRM or service delivery in WASH. **Such clauses may in fact reinforce cherry picking for easier wins rather than encouraging partnerships to experiment or take risks.**

A clear requirement to meet the SDGs is to move from projectised funding that encourages siloes and “islands of success”, to a focus on achieving impact at scale and sustainable outcomes through a more integrated approach with policy influencing. Innovation funds are one option but these tend to be rather marginal (“messaging around with the margin and messaging around on the margins”) in terms of their impact and the issues they address. As one interviewee noted, “these innovation funds have very high expectations with regard to

open data, saving the world, demonstrating influence on accountability and transparency back to the funders... you have to claim that you have the silver bullet. [In essence...] innovation funds are designed by business people who continue to think that technology alone will solve the issues and force institutional change, or at least allow us to ignore institutional challenges – but the challenges of the water sector are not about selling a new product.” Thus, **whether such innovation funds really take risks with a view that the majority will fail proves an interesting test for numbers-driven funders.** With this in mind, more analysis would be useful as to the different forms of innovation (transfer of business models, new technology, or otherwise) and how these are best fostered.

The presumption is that ultimately risk-averse and results-based pressures force partnerships to reach for ‘low hanging fruit’, ultimately leaving somewhat limited actual systemic impact. This poses a conundrum for funders, particularly from the bilateral community, who need to show short-term value for money whilst encouraging responsive approaches to longer-term more systemic change. With a view to understanding risk profiles in their entirety (implementation, reputation, political, etc.), closer attention needs to be paid to whether different modalities allow partnerships to outsource risk, mitigate risk, de-risk or take risks. Related to this, more analysis is needed as to how best, and who can help to, overcome the funding gaps that exist between pilot and scale stages.

### Trends to watch – potential game-changers in the context

Whilst various converging viewpoints came out of the interviews conducted for this scan of partnerships in the water sector, a few areas stood out as trends to watch. Firstly, partnerships like Sanitation and Water for All are creating a focus for the WASH sector. For better or worse, though, there is a general sense that **the water sector as a whole is more fragmented now than in say the 1990s and 2000s, particularly in terms of prevailing paradigms, leadership, vision and innovation.**

### The influence of ‘big data’ – You can run but you can’t hide!

The sector is increasingly seeing the potential influence of ‘big data’ on programming. The sense is that our ability to collect real-time data forces more meaningful reporting on outputs, outcomes and impacts. From a programmatic perspective, we are already seeing the result of ever more interesting and useful initiatives around benchmarking, standardization (and tailoring), data disaggregation, and real-time water point functionality and resource use monitoring that informs district authorities, regulators and ministries, service providers and user groups. Efforts to link up land use data, water point, water use, rainfall and other data points provide a clearer picture for both policy and investment decisions. Social media rapidly increases awareness that can be used both destructively or positively.

The call for more transparency and integrity is a facet of the demand for more open governance, resulting in more inclusive stakeholder engagement processes, whether in consultations, knowledge-sharing forums or in alliances and partnerships. The first version of the Alliance for Water Stewardship Standard launched in 2014, efforts to encourage corporate water disclosure, calls for greater compliance and performance through benchmarking and scorecards are all forging a different conversation in the water sector.

From a partnership perspective, **the extent of the impact of the data revolution will depend in large part on the spirit of the partnership and attitudes towards and appetites for risk.**

Where there is scope to innovate, partners will find this increased information exciting and energizing. In other cases, the data will require stronger mutual accountability amongst the partners and a clear signal to call out failing initiatives that are not delivering or performing. Again, the funding structures will be critical to giving scope for partnerships to be responsive to new information as it becomes available. Similarly, armed with more real-time information, it may allow technocrats to engage more at the political level. According to interviewees, this could prove challenging in some contentious areas such as water quality and contamination where data is ‘managed’ rather than shared, forcing partners into difficult negotiations. Interviewees also noted the caveats around data unknowns like the impacts on groundwater, geological risks, clearly quantifying health impacts of WASH interventions, etc, which may require bringing in new partners than those traditionally involved.

### The emerging experimentation around the circular economy

Whilst it may send somewhat conflicting signals around the Human Rights to Water and Sanitation, several interviewees mentioned that the increasing emphasis on reuse and recycling would shift the value chains (i.e. economic analysis) that then alter the business case for responding to various water and sanitation issues. **Converting waste to energy and agriculture inputs, for example, could provide a compelling rationale for enhancing service delivery in sanitation.**<sup>3</sup> Converting water and sewage flows to energy could reduce the overall costs of service provision. Corporate efforts to recycle water in their supply chains can only help as well.

From a partnership perspective, such emerging approaches may require new and different partners, and clearly may allow for a reframing of the primary focus of partnerships that takes a broader view along the whole value chain. Again, some will certainly and perhaps legitimately push back on the constant and overarching framing of the issue in economic terms, much like discussions around Payment for Environmental Services that puts a value on nature’s contribution to local and national economies. That said, traditional rather piecemeal approaches are unlikely to get the most out of partnering.

Although there are potentially groundbreaking innovations taking place, the financial crisis from 2008 onwards appears to have had an impact of dampening down the sector. We are only just now emerging from this with more focus and attention being placed on water (particularly with it being named a number one risk by the World Economic Forum). With regard to partnerships, there is a general sense that previous eras were more ambitious

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<sup>3</sup> Whilst there are some promising new business models for sanitation (again that reflect a whole value chain approach), these are generally hampered by gaps in funding arrangements, as discussed elsewhere in this document, particularly for the post-pilot pre-scale-up stages. Interviewees noted that both water and sanitation entrepreneurs also tend to suffer when they raise attention to themselves – either because of the pressure for results in nascent enterprises, the latching on of numerous organizations also keen to partner, or the threat of government regulation or even take over, particularly when they become profitable. How best to forge partnerships in this space and with what kinds of partners remains unclear in most instances.

(some would now say less realistic) in their scope. Do the trends above actually reinforce a more conservative, less risk-taking approach at a time when the SDGs seem to be demanding “big joined-up thinking”?

## Initial conclusions

Ultimately, in terms of partnerships in the water sector, the ‘enabling environment’ requires organizational coherence and structures and processes that foster more joined-up thinking and enable risk taking.

As discussed above, the SDGs should force more negotiated and tailored conversations around how best to influence the status quo particularly to tackle the hardest to reach places. This will change the dynamic around funding arrangements with a revised or more sophisticated view on value for money. It will require a wider (basin) approach that maps users and their impacts on water (through supply chains, internal corporate water use and effluent discharges, service delivery requirements, etc.). It will require a clearer analysis of the capacity of policy and enforcement agencies (not only environmental regulators and water ministries but also Ministries of Public Health). As we still struggle in many localities to get the water sector to work more closely with local government, numerous interviewees expressed doubts about how well we can expand this conversation to a range of other stakeholders. That said, **it is incumbent upon the water sector to work more closely with the healthcare and education sectors, with industry and other stakeholders (on meaningful data collection, innovative finance to create markets for reuse, further analysis of Payment for Environmental Services, etc.) to join up the approach.**

Tinkering around the edges of the status quo, with its inbuilt insufficient costings and pricing of water, preferential treatment for certain users, insufficient attention to wasteful use particularly in the agriculture sector, and inadequate attention to wastewater, will not have the transformational impact required. This wider ambition usually involves some disruptive move to reconfigure component parts in response to market and/or governance failures. To paraphrase from numerous conversations, **the fundamental flaw is that we continue to think that we can grow the pie by expanding the resource base, increasing the water supply, etc. instead of all the hard work needed for this reconfiguration of the status quo. This attitude makes sense if we keep being told that partnerships are about more than the sum of the parts. But as we have tried to show, the parts are circumscribed and usually risk-averse.** Thus the contributions are almost always fundamentally smaller than the actual commitments, due to all the restrictions placed on them – regarding time frames, the need for immediate outcomes and impacts, legal liabilities and other factors.

With regard to changing the status quo, interviewees noted clear scope for partnerships to support specific and difficult issues that need to be addressed, including:

- Legal barriers to household access, particularly for informal settlements
- Water rights and entitlements of large users
- Unsustainable use primarily for agriculture and industrial needs

- Siltation and water quality upstream that adds to the cost of treating water for downstream users<sup>4</sup>
- Non-payment by government or other offices for water use
- Assessing and charging the true (life-cycle) cost of water, particularly through piped water systems
- Sanitation programmes that actively engage the preventive health care sector – thereby unlocking resources from the curative side of the sector

Addressing any of the issues above will also require joining up of government functions that respond to multiple and cross-cutting responsibilities and mandates at all levels (as helpfully noted in the *Business Fights Poverty* [online discussion](#) on partnerships and water). This means getting the “system” to work more effectively. As one interviewee noted, **we need to identify “the 5-6 pinch points where different sectors are bumping up against each other” and forge a joined-up dialogue.** Towards this end, government needs to lead in such a way as to overcome the emergence of multiple initiatives in the same basin that unhelpfully pulls it and other stakeholders in different directions.

With short-termism as the ultimate barrier to partnering, in addition, we recognise that more analysis is needed to understand:

- When partnerships are the answer – Going it alone increasingly presents itself as a non-option (remembering that partnerships may not always be the right solution, but are hard work when they are).
- How putting partnerships under too much scrutiny on short-term deliverables rather than keeping sight of the bigger picture may risk losing political traction, may enhance the sceptics’ view that partnerships are all about gaming the system, may have the undesired impact of putting organizations off from partnering, and may make funding even more fragile or restrictive.
- The relationship between land rights and housing to water – decision-making within and across these sectors is generally disconnected or at least uncoordinated.
- How corruption in the water sector abets or mitigates partnership working.
- Whether the changing aid landscape and modalities may be forcing partnerships on different organisations without allowing the time and space to determine the most effective way forward.
- How geopolitical aspects, with the emergence of new funders and new funding mechanisms from global ‘investors’ are impacting on partnership working.

Ultimately, for complex water and sanitation service delivery and water resources management contexts, where the underlying incentives and interests of partners differ dramatically, the tendency appears to be for ‘partners’ to revert to more traditional modalities of working. Thus power dynamics remain unchanged and contributions of

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<sup>4</sup> Urban-rural cooperation for water management represents a new modality of engagement of public sector actors in water partnerships. Rising water scarcity, flood management and freshwater quality conservation issues are pushing cities to co-ordinate with water users in their surrounding rural areas to reach their own water management / water stewardship objectives. How such negotiations and partnerships play out in practice requires further study.

different stakeholders are often underutilised and undervalued resulting in partnerships falling well short of promises and commitments.

Like all sectors, the water sector likes to think of itself as uniquely complicated and uniquely connected to all the other SDGs. Indeed, the causal chains, including across geographic boundaries, are complicated and long. It is imperative that where the situation demands a partnership, that we embrace these complexities and reach out to other sectors. Otherwise the transformational change that we seek will remain illusive.

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We are confident that the issues discussed above will resonate with other sectors that are also grappling with how to work together to achieve the SDGs. We welcome your thoughts and feedback on this working document.

WORKING DOCUMENT

## Notes and caveats

*This document is a work in progress and largely focuses on weaving together the numerous interviews and less formal conversations with water sector professionals we have conducted in recent months. Although a literature review provides useful background material for framing the issue, not much of the published literature specifically or explicitly analyses ‘partnership working’ in the water sector. Thus, our work has generally been to extrapolate from the literature the implications on partnering in the sector<sup>5</sup>.*

*Although we stray into familiar territory from time to time, the objective of this piece has not been to rehash general aspects of partnering (i.e. partnership processes, building blocks, the role of leadership or partnership typologies) that is covered extensively in Partnerships in Practice (PiP), Building Partnerships for Development (BPD) and other literature.*

*We continue having this think-piece reviewed by those we interviewed, those we were unfortunately unable to interview, and members of the wider and growing community of policymakers and practitioners interested in partnerships to deliver the Sustainable Development Goals (SDGs). We recognise the Northern/global bias in the findings. With this document as the prompt, we are reaching out to colleagues who work more at the national and regional levels to validate, refine or refute our analysis. We will continue to update the document as new ideas emerge.*

*Please note that we have refrained from introducing case studies and examples. We recognize that there will be numerous cases that support but also contradict the thinking herein. Our goal has been not to debate the specifics of individual cases but rather to explore general trends. In this way, we also hope that this document will resonate with partnership practitioners from other SDG sectors.*

*We have been grateful for the forthright conversations we have had with a wide range of partnership practitioners, brokers, sponsors, policymakers and others. We are also struck by the remarkably consistent feedback about the prospects and shortfalls of partnerships in general. We hope that this consolidation of views has not lost or distorted interviewees’ contributions. That said, we recognize that an academic or at least far more resource-intensive and rigorous review needs to take place for more conclusive recommendations. Covering the entire landscape, comparing and contrasting the wealth of initiatives and programme work that is categorized as partnership working across the complexity of water, has proven ambitious and challenging.*

## Defining our terms and framing the discussion

*To be clear, this review looks at partnerships that bring multiple stakeholders together to seek new and mutually agreed and mutually reliant solutions through pooled complementary resources. Such partnerships take a wide range of forms from networks and coalitions, to aligned and integrated approaches. They also fulfil a wide range of functions – from establishing standards and developing policies, transferring resources to build and support capacity, generating learning and innovation, and most often for implementing programmes and projects. The analysis herein tries to tease out what factors influence partners and partnership behaviours around risk, levels of ambition, interdependence and mutual respect.*

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<sup>5</sup> Literature review kindly conducted by Jacques-Edouard Tiberghien and Lisa Bunclark.

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## Interviewees

Numerous informal conversations contributed to the thinking in this document. Whilst the views expressed may or may not reflect the views of those listed below, we are grateful for inputs (semi-structured interviews and/or review) from:

- Abdul-Nashiru Mohammed – KINAJ Consulting/Ghana
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