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THE PARTNERSHIPS RESOURCE CENTRE

The State of the Partnerships Report – 2015

Civil Society Organisations (CSO) Under Siege – can partnerships provide new venues?

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Colophon

The State of the Partnerships Report — 2015

Civil Society Organisations (CSO) under siege – can partnerships provide new venues?

Highlights

- The term NGO (Non-Governmental Organisation) should be abandoned in favour of the term CSO (Civil Society Organisation). This should stimulate organisations to concentrate on what they are and what they would like to achieve, rather than on what they are not.

- The increasing need for partnerships with other sectors further stimulates this trend. Not only are CSOs searching for their core "value proposition", but their partners are also demanding the same.

- CSOs are therefore increasingly combining four roles: mutual support, advocacy, service-delivery and partnering. Development CSOs are increasingly becoming hybrid. Those able to combine these roles effectively are most likely to survive.

- This report focuses on the developments of 35 leading Dutch Civil Society Organisations (CSOs) in development cooperation over the 2010–2015 period. Because the CSO landscape is fundamentally changing, extrapolating certain trends for the next five years remains challenging.

- The sector faces three stages of transition: triggering, internal alignment and external alignment. Not all organisations are going through these stages at the same pace or with the same success.

- The biggest challenge facing most leading CSOs is related to decreasing and changing government funding. This report looks at the results over time in the partnering strategies of CSOs under the influence of two types of policy measures: (1) stimulating intra-sectoral collaboration (MFS-1+2, Strategic Partnership initiative), and (2) stimulating cross-sector collaborations (Schokland, Millennium Accords, PPP facilities).

- Not all CSOs faced decreases in government funding. On average government funding for the whole group of CSOs dropped to 44 per cent of their resources in 2012. Most CSOs are anticipating an increasing reliance on donations (51 per cent in 2012) and search for new business models.

- Leading Dutch CSOs massively increased their number of partnerships in the period covered by this report. Their partnership portfolio developed from an average of 10 cross-sector partnerships in 2008 to 17 partnerships in 2012.

- CSOs are rapidly professionalising their partnership management; this report analyses a number of their portfolio strategies.

- CSOs gradually enter into more complex partnerships with a diversity of partners, the purpose of which is to increase their impact and scope.

- A considerable number of CSOs still prefer to partner with other CSOs (32 per cent).

- Many CSOs still have difficulty in distinguishing "real" from "perceived" partnerships.

- CSOs report more openly and transparently on the difficulties they face in their partnerships.

- Health, education and human and labour rights are in the top three of partnership priority issues.

- Partnerships are increasingly implemented in particular in Africa (20 per cent) and Asia (36 per cent) at the expense of partnerships in Latin America and the Middle East.

- The popularity of joint and multi-stakeholder partnership projects is increasing rapidly.

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Foreword:
Back to basics?

Civil Society Organisations (CSOs) constitute the social capital of society. They are also popularly known as Non-Governmental Organisations or NGOs, although this acronym is increasingly parsimonious, negatively framed and to a certain extent even misleading. Take the following statement made by Paul Polman, Chief Executive Officer of Unilever, one of the largest commercial food producers in the world and acknowledged leader in the area of corporate responsibility (CSR). At a conference in May 2015, he argued that: 'we're the world's biggest NGO…' He continued with an even sharper observation: 'the only difference [between Unilever and NGOs] is, we're making money so we are sustainable'. This provocative statement makes it clear that Civil Society Organisations – if they keep portraying themselves as NGOs – not only have a definitional boundary problem, but also a legitimacy problem. Polman is fundamentally right: firms and CSOs are non-governmental. But what is their positive identity? Moreover, are civil society organisations really less "sustainable" than private companies?

Some fundamental issues about the very nature of CSOs in the area of development cooperation therefore require serious attention. So, back to the drawing board of what defines the "value proposition" or the "licence to operate" of development CSOs? We know the following: in a balanced and dynamic society, CSOs perform three vital roles:

(1) Mutual support: by aligning groups of people in a common activity CSOs create a non-profit basis for the creation of social value. This makes up the original function of many CSOs in the development area. They provide "international solidarity", often with like-minded groups. Mutual support was traditionally based on religious or humanitarian foundations.

(2) Advocacy: CSOs represent civil society to two other important and powerful groups in society: the state and the market. By advocating the interests of their constituents, CSOs try to influence governments and firms to adopt strategies and regulations that help groups of citizens or helps defend against misbehaviour. Advocacy can be in support of human rights, but also in support of diverse issues such as the local water supply or football club.

(3) Service-delivery: CSOs have also taken up some of the functions of markets or governments by providing services to citizens on an exclusive and for-profit basis. Mutual support is always provided on a non-profit basis.

For historical reasons, CSOs have taken up these roles in varying degrees. Recently, however, most development CSOs have come under considerable pressure from at least three sides: decreasing and changing financial support from donor governments, support from their members/contributors that is less reliable and lacking in continuity, and more critical attitudes in many host countries where "Western" or "Northern" CSOs are treated with increased suspicion. As a result many CSOs are fundamentally reconsidering their societal "value proposition". Large Dutch development CSOs have not been exempt from these challenges and have been adapting their value proposition accordingly.

In particular, leading CSOs are searching for ways to improve their efficiency and effectiveness. As a consequence, striking partnerships within their own sector and with other sectors is rapidly becoming a top priority. Governments and firms are increasingly willing to engage in such partnerships or even make partnerships a precondition for sustained support. Indeed, governments and firms have come to realise that their strategies are also in need of backing by strong CSOs. The particular problem CSOs now face is what this changing landscape of alliances means for their identity, their organisational (business) model and the roles they can play in society. What will the "value proposition" of CSOs become? Can partnerships increase their effectiveness in terms of advocacy, service-delivery, mutual support separately – or in combinations of the three? Are cross-sector partnerships becoming a separate role for CSOs, and how can they be combined with the other three roles?

This report addresses these questions, and – based upon a representative sample of Dutch development CSOs – it provides the reader with an insight into key trends and offers overviews to help provide understanding about some of the most strategic changes in the sector. However, the sector is in the middle of a transition period meaning that there are no clear answers yet. The report describes the dynamics of this transitioning and shows that individual CSOs are still defining their role in this changing landscape. This report also documents the partnering strategies of 35 leading Dutch CSOs. Because they are prominent players in many areas of development, not only in the Netherlands but also abroad, the sample can also serve as an illustration for other CSOs around the world.

The Partnerships Resource Centre tries to keep track of developments in the area of sustainable development coalitions from the perspective of firms, CSOs and governments. By providing overviews of specific trends in this area, we aim to contribute to a common understanding of the dilemmas, challenges and opportunities that are created by partnerships.

We provide zero measurement and general observations to further a number of key concepts that should help actors in the sector make better choices, design better strategies and engage in more sophisticated partnerships. These concepts are:
- Partnership portfolio management
- Success and failure conditions
- Roles and related partnerships
- Support for reporting strategies
- Managing transition processes

This State of the Partnerships Report follows up on the first report published in 2011, in which the strategies of around 90 Dutch development CSOs were documented for the 2005-2008 period. This latest report presents a second benchmark for interpreting trends over the next period of time for a subsample of the original set of organisations.

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1. Introduction:
A sector in transition

This is the second State of the Partnerships Report to focus on the partnership strategies of leading Dutch Civil Society Organisations (CSOs) in the development sector. The sector is undergoing great transformations. Whether or not to partner – and with whom – represents one of the key questions for every organisation. The first PrC report, issued in 2011, documented the strategies of Dutch CSOs in a first phase of transition and covered the 2005-2008 period in which CSOs responded to a number of triggering events around the world. This second report zooms in on a consecutive phase of restructuring – the 2008-2014 period – in which the sector faced additional major challenges particularly with regards to their foundations for funding. This period will probably be classified as an intermediary/transition phase in which CSOs started to reposition themselves relative to their original constituencies, aims and organisational forms. This report documents the transition strategies of 35 leading Dutch development CSOs during this vital period. Their strategies can be considered exemplary for many other CSOs around the world. In many areas of sustainable development, Dutch CSOs are considered frontrunners. Dutch CSOs have also been very active in establishing partnerships within the sector or with other sectors of society. This chapter further defines the basic characteristics of the sample of CSOs chosen for this study.

1.1 Positioning CSOs

Dutch development CSOs represent civil society in the Netherlands and beyond. They are the voice of citizens at local, national and international levels. A CSO can be a so-called Non-Governmental Organisation (NGO), but also a Non-Profit Organisation (NPO). They can be consumer organisations, labour organisations, religious organisations, social movements, communities and families. Civil society represents the sum of social relations among citizens that structures society outside politics and business.[1]

Development CSOs are organisations that offer help in all sorts of forms for those who are in need of it. They can also play different roles in the execution of development policy. Most development CSOs originated as so-called "mutual support" organisations in which they collected money and support in developed countries to support people less well off in developing countries. Mutual support functions as an act of international solidarity. Over time these CSOs also embraced advocacy and service-delivery roles. Service-delivery CSOs use most of their time and budget for activities that range from volunteering in orphanages to capacity building, but focus on helping other people without making any judgement regarding their rights and needs. Advocacy organisations, on the other hand, work on policy adjustment and protest when minorities or issues are not rightfully represented by public policy. Their core competencies are helping people; not by addressing the people themselves but by representing them to others. When a CSO strategically combines the mutual support, advocacy and service providing roles, they are termed "hybrid" CSOs.

1.2 Funding foundations

Sources of funding define an important part of the "business model" of organisations. This applies to companies as well as to CSOs. Depending on their source of funding, CSOs can be labelled as being more "public" or more "private", i.e., if. they are geared towards the provision of more public goods (defense, education, infrastructure) or private goods and services (excludable products). The Dutch government has a long tradition of providing financial support for development CSOs. Because many of the leading Dutch development CSOs were strongly backed by government support schemes, they became almost public institutes. Many CSOs depended on this support as a source of legitimacy, scaling and financial survival. Government funding not only fuelled the tremendous growth of Dutch CSOs in the previous 50 years, but also resulted in a few big and many small organisations with government funding sometimes taking almost 100 per cent of their budgets. Since 2005, however, the relationship between the government and CSOs has rapidly changed.

Table 1 shows the relative dependency position on government funding of the 35 leading CSOs that were selected for this study[II] over the 2008-2012 period. This period marks the start of a more turbulent period in which the relationship with the Dutch government started to change (chapter 2 will analysis this further). Nevertheless, only three CSOs saw their relative funding decline substantially while 10 CSOs even increased their dependency on government funding. Six CSOs show a relatively volatile position in relation to government funding (with a changed position for 2010). Despite sizable cuts in the amount of funding for 15 of the 35 CSOs, government funding still made up more than 50 per cent of their total revenue in 2012. A number of CSOs were not able or willing to diversify their sources of funding.

Annex 1 provides further information on the nature of the "business model" of these 35 CSOs by documenting their most important sources of income at the end of the 2008-2012 period. The two clearest social enterprise CSOs of the sample (Max Havelaar and Fair Trade Original), as well as the clearest mutual support CSOs, appear in the lowest quintile in Table 1. Those CSOs that were either able to keep their dependency on government relatively low (below 50 per cent) or decreased it over time (while keeping budgets relatively stable) had either substantial funding sources in the form of donations (the traditional source for Mutual Support Organisations). Research over the years by Dutch newspaper *de Volkskrant* on the donation basis of the biggest philanthropic CSOs shows that in general the volume of donations depends on economic circumstances: economic growth has a positive effect on donations, while economic recessions result – with a two year delay in a decline in donations for most organisations. However, in general, donations have remained relatively stable in the Netherlands and are aimed at a relatively small pool of large and long-established philanthropic organisations in the areas of health (KWF Cancer Fund; Heart Foundation), nature (WFF, Natuurmomenten), and for development cooperation organisations (UNICEF, Oxfam). The distribution of revenues is also prone to triggering events. For instance, Plan never recovered from negative publicity it received in the early 2000s about some of its projects and its management. In 2002, (Foster Parents) Plan received 74 million euros, making it the largest donor recipient. In 2014 this had declined to 27 million euros. In the same period Doctors Without Borders increased its donor income from 24 million to 52 million euros.[III]

One additional and unique Dutch factor has defined the financial foundation of the organisational model of the largest CSO: the increasing financial support of the Postcode Lottery. In particular, the Aids Fund, Amnesty, the Red Cross, AMREF, Habitat for Humanity, Plan and Wilde Ganzen/IKON have traditionally had relative strong mutual support foundations. The increasing financial support

by the Postcode Lottery provided them with a legitimate reason to need little or no government support. The relationship between these variables is somewhat mixed. In general we can observe that the lower the government contribution to a CSO, the higher the chance is that the CSO received Lottery funding (or vice versa). More research is needed on the exact direction of these interaction effects. There are also a few noticeable exceptions to this mechanism. In particular Oxfam-Novib, one of the initiators of the Lottery (together with a refugee foundation and a nature conservation organisation – neither of which are in our sample) received major support from both the government and the Lottery. For international organisations like Doctors Without Borders, Amnesty and UNICEF, the Lottery funding in particular provides them with the opportunity to combine their mutual support activities with service delivery and/or advocacy while remaining distant from Dutch policy agenda.

Table 1: Relative dependence on Dutch Government funding (%)

Dependence	2008	[2010]	2012
75-100%	Care Netherlands Hivos ICCO IUCN Oxfam-Novib SNV		Bid Network** Both ENDS* Care Netherlands** Hivos** ICCO** IKV Pax Christi* IUCN** Simavi** SNV
50-75%	Both ENDS Cordaid Dance4Life Edukans Fair Trade Original	Avalon Bid Network IUCN Simavi	Aids Fonds Cordaid* Fairfood International* Oxfam-Novib**** Solidaridad** Wetlands International
25-50%	Aids Fonds AMREF Flying Doctors Avalon Foundation BID Network IKV Pax Christi Mensen met een Missie Dutch Red Cross Plan Netherlands Simavi Solidaridad* Terre des Hommes		AMREF Flying Doctors** Avalon Foundation* Dance4Life** Edukans Mensen met een Missie Dutch Red Cross*** Plan Netherlands*** Terre des Hommes*** Warchild** World Vision Netherlands
5-25%	Fairfood International Habitat for Humanity Liliane Fonds War Child Wilde Ganzen World Vision Netherlands	Dutch Red Cross Plan NL	Liliane Fonds** Oikos VSO Wilde Ganzen*
0-5%	Amnesty Doctors Without Borders Oikos Max Havelaar UNICEF Netherlands VSO Wetlands International	Dance4Life	Amnesty*** Fair Trade Original Habitat for Humanity Max Havelaar** Doctors Without Borders**** UNICEF Netherlands****

Legend: underline = substantial increase; *italic* = decrease; normal font = relatively stable

* Contribution of National Postcode Lottery over the 1990-2014 period: * =5 million or lower; **= 5-25 million; *** = 25-100 million; **** = 100+ million euros.

The 2008-2012 period signals a first and arguably non-reversible trend in the funding foundations of leading CSOs. The sector as a whole (in many respects involuntarily) started to shrink (see 1.2) and to become less dependent upon government funding. For the sample of 35 CSOs, this implied a rapidly declining share of government funding from 57 per cent in 2008 to 40 per cent in 2012 (Figure 1). The relative reliance on donations grew at the same time to 54 per cent. The absolute volume of donations remained relative stable, which explains their growing importance. Commercial sources of revenues (selling of products) grew slightly, like the income from other sources such as the Postcode Lottery.

Figure 1: Changes in financial resources for CSOs in 2008, 2010 and 2012
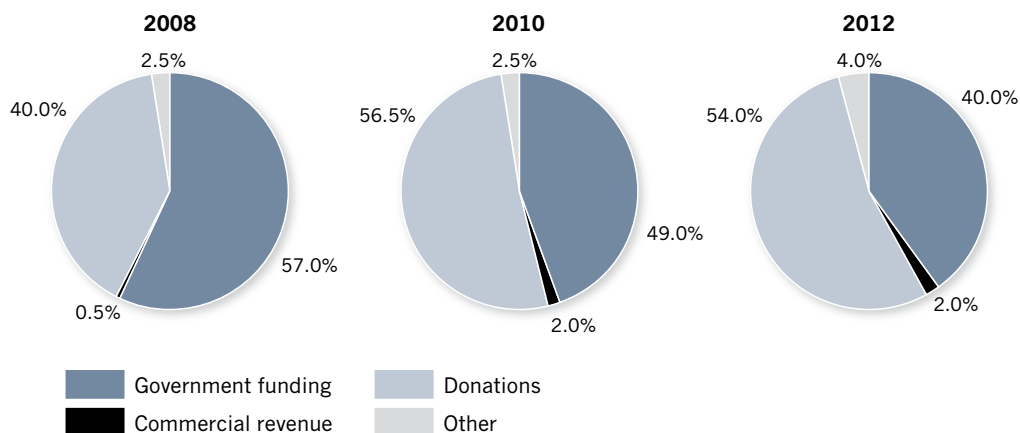
1.3 Value propositions

What do these developments imply for the value proposition of CSOs? The above overview delineates the first contours of the positioning struggle that most Dutch CSOs started to face after 2008. Figure 2 presents a first effort to position the same 35 CSOs along a scale of their various "value propositions", which can range from service-delivery, mutual support to advocacy. The assessment year for this overview was 2012. This picture consequently represents a moving target: all CSO are in a state of transition in which they are rethinking their funding strategies as well as their fundamental role towards citizens, firms and governments. There is an increasing tendency with many CSOs to move towards the centre and thus become a "hybrid" organisation. Strategically, however, this creates the danger of them getting "stuck in the middle" with no clear focus and no clear constituency.

Advocacy

**Advocacy:
human rights**

**Advocacy:
nature conservation**

**Hybrid:
fair trade, social
entrepeneurship
and inclusive
economy**

**Mutual
support**

**Service-delivery:
capacity building
and education**

**Service-delivery:
emergency relief
and healthcare**

Service-delivery
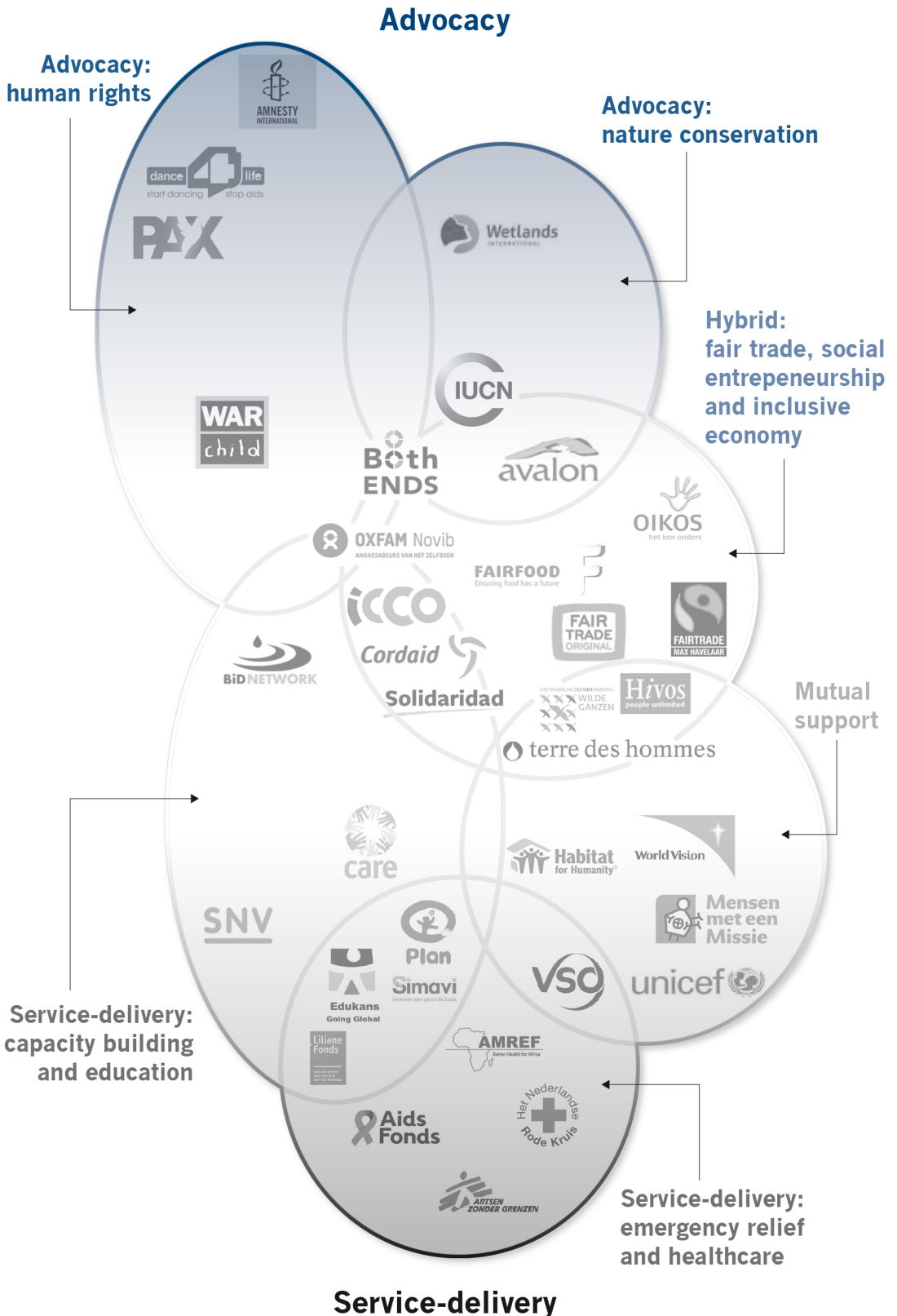
1.4 The sample further specified

The 35 CSOs chosen for this study operate in different segments (Figure 4). Most of the organisations operate for an international target audience, but not exclusively. For instance, development CSOs can also operate solely in the Netherlands in cases where they are primarily aimed at advocacy or as service-delivery organisations for the Dutch market (with important international links). Segments can then be health, environment and social services. Business and professional organisations are also included, which accounts for Max Havelaar and Fair Trade Original. Segments also overlap. Most organisations operate in more than one segment: 69 per cent operate in two segments, and 6 per cent function in three segments. Almost all CSOs have the legal status of a foundation (figure 3). This is remarkable, considering that most CSOs started as mutual support organisations, which would normally have the legal status of an association or cooperative.

Figure 3: Legal status

- 9% Association
- 91% Foundation

Foundation
Association
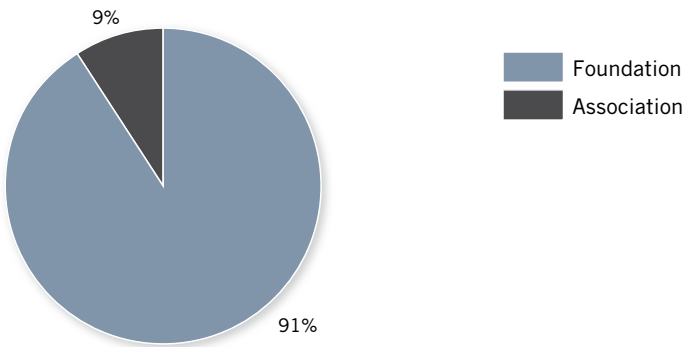
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Figure 4: Industry in which the CSO operates

- 52% International activities
- 22% Social services
- 12% Health
- 7% Environment
- 3% Business and professional organisations
- 2% Development and housing
- 2% Other

International activities
Social services
Health
Environment
Business and professional organisations
Development and housing
Other
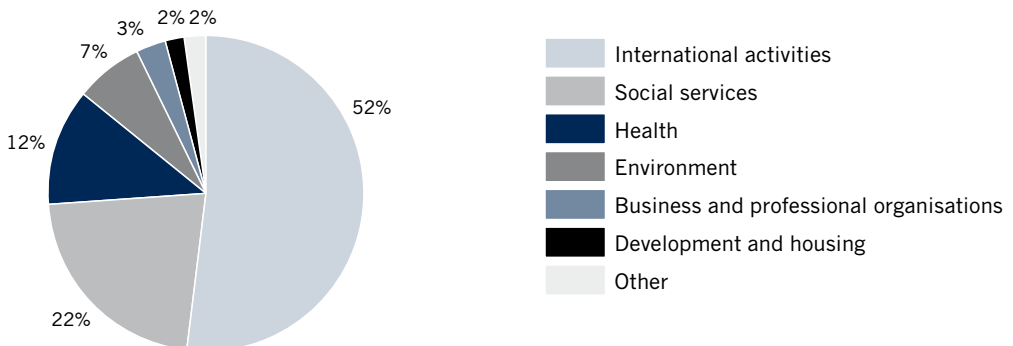
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The sample aptly represents the lopsided landscape of Dutch development CSOs, something that is also quite common internationally: (a) a few large CSOs that manage total revenues of over 100 million euros, (b) hardly any in-between organisations and (c) the majority of CSOs managing 20 million euros or less annually (Figure 5).
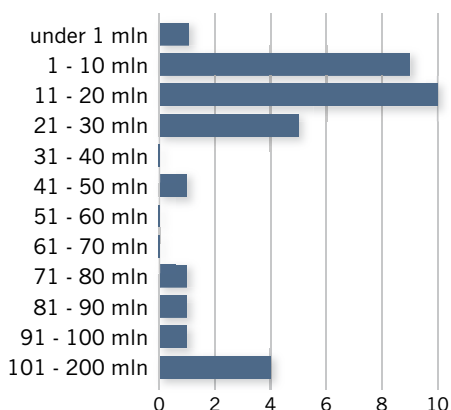
Average total revenue per CSO

(n=35)

(n=35)
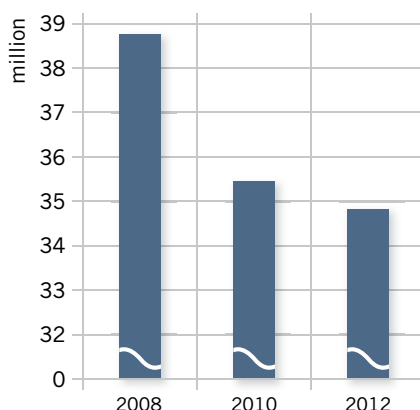
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The increased financial tension faced by the sector can be illustrated by the average total revenue of these leading Dutch CSOs. This decreased substantially between 2008-2012. The decrease was first and foremost caused by budget cuts in the public financing of these CSOs. Consecutive budget cuts and announced programme rearrangements since 2005 have put the sector under increased pressure/siege (as will be explained in more detail in chapter 2). Most CSOs in this period clearly began to realize that the size and nature of their prime source of finance would fundamentally change. The triggering events of the first period proved structural rather than being a policy induced incident.

1.5 The rational for partnerships: this study and its contents

So, largely under the influence of changing subsidy schemes, Dutch development CSOs are pushed and pulled into different directions. Many of them started to rethink their own identity and "theory of change", not only because of changing funding realities, but also because new opportunities appeared and new insights were gathered into what could make them more effective. Moreover, society has changed since the early millennium. A more interconnected world faces problems of sustainable development not only in the "developing" countries, but also in "developed" regions. Besides, many countries started to reframe themselves as "emerging economies" rather than as "developing countries". The private sector was drawn into the development discourse as well as into the idea of cross-sector partnerships between firms, governments and civil society with the purpose of creating sustainable or inclusive development.

Establishing partnerships with organisations beyond the CSOs' own sector and traditional position has therefore become an important means for the remaining (mixed) ambitions of CSOs and the 4th major role CSOs can play in society. Our previous report – the State of the Partnerships Report 2011 (PrC, 2011) – presented a zero-measurement of the cross-sector partnership patterns for a wider sample of 90 Dutch development CSOs with revenues of more than 1.5 million euros. By 2008, most CSOs had already started to engage in partnerships, with many and increasingly diverse, partners. The present study reports on the patterns that have emerged since then, why, and with what tools CSOs should be able to improve the management of these partnerships. The report contains three more chapters.

Chapter 2 will first consider in particular the consequences of changing government policies in the Netherlands on the partnering schemes of CSOs. This chapter analyses the kind of "siege" under which the sector is placed and the general intra-sector partnership patterns that are emerging from these developments. In chapter 3, we will consider patterns of cross-sector partnerships initiated by these CSOs in the same period. We look in more detail at trends in reported partnering strategies for the subsample of these 35 CSOs for the consecutive period (2008-2012). Trends include scope, regional presence, and sorts of partners.

35 CSOs   7789 Pages

1476 Partnerships

105 Annual reports - 3 years

The annual reports of 35 leading CSOs form the analytical basis for the trend analysis in chapter 3 of this State of the Partnerships Report.[v] This study therefore describes reported trends in partnering and changes in the portfolio strategies of leading Dutch CSOs in terms of size, type, issues, geographical coverage, and forms of engagement. We analysed around 8,000 pages of reporting in 105 annual reports spread over three target years for these 35 CSO (2008-2010-2012). In total we looked at a little under 1,500 partnerships that were identified by the organisations themselves. Chapter 4 picks out one important management challenge for all CSOs: how to deal with increasingly complex portfolios of partnerships while at the same time searching for new financial and organisational positions. The chapter will also follow up on the previous report and introduces a number of new techniques and initiatives that organisations can embrace in order to better manage their partnership strategies.

2. Challenges:
A sector under siege?

Since the early 21st century, the development cooperation sector in the Netherlands has undergone significant changes. The sector faced unprecedented trends in globalization that influenced all organisations in a comparable manner. However, what triggered change the most were altered government policies in the Netherlands – which came about partly as a consequence of those same global developments. The Netherlands has a unique system of co-financing private organisations – the so-called co-financing system (MedeFinancieringsStelsel – MFS). A substantial part of the governmental development budget is spent via the CSO channel, which has contributed to the upscaling of many CSOs. Dutch development CSOs have remained autonomous, but have been actively involved as complementary organisations in the provision of Dutch bilateral aid. This relationship changed in 2000 and developed along three cycles, each with differing effects (Table 2). The first cycle was aimed at restructuring the collaboration between northern and southern CSOs (MFS-1). The second cycle aimed at improving intra-sector collaboration within the Netherlands (MFS-2). The third cycle aimed at a further pooling of resources around "strategic partnerships". The first cycle can be defined as the "triggering phase" of the sector, in which it became clear that the sector had to change. This phase had repercussions for the "mutual support" orientation of many CSOs in particular. The second cycle created the need for intra-sector reconfigurations in which government support (MFS-2) became dependent upon successful alliances within the Netherlands. In particular this phase had repercussions for the "service-delivery" orientation of many CSOs. It triggered internal realignment processes in the sector as well as changes in the internal organisation of many CSOs. The third cycle, aimed at the continuation of MFS, is the most recent. The Dutch government chose to opt for another intra-sector realignment based upon strategic partnerships, but now aimed in particular at the advocacy role of CSOs. In each policy cycle the total budget became lower. At the same time, however, other support modalities were created – many of them aimed at partnerships. These policies created new opportunities, but on a considerably smaller, project-oriented basis. Consequently the sector as a whole – and in particular the larger established organisations – face considerable uncertainty and tremendous restructuring challenges. The pressure to search for other sources of funding and reorient their existing organisational model has increased. Essentially, each cycle triggered different types of partnering challenges for Dutch CSOs. This chapter analyses how these events shaped the partnering configurations of the Dutch development sector in general and for the 35 lead CSOs specifically.

Table 2: The impact of changing policy cycles on partnerships

Cycle	Government policy	Role restructuring	Pressure/opportunities for partnerships
1. Trigger (2000-2008)	Relatively stable budget, but institutional changes; changing MFS-1 requirements	Mutual support	Intra-sector in general + north-south collaboration
2. Internal (re) alignment (2009 – 2015)	Lowering total budget, different policy instruments (PPP facilities)	Service-delivery	Intra-sector for service-delivery + cross sector
3. External (re) alignment (2016 and beyond)	Further lowering of budget announced; universal ambition of development	Advocacy	Cross sector in north and south, intra-sector

Figure 6: Cycles of Dutch Development policy (2000-2016)

Strategic Partnerships for lobby and advocacy

End Millennium development goals; proposed start Sustainable development goals

Dutch good growth fund

2016

2015

Start-up PPP facilities

**fdw
fdov
gww**

Start of Mrs Ploumen as minister of foreign trade and development cooperation: aid and trade

MFS-II

2012

2011

2014

2013

Transfer of development coordination to the Ministry of foreign affairs

Introduction of the 3D-concept

**Development
Diplomacy
Defense**

2010

Change of subsidy regulations

Change of subsidy regulations

2007

2008

2009

2006

Implementation of the "bel-me-niet register"

Schokland/Millennium Accords

**Start Millennium
development goals**

2000 2001 2002 2003 2004 **2005**

Enactment regarding new subsidy rules (MFS-I)

2.1 Three policy cycles and their triggering effects

In the year 2000, the countries of the United Nations proposed seven Millennium Development Goals (MDGs) that would guide development aid internationally. They were launched with great enthusiasm and aimed to reach their targets by 2015. Quickly after its introduction, an eight goal was added: global partnerships for development. Partnerships between firms, CSOs and governments were increasingly acknowledged as a means for achieving the other MDGs. From then on partnerships have become the recurring buzzword. Many countries, organisations and individuals committed themselves to organise in particular multi-stakeholder initiatives in order to reach these goals. By 2008, this optimism had dropped to a low level when the MDGs reached mid-term with very mixed results. While many explanations have been put forward, from the perspective of the "partnering" angle, it became clear that more, not less, needed to be done. The Dutch government (minister Koenders) responded with the Schokland/Millennium Accords (2008-2010) in which organisations restated their ambitions to continue working – with greater effort, but in more concrete groupings – on the MDGs. Around 53 partnerships were founded, most noticeably the Initiative for Sustainable Trade (IDH), which, over the years, has invested more than 200 million euros on making international supply chains in commodities more sustainable.

In the same period, the entire sector started to engage in intense discussions about what it actually had achieved. The legitimacy of the general idea of "development aid" was questioned, and not only by hard-core critics of the sector. Publications were issued from within the sector that noted the existence of a "crisis caravan" that was perhaps more self-serving than it was aimed at helping people effectively and efficiently.[VI] One major problem was the coordination between aid organisations. Whether this criticism is justified is beyond the realm of this study, but the mounting pressure was obvious. Within the Dutch administrative system, initiatives that are noteworthy in this period include the further integration of the Department of Development Cooperation into the Ministry of Foreign Affairs in 2007 and a number of parallel initiatives such as the 3D approach in which the first outlines of a new diplomatic agenda were created that tried to integrate more policy areas (in this case Defence and Aid) in order to increase the effectiveness of the policy. Initially this did not affect the total sum of money spent on development. Arguably the most important change was made to the grant framework of the Dutch government for CSOs (MFS). The first round of this initiative (MFS-1) aimed in particular at strengthening civil society in the global south as a basis for structural poverty reduction. In this round, the CSOs selected were those able to strengthen the vertical partnership between northern and southern CSOs. Of the 114 CSO that applied, 58 were granted funding. One of the most noticeable rejections in this round was of Plan Netherlands. As analysed in the previous State of the Partnerships Report, this had serious consequences for Plan's partnering strategy.

On the partnering front, the triggering period created strong pressure for greater collaboration in the sector. Certainly for the large and established CSOs this did not happen voluntarily.[VII] Arguably the biggest catalyst that created the most fundamental change in the CSO landscape in the Netherlands was the introduction of MFS-2 for the year 2010 as the successor of MFS-1. MFS-2 insisted upon horizontal partnerships as a precondition for further government funding. In 2009/2010, 134 organisations applied for funding and 43 consortia were formed. Twenty consortia (with 70 participants in total) were finally granted funding of approximately 2 billion euros. The funding will terminate by December 2015. MFS-2 constituted about 9 per cent of the total Dutch budget for international development.[VIII] The core alliances for the MFS-2 programme are formed by the four largest development CSOs in the Netherlands (Cordaid, ICCO, Hivos and Oxfam Novib), enabling them to receive about 75 per cent of the total grant of the programme.[IX]

The previous PrC report on CSOs analysed the partnership configurations that came out of MFS-2 in considerable detail. Between 2008 and 2012, 42 per cent of the CSOs in the sample of 35 leading organisations received conditional funding via MFS-2. This scheme stimulates these CSOs to cooperate among each other in order to share the burden of lower funding. The MFS-2 subsidy scheme also served to reinforce the service-delivery side of these organisations. The previous report analysed these partnership configurations in more detail. By this time most CSOs started to realize that government funding would probably decline even further after 2015 and that private donations would be more difficult to accumulate on the basis of their traditional propositions. In 2009, CSOs were also confronted with a policy that restricted the option of donor acquisition via phone calls. Up until 2009 this was a very good resource for gaining monetary donations from individuals.

The internal discussion between CSOs about their effectiveness was further ignited by the conclusions of an influential 2010 report published by the Scientific Council on Government Policy (WRR).[x] The WRR concluded that (inclusive) economic growth was perhaps the best guarantee for poverty alleviation and was quite critical about the role of CSOs. In 2002, the advice of the WRR resulted in the creation of a minister for foreign trade and development cooperation with a substantial part of her budget allocated to foreign trade. The new ministry also included the trade department (BEB) of the Ministry of Economic Affairs. The most noteworthy policy initiative in this area has been the creation of the Dutch Good Growth Fund, which not only tries to link Dutch small- and medium -sized enterprises, but also organises this as a "revolving fund". At the same time, the 0.8 per cent of GDP target for official development aid was abandoned. Thus development aid slowly moves away from being a subsidy organisation to an investment and co-creation organisation. These moves were accompanied by a substantial shift in policies and budget provision for development organisations in particular by involving the commercial private sector more in policies.[xi] The 2011 Busan high-level policy meeting also stressed the importance of engaging the private sector in particular through partnerships. Following up on these developments, the Dutch government initiated a number of new subsidy schemes in support of Public-Private Partnerships (in water, private sector development and food security) in which a smaller group of the CSOs in our sample began to participate. These facilities are fully dedicated to service delivery. In the 2012–2015 period, two rounds of the two PPP facilities for water and food security were initiated with hundreds of potential partners applying for support. In these projects the Dutch government is increasingly becoming a partner rather than a funder. In most of these projects the participation of CSOs is required and this has resulted in a completely new type of activity in which CSOs have become lead partners. A parallel initiative was set up especially for the water sector in Ghana: three rounds of the so-called Ghana WASH Window project have been initiated in the 2013-2015 period.

The discussion on what would follow up the MFS-2 facility by 2015 resulted in the last policy change that will fundamentally influence the relationship between the government and Dutch CSOs: the creation of strategic partnerships for lobby and advocacy. This reinforces provides emphasis to those clusters of CSOs that have the ambition to further develop or sustain their role in advocacy together with the Dutch government.

Finally, the post-2015 agenda has triggered a comparable discussion to that which took place in 2008, which centred on how to enact partnerships between firms, CSOs and the government to better reach the Sustainable Development Goals. In these discussions, however, the Dutch government has taken a much more supportive position, and companies and CSOs are more actively involved in setting the agenda and creating partnership. The third cycle, which commenced in 2015, will therefore be very much dependent on the participation of all sectors as complementary equals. Whether the CSO sector has been able to design and implement the required business model for this phase remains to be seen.

2.2 From reactive to more active

The responses to changing policies in the first policy cycle were initially defensive. This is typical for most organisations that are faced with comparable triggering events and dependency relations.[XII] Typical negative reactions about the MFS system and the concomitant (threat of) budget cuts found in annual plans of 2009 (concerning the practice of MFS-1 and the announcement of MFS-2) were:

> […] *'The complexity of the system (MFS-2) has many negative consequences. Small organisations cannot really meet the requirements, while they are a very heavy burden for medium sized organizations such as Simavi. The cost of preparing and managing the alliances and the program are very high'* (Simavi, Annual Report 2009, p. 7).

> […] *'The burden of the drastic reduction was shared in a responsible manner, but some loss of capital and harm to the interests of vulnerable groups turned out to be unavoidable.'* (ICCO Alliance, Annual Report 2009, p. 14).

> […] *'The budget cuts had consequences for employees, a number of temporary contracts were not renewed and also some permanent employees had to find new jobs'* (Oxfam Novib, Annual Report 2009, p. 91)

> […] *'Programs have to be curtailed, that we will not proceed with the planned expansion to Sierra Leone and Liberia and that the workforce is reduced. Unfortunately, a number of valued employees will have to leave Hivos.'* (Hivos, Annual Report 2009, p. 11)

After the implementation of MFS-2, however, several CSOs started also to hint at "doing things differently". They responded to decreasing government funding by adapting new business models, restructuring, and diversifying their sources of income:

> *'Cordaid responded to the challenge [of budget cuts] by striking a new path. Without compromising on its values and experience, Cordaid has identified opportunities for a model that's based on social entrepreneurship, a way of furthering our continued commitment to providing a dignified existence for everybody.'* Cordaid, Annual Report 2012, p. 2

> *'Since the future of MFS-II is highly uncertain, we search for different financing models and collaboration opportunities'* AMREF Flying Doctors, Annual Report 2012, p. 16

> *'Given the fact that Fairfood is receiving a large part of its funding from the MFS-II programme, which stops in 2015, it has to invest in diversifying its funding basis and in innovative mechanisms for generating funds.'* Fairfood, Annual Report 2012, p. 26

> *'The Future Calling exercise has taught us that our core activities related to financing a broad partner network (although we have always done more than just giving grants) do not allow for sufficient impact and renewal given this new context. New or persistent global problems demand the mobilisation of creative ideas and their skilful application.'* Hivos, Annual Report 2012, p. 14

> *'War Child should increasingly look for pro-active collaboration with partners, beyond the mere objective of fundraising.'* War Child, Annual Report 2012, p. 10

The majority of development CSOs in the Netherlands not only realised that they had to search for other viable funding channels, but also that this might create new opportunities. One of the alternatives is an increased focus on corporate partnerships. However, companies also experienced an economic downturn in the same period (financial crisis since 2007) and therefore became less eager to partner with CSOs and to incorporate their causes in their CSR programmes. As a result, some CSOs also experienced considerable difficulties in attracting new corporate partners:

> *'It takes much more time than it did a few years ago to attract new corporate partners and to keep them satisfied. Furthermore, partners expect more and more in return for their donation or partnership. War Child will need to adapt its activities in 2013.'* War Child, Annual Report, 2012: p. 64

One of the reasons, according to War Child, was that:

> *'Most companies have to deal with the effects of the economic downturn; it has become more difficult to attract new sponsors and to keep them satisfied. Companies tend to focus more on profit rather than branding or Corporate Social Responsibility.'* War Child, Annual Report, 2012: p. 63.

Other difficulties War Child points to in attracting new funding were:

> *'The exit percentage of individual donors attracted by door-to-door fundraising is high compared to other channels'* (p. 63);
> *'Income from legacies is highly unpredictable'* (p. 63);
> *'Despite the escalating trend in organised actions, it is more and more difficult to raise a larger amount of money per action'* (p. 65).

Other financing alternatives are formed by increased reliance on particularly donations (51 per cent in 2012) and to a minimal extent on commercial revenues (2 per cent in 2012). For instance, Liliane Fonds received a large donation intended for handicapped children from a married couple (Liliane Fonds, Financial Statements 2012).

> *'The focus on a structural relationship with our Friends (individual donors) helped us to grow significantly in recent years despite the economic downturn.'* (War Child, Annual Report, 2012: p. 62.

Only a few CSOs, such as Amnesty International, have substantial commercial income at their disposal, i.e. from the sale of candles and/or pink Amnesty hats at the Dutch festival Pinkpop (Amnesty International, Annual Report 2012). The share of commercial income for most CSOs has remained relatively low, and many have started to reposition themselves as "social enterprises", which in fact implies that they should not only think about how to spend money, but also on how to earn it. Organisations like ICCO and Cordaid started to set-up impact investments funds to facilitate this transition. The problem with this type of investment fund is that (1) they are quite risky (otherwise normal banks would have provided the capital) and (2) the return on investment will only materialize after a number of years. In terms of timing, this implies that the actual return will materialize only after 2017/2018, which presents these organisations with sizable internal alignment problems: how to combine the more commercial activities with the traditional philanthropic activities; whether or not to use donations and other income sources for investment purposes, and what kind of risks should be taken for what type of future business/earnings model.

2.3 First cycle partnerships: fragmented Millennium accords

The intensification of the Dutch effort in achieving the MDGs prompted the Minister of Development Cooperation in 2007 to appeal to public, civil and private partners to pool resources and expertise in partnerships. The ambition of this so-called Schokland Fund was not only to bring together different stakeholders in multi-stakeholder (public-private) partnerships, but also to stimulate innovation in development cooperation by developing new approaches and new technologies. The Schokland Fund was formally established through a budget-provision of 50 million euros. In May 2009, this budget was increased to 60.5 million euros and some 27 partnerships were selected. The establishment of the Schokland Fund was followed by two calls for proposals – both in 2009 – and 27 additional projects were approved in this round. Combined, these 54 partnerships became known as the Millennium Agreements for which a total budget of around 246 million euros was made available. An evaluation of APE[XIII] that covers the 2008-2013 period used two PrC frameworks to assess the Millennium Accords: (1) critical success and failure factors, and (2) the formation phase of these agreements along either an opportunity or issue-driven route.[XIV] APE found that the distribution over "issue" and "opportunity" routes were approximately 50/50. The research concentrated on 39 agreements. The average budget of the partnerships was 4.7 million euros. All PPPs explicitly focus on one or more MDGs, with the greatest emphasis on MDGs to alleviate extreme poverty and hunger. The largest category has been financial service delivery. The 39 partnerships evaluated by APE contained an average of 7.4 partners per partnership. Interestingly for our study, in almost half of the partnerships, a western CSO became the lead partner. Almost 2/3 of the partnerships consisted of organisations that had not worked together before.

In the previous State of the Partnerships Report we referred to critical success factors of partnerships. APE used part of this framework to link these (and a number of other success factors) to the overall performance of the millennium partnerships. They found the following general patterns:

- Sharing a vision of objectives and shared ambition and having a clear understanding of mutual benefits are correlated in all projects with very high and high overall performance scores. These success factors were found in all projects in these two categories;
- The existence of a theory of change is also common among these categories and was missing in only one project;
- Having complementary competencies occurred in all except two projects in these categories.

The Millennium Accords also brought together a number of different partnership configurations. APE distinguishes between different main types: (1) umbrella partnerships (1/3 of all partnerships) in which there are a large number of participants initially, although this can drop over time; (2) decentralized/southern-based partnerships (1/5 of all) in which the partnership materializes on the ground in the south; (3) focused business-case driven partnership (1/5) are much smaller consortia with clearer task descriptions that are aimed at value chain development and the provision of financial services based on a clear business case; and (4) special partnership management unit (usually a foundation) projects (1/6 of all projects), which establish a special project entity for generally a very broad alliance of partners. The decentralised partnerships are much like MFS-2 type alliances. As to the effectiveness of the different partnership constellations, APE concludes that:

'Focused business-case oriented partnerships, followed by the partnerships managed by special units or entities show clearly higher overall assessments and assessments of development results than the other two type of partnerships. This can be explained by the fact that in both these partnership models there is a strong focus on specific challenges and on specific outputs (products and services). We have also found stronger business-cases and financial (sustainability) strategies in these partnership models. By involving only a limited number of partners in the project management and implementation or organise these tasks in a separate unit or entity, the partners have simplified the management structure of the projects and were able to more effectively implement the projects.' (APE/MDF, 2014: p. 68)

Taking the sample of 35 leading CSOs in this study within APE's sample provides the following overview (Table 3). In half of these projects leading Dutch development CSOs were represented. In a relatively small number of five cases they took the lead. In many partnerships they participated. Those CSOs in our sample that seized the opportunity to actively participate in the Millennium Accords have been primarily service-oriented or hybrid organisations. Solidaridad became most active in the creation of value chain partnerships; Oxfam in health-related partnerships, and ICCO in financial services. Cordaid and Hivos portray a more widely spread approach. Plan and UNICEF were approached by other organisations to participate in their partnership. When CSOs are involved, the number of umbrella partnerships is bigger than the average number for the whole sample.

Table 3: Participation of 35 CSOs in Millennium Accords

Projects	Budget (mil. euro)	Involved CSO (of 35)	Position	Lead partner	Type of partnership	Issue	Regional focus
Knowledge networks for peace, security and development	4.8	Cordaid	Initiator	Knowledge institute	Umbrella	Safety and security	Worldwide
Fighting violence to ensure education for all	1.5	Plan	Partner	CSO: VAC	Umbrella	Safety and security	Kenya
Clean drinking water	1.8	UNICEF	Partner	Public (municipality)	Decentralized/ traditional	Wash	Africa, Asia
Access to Medicine	2.3	Oxfam, ICCO, HIVOS, Cordaid	Partner	CSO: AtM Foundation	Independent project unit	Health	Worldwide
Fair climate fund	11.0	ICCO	Lead partner	CSO: ICCO	Focused business case	Financial services	India and Africa
Financing sustainable value chains	3.1	ICCO, HIVOS	Partner	Firm: Triodos	Umbrella	Financial services	Africa and L.A.
Oikocredit	3.7	ICCO, Cordaid	Partner	Foundation	Focused business case	Financial services	Latin America
Learn for work	5.3	Edukans	Lead partner	CSO	Umbrella	Technical and vocational training	East-Africa
3D interaction forum	1.6	Cordaid	Partner	Education	Umbrella	Safety and security	Fragile states
In return East Africa	1.7	Cordaid	Partner	Firm: Rebel group	Umbrella	Financial services	East Africa
Commodity business support centres	16.0	Solidaridad,	Lead partner	Solidaridad	Umbrella	Value chain development	Worldwide
Fragile states and education	0.7	War Child, Oxfam, ICCO,	Partners	CSO: Save the children	Umbrella	Safety and security/ education	Sudan, Afghanistan, Colombia
Barefoot hydrologists	0.4	ICCO	Partner	Deltares	Decentralized/ traditional	Wash	India
Meso-finance development fund	6.5	BID Network, ICCO	Applicant and partner	EVD	Umbrella	Financial services	Vietnam, Georgia, Mozambique
Female condom	17.8	Oxfam	Lead partner	Oxfam	Independent project unit	SRHR	Worldwide
IDH	>60.0*	Oxfam, Solidaridad, plus 30	Partner	Foundation	Independent project unit	Value chain development	Worldwide

*grant amount

Source: based on APE/MDF (2014) evaluation report

2.4 Second cycle partnerships: PPPs deepen service-delivery

The Millennium Accords presented a more or less ad-hoc grouping of partnership projects. Consequently they target a wide variety of objectives. In the second policy cycle, the Dutch government tried to better organise the partnering process and link it more to two major policy areas: food security (combined with private sector development) and sustainable water. The Sustainable Water Fund/Fonds Duurzaam Water (FDW) and the Facility for Sustainable Entrepreneurship and Food Security/Fonds Duurzaam Ondernemen en Voedselzekerheid (FDOV) – later complemented by the Ghana WASH Window (GWW) facility – are three funds dedicated to establishing Public Private Partnerships on a more structural basis. The Sustainable Water Fund (FDW) stimulates public/private collaboration in the water sector in order to contribute towards water safety and water reliability in developing countries. In real terms this means collective initiatives between governmental bodies, industry and NGOs or knowledge institutions. The Facility for Sustainable Entrepreneurship and Food Security stimulates public/private partnerships within the sphere of food security as well as private sector development in developing countries. From the outset, FDOV was designed as a "partnership" programme, whereas FDW had been aimed more at subsidies. FDW, on the other hand, required at least one CSO to participate and aimed at tripartite partnerships, whereas FDOV did not have this requirement. The two programmes also adopted slightly different selection procedures, which resulted in different allocation steps.

For both programmes, organisations had to submit a "theory of change", an "intervention logic", a business case, and abide by several other criteria proven to be vital for the success of partnerships in the previous cycle.[xv] In particular, questions surrounding community involvement and the appropriate configuration of the partnership (linking the right partners to the issue at hand) proved to be good predictors of the approval of the partnerships. Of the almost 200 proposals in the first round of FDW and FDOV, 12 (FDW) and 28 (FDOV) projects were ultimately approved and 120 million euros of subsidies were allocated. In an evaluation of this first tranche, participants noted that the greatest challenges were keeping the partnership within the required budget range, raising the private contribution (of the company) and aligning the interests of all the partners. The second round of proposal resulted in the approval of 20 FDOV projects (with around 36 million euros allocated) and 10 additional FDW projects (with around 30 million euros allocated). The GWW tender resulted in ten more projects on water and sanitation projects in Ghana (with around 30 million euros in subsidies allocated).

The role of CSOs in these cycles was quite distinct and shows a certain learning pattern. Whereas in the first rounds of all three facilities the number of CSOs participating as either applicant (lead partner) or ordinary partner was relatively low, it increased substantially in the next rounds. In general it can also be observed that in sustainable water projects CSOs play a more modest role. This is probably also due to the more "public nature" of many of the water and sanitation projects, which provide more natural partnership opportunities for semi-public/private organisations such as the Dutch water operators. However, the more the area of sanitation embraced the issues of hygiene and irrigation, the more CSOs became interested. As a result, the role of CSOs in sustainable water projects has been primarily as partner. A single CSO took the lead in only one GWW approved project. In a considerable number of GWW projects CSOs are not represented. For the Sustainable Water facility, a comparable partnership constellation was initially created. In the first tranche (FDW-1), semi-public water operator companies such as Vitens Evides International and local Dutch Water authorities (Waterschappen) have become the big linkers. Akvo Foundation was the only CSO to successfully initiate two water projects. Other CSOs participated primarily on a limited scale as partner. FDW-2 triggered a bigger interest among CSOs, including as lead partner, with around 1/3

of the projects being headed by CSOs. Three of the ten approved projects were headed by CSOs, of which Solidaridad acquired two projects primarily in efficient and sustainable water use in agriculture. Safe drinking water linked to sanitation is another project in which a CSO took the lead.

The Food Security and Private Sector development facility proved more attractive for CSOs to participate and even take the lead, with Solidaridad being the biggest linker of all participants in the first tranche (FDOV-1). In the second tranche (FDOV-2), CSOs acted as lead partners in 32 proposals. This represents around half of all the project proposals. This was mirrored in the approved projects of which around half are headed by CSOs. In all projects CSOs participated as partners, although this was due to the requirements of the facility. In a previous round, a link was found between the sophistication of the PPP project and the active involvement of CSOs whether as lead or as ordinary partner.

Considering the participation of the whole set of 35 leading CSOs in these facilities shows that only a selective group of CSOs applied (primarily those CSOs with a strong service-delivery and hybrid orientation). Not all were successful. In the GWW facility, none of the CSOs in our sample participated while in the Sustainable Water Fund a number of the lead CSOs did. Of those CSOs involved in the first tranche, AMREF Flying Doctors, SNV and Plan also used their experience to participate as a partner in a number of approved projects in the second tranche. The second tranche of FDW also triggered involvement from a larger number of lead CSOs. In particular the Red Cross and Solidaridad were successful as lead partners. Other CSOs to become involved in the PPP network around the sustainable water facility included: AMREF, Cordaid, SNV, Care, Wetlands international, Simavi, and Plan, and all as partners (Figure 7 and 8 show the partnership constellations in which they participate).

In the first tranche of the food security facility (FDOV-1) Solidaridad was particularly successful, possibly because it had proposed many projects. Other lead CSOs including AMREF Flying Doctors, the Fairtrade Labeling Organization (FLO), ICCO (2), SNV (2), BID network, and Hivos (2) also applied. The second tranche of FDOV showed a rather particular pattern for the approved projects with Oxfam-Novib, ICCO (2x) and Solidaridad in the lead in four projects. There was no participation from the other lead CSOs other than SNV as a partner in one of the projects led by the Bhutan Chamber of Commerce. This pattern might hint at the importance that these lead CSOs attach to being in the lead, but also suggests that they are less eager to participate in each other's PPP networks in the area of food security.

This is further illustrated by Figure 7 and 8, which show the networks of the lead 35 CSOs as organized in the second tranche of FDOV and FDW. In total, six FDW partnerships and seven FDOV partnerships in the second tranche include any of the 35 lead CSOs. Of these 11 networks, eight have a CSO as the lead partner. Solidaridad is most connected and active with three times as many lead partner positions and participations as any other CSO. ICCO managed twice to become lead partner, but only in food security. The regional offices of these CSOs take an increasingly active role. An example of a large CSO that is active in both facilities is SNV. These selected CSOs align with 12 public organisations (ministries, municipalities and other public organisations in both the Netherlands and abroad), 30 private sector organisations (trading companies, production units, network organizations and consultancies), and 25 other civil society organisations (including a number of knowledge institutes).

Figure 7: Social Network Analysis of the Sustainable Water Fund (FDW) involving 35 CSOs
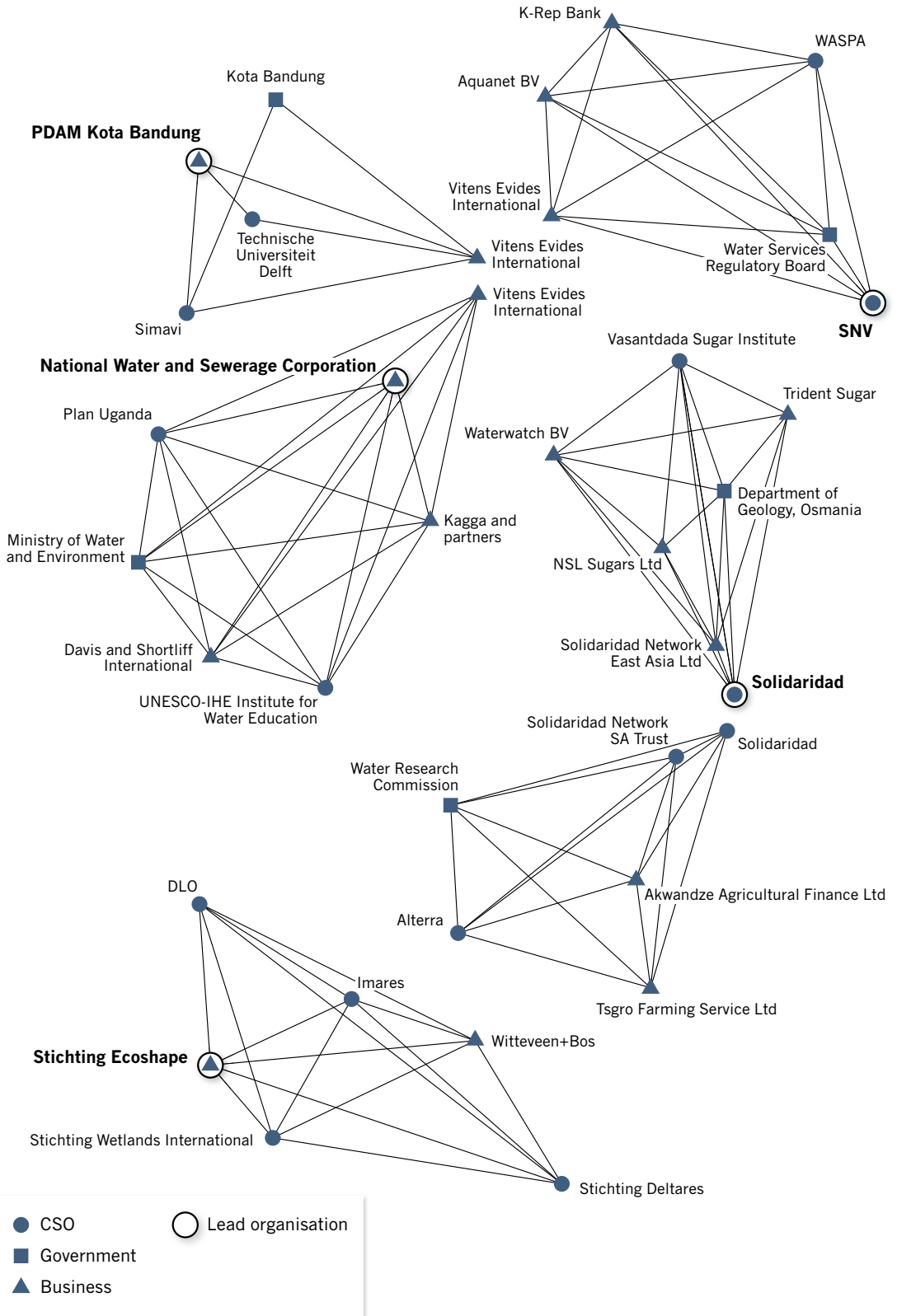
Figure 8: Social Network Analysis of the Facility for Sustainable Entrepreneurship and Food Security (FDOV) involving 35 CSOs
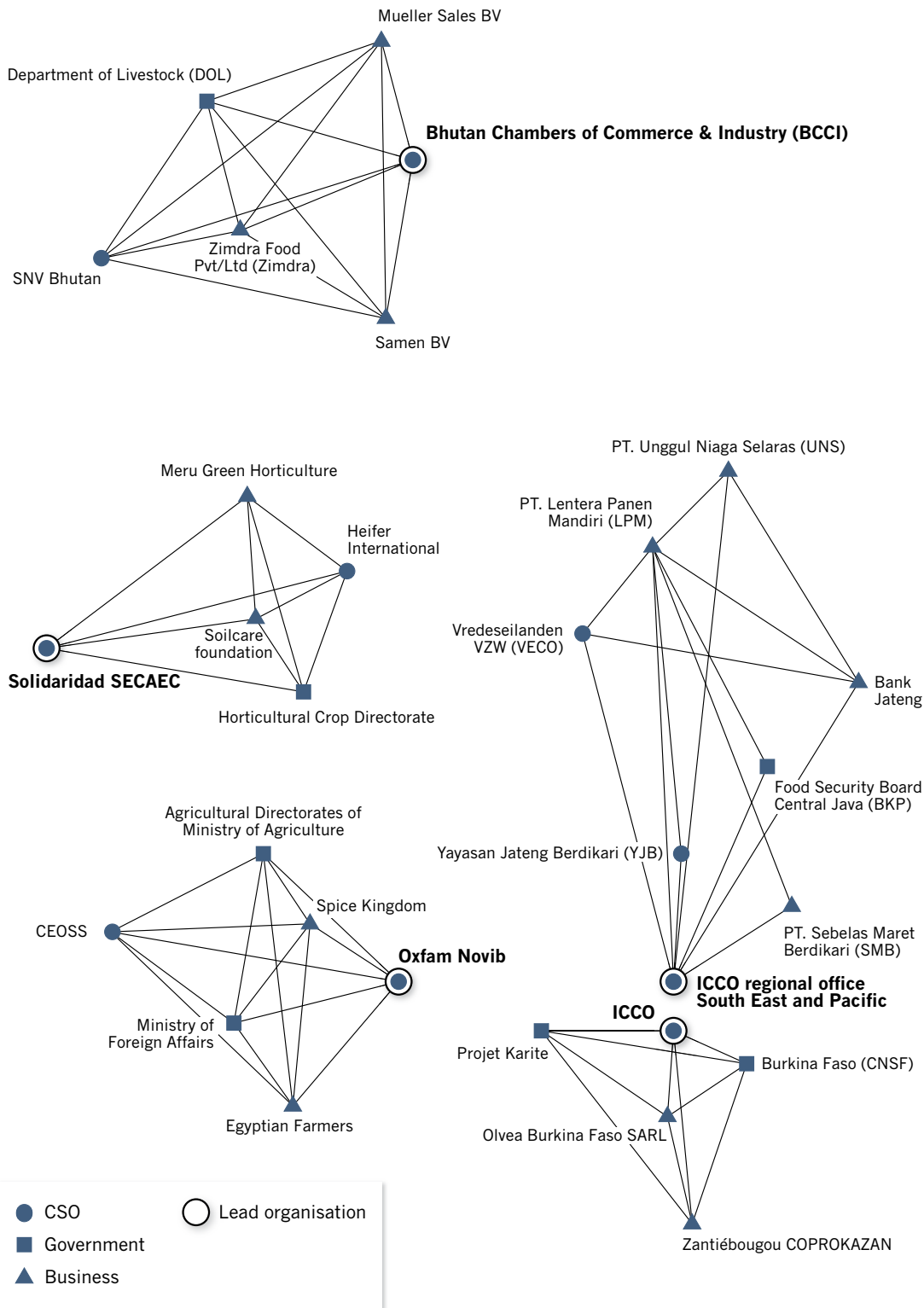
2.5 Third cycle partnerships: (re)aligning advocacy

In 2014/2015, a further restructuring of the relationship with the Dutch government materialized through a third step in the partnership approach towards CSOs: the creation of the Strategic Partnership fund for lobbying and advocacy. The fund will again be smaller than MFS-1 and MFS-2. It will run from 2016 until 2020 and also has intra-sector partnering as a precondition for funding. The fund acknowledges the importance of CSOs, in particular in their advocacy role. The government explicitly started to embrace the term "civil society organisations" (CSOs) rather than NGOs for this facility. Thus framed, the strategic partnership also includes labour organisations, advocacy organisations, multilateral organisations, and press organisations. During the MFS rounds, labour organisations obtained their funding out of a different fund with separate requirements. This new strategy is the logical extension of the Coherence Agenda of the Ministry of Foreign Trade and Development Cooperation.

In the policy framework designed by the Ministry of Foreign Trade and Development Cooperation, it is emphasized that civil society organisations are needed to stimulate the dialogue with the ministry on international issues of inequality, inclusive and sustainable growth and development. Moreover, they are considered important watchdogs in ensuring that government and private parties follow up on agreements and commitments they have made.[xvi] The name of the policy framework – "Dialogue and dissent" – suggests that in the strategic partnerships dialogue and cooperation, along with dissent and the challenging of each other is expected. When strategic partners join forces and coordinate their lobbying and advocacy instruments and methods, their overall effectiveness may be enhanced. This will enable CSOs to effectively voice alternative or dissenting views in a dynamic and increasingly global context.

The closer cooperation between government and civil society organisations is not only new for the selected CSOs but also for government officials. It implies that Dutch ambassadors in southern countries are supposed to operate more closely with advocating CSOs in the field. This not only implies working together on programmes, but also suggests a more vivid exchange of critical voices towards each other. "Dialogue and dissent" will be operationalized in all contexts amongst all partners. So, in 2015 many Strategic Partnerships with the Ministry of Foreign Affairs were initiated. The selection of Strategic Partnerships was made on the basis of quality in (capacity development for) lobby and advocacy, as well as on a basis of proven experience and a demonstrable potential to reach goals and accomplish change. For this, the partnerships had to describe their common and individual track records on lobby and advocacy activities and a "theory of change" of how their future partnership activities would accomplish change.

In total, 65 alliances applied for funding of which 25 alliances were selected. These 25 alliances will be comprised of 63 organisations. Of these organisations, seven participate in more than one alliance – and thus can be considered as "big linkers".[xvii] The seven are: Both ENDS, Mama Cash, Hivos, Milieudefensie, IUCN, CNV International and Wetlands International. Except for Hivos these big linkers are all relatively small CSOs. The largest development CSOs in the Netherlands are all present: Cordaid, Icco, Hivos, Oxfam Novib and SNV. Figure 9 shows the result of this realignment in the resulting Dutch network. The red nodes are the lead organisations (penvoerders) of the Strategic Partnerships. As a strategic partner, the ministry is excluded from this picture – otherwise they would be the central nodes. The nodes that stand alone in this figure formed a single partnership with the government. The densest partnership is led by Rutgers and contains seven or eight partners when including the ministry.

Figure 9: Social Network Analysis of Strategic Partnerships (simplified)

- HAI
- Amref
- Wemos
- ACHEST
- Choice
- Dance4Life
- ARROW
- Rutgers
- IPPF
- LACWHN
- ARTICLE 19
- IIED
- *HIVOS*
- Amnesty International
- UTZ
- PAX
- Solidaridad
- COC
- CoPrisma
- Kerk in Actie
- Aidsfonds
- Wilde Ganzen
- Edukans
- International HIV/ Aids Alliance
- *CNV International*
- FNV mondiaal
- FairWear
- ICCO
- WFM-IGP
- IFPRI
- SNV
- GPPAC
- Urgent Action Fund Africa
- JASS
- AWID
- Action Aid
- FCAM
- The Clean Clothes Campaign
- TNI
- CREA
- *Mama Cash*
- *Both Ends*
- *Milieudefensie*
- SOMO
- *IUCN*
- Tropenbos International
- Oxfam Novib
- WWF
- AWEPA
- European Journalism Centre
- Defence for Children-ECPAT
- Terre des Hommes
- NIMD
- Free Press
- Plan
- Simavi
- IRC
- Akvo
- *Wetlands International*
- Care
- Cordaid
- Rode Kruis
- Red Cross Climate Centre

Legend:
- ● Lead organisations
- ● Other organisations
- *Aa* *Aa* Big linker

Within these 25 strategic partnerships, Dutch CSOs also link to international organisations. These north-south collaborations are nothing new and were even a requirement of the earlier MFS-1 grant. Of the 56 partnerships that made it through the first assessment, 28 are a combination of organisations in the Netherlands and organisations in middle- and low-income countries. However, within the Strategic Partnerships southern CSOs have been given the chance to be the lead organisation (penvoerder) in the alliance. This is new and hasn't been without debate and criticism.[XVIII] Eventually, five Strategic Partnerships applied with a southern organisation in the lead. Only one of those was accepted: FCAM in partnership with Mama Cash and Both ENDS.

In the new subsidy scheme, a special preference is given for advocacy CSOs or at least CSOs that have a proven track record in lobby and advocacy. What does this mean for the Strategic Partnerships?

About half (27) of the 63 selected organisations explicitly call themselves an advocacy organisation, which means that lobby and advocacy is inherent to reaching their goals and involves their daily practice. Advocacy organisations can be defined as working on policy adjustment and protesting when minorities or issues are not rightfully represented by public policy. In the list of advocacy organisations we find feminist groups, organisations that represent LGBT rights and/or SRHR, nature conservers, and human rights activists. Of the organisations, 12 can be described as service-delivery organisations (see chapter 1). Service-delivery CSOs use most of their time and budget for activities that range from volunteering in orphanages to capacity building. Their focus is on helping other people without making any judgment regarding their rights and needs. Among the applicants, we found 23 organisations that could fall in the "hybrid" category. These are the organisations that see the strengths of both roles and combine these to the benefit of reaching their goals. In their organisatonal identity, i.e. the "about" section of the website, both roles are clearly explained and linkages between the roles are presented. The hybrid organisations in the strategic partnerships are diverse; many themes are represented and both small, new and large, and older organisations can be termed "hybrid". Further research might be done on whether the number of hybrid CSOs is growing and whether "hybridity" is a result of strategic partnering with diverse partners.

From our sample of 35 lead CSOs, 21 were selected for the Strategic Partnerships fund. Those that did not apply or were not selected are generally service-delivery organisations that do not want to be recognized as lobby organisations. (Figure 10)

60% selected for the Strategic Partnerships fund

40% not selected for the Strategic Partnerships fund

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For many of the CSOs, the direct effect of the fund is that from 2015 onwards the amount of generic government funding available will become substantially lower than during the MFS-1 and MFS-2 periods. This applies in particular for all large hybrid CSOs like Cordaid, ICCO, Hivos and SNV. Even for Oxfam Novib, which received the highest amount of funding in this round, it is still a lower sum than the previous amounts they received. For them it is crucial to actively search for alternative funding or cut costs in the organisation. For some CSOs specializing in advocacy, however, the amount of government funding becomes higher than in previous years. This applies in particular to organisations like Both ENDS and Pax.

in percentage

IRC/wash 3.2   GPAC 0.5

Care Nederland 3.3

UTZ Certified 3.6
COC Nederland 3.6

Solidaridad 6.4

NIMD 6.4

Mama Cash 6.4

Fondo Centroamericano de Mujeres 6.4

Fear Wear Foundation 6.4

Amref Flying Doctors 6.4

Free Press Unlimited 6.7

SNV 6.9

Rutgers WPF 6.9

Cordaid 6.9

7.0 ICCO

8.0 Plan Nederland

8.0 Milieudefensie

8.2 Aidsfonds

10.0 Rode Kruis-Nederland

10.0 Hivos

11.9 PAX

11.9 IUCN-NL

11.9 AMREF Both ENDS

15.6 Oxfam Novib
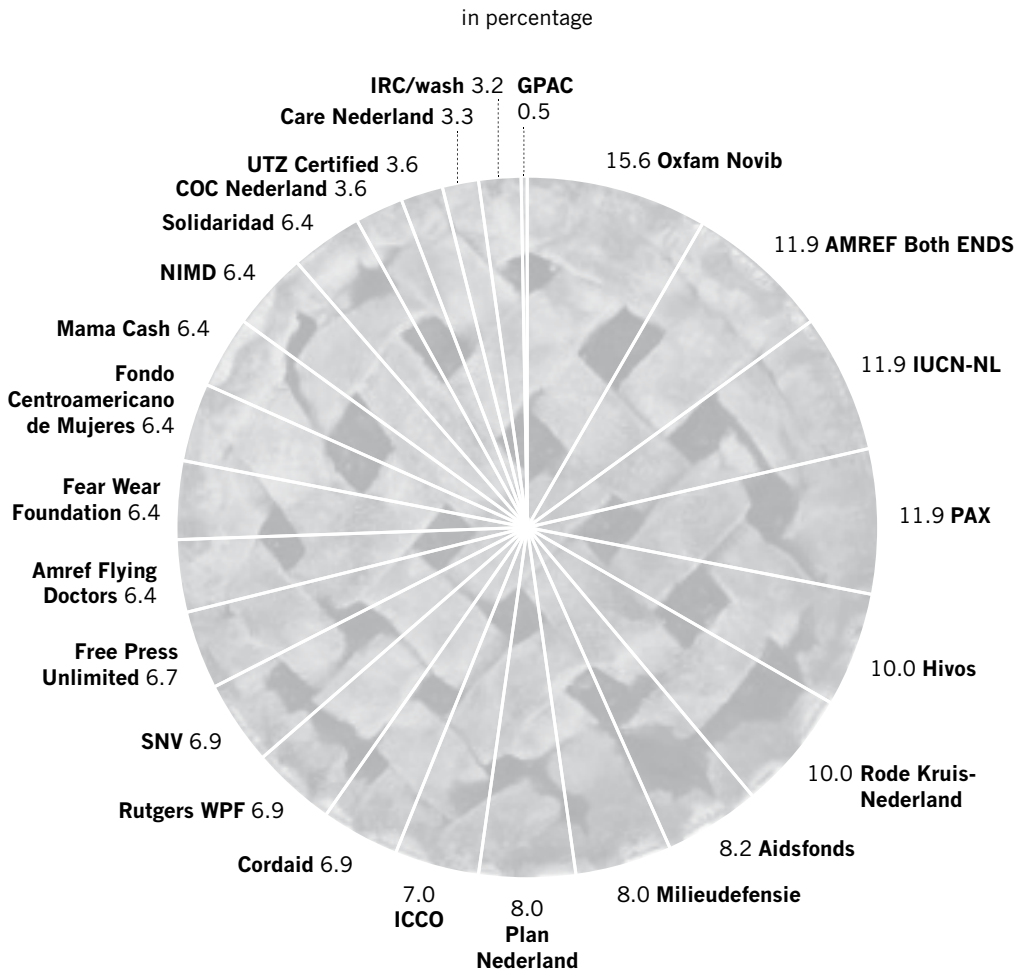
2.6 Conclusion: a new CSO landscape?

This chapter has illustrated the changing relationship between Dutch CSOs and the Dutch government. Most of this was the result of policy changes, which can be considered to be illustrative of general trends and tensions in the international policy arena. The change from MDGs to SDGs in the year 2015 is thereby illustrative of the general direction of the change and shows: (1) greater involvement of the private sector (firms as well as CSOs) in the development agenda, (2) bigger emphasis on partnerships to fill remaining institutional voids, (3) the more modest role of governments (limited budgets), and (4) the universal nature of the agenda, which implies that sustainable development challenges exist all around the world and not only in so-called "developing countries". As one of the frontrunner countries in the development effort over the past 50 years, the Dutch case provides a good context in which to study the resulting strategic (re)alignment in the traditional division of roles between governments, civil society organisations and companies.

This chapter started by defining the three transition stages affecting the CSO sector: (1) triggering events, (2) internal alignment, and (3) external alignment. Government policies created three partnership cycles with varying responses from leading CSOs. Some of the leading CSOs are still in the first phase of this transition: with a generally defensive attitude towards any of the above trends. Other CSOs started to develop new value propositions (internal alignment) earlier. In particular, smaller and more "marginal" CSOs faced earlier triggering events and consequently have organised a third stage of transition in which they are better capable of linking their partnership strategy with their internal organisation. Only by the year 2020 can the ultimate outcome of these consecutive changes can be assessed. That will be the topic of the next State of the Partnerships Report on CSOs. The 2001 State of the Partnerships Report focused on the first triggering period and noted that many CSOs used partnerships as a defence mechanism without fundamentally changing their own orientation. The present report zooms in on the second period in particular, in which most organisations have started to reassess their value proposition in a more fundamental manner, and thus are focusing on partnerships in a different manner than before.

The three policy cycles in the Netherlands have without a doubt reshaped the landscape of leading CSOs. When the MFS-1 programme was initiated in 2006/2007, 114 CSOs applied, but only 58 were granted funding. They shared a total of approximately 2 billion euros between them. In 2009/2010, 134 organisations applied for funding for the MFS-2 facility. In total 44 of 58 CSOs that had been MFS-1 approved, and 17 CSOs that had been MFS-1 rejected, reapplied. Applying for the first time were 73 organisations. In total 43 horizontal consortia were formed of which 23 (with 79 participants) were finally granted funding of approximately 2 billion euros up until December 2015. For the Strategic Partnerships fund, in 2014/2015 some 65 partnerships applied of which 25 were selected and between them they had to share a total budget of 185 million euros per year. This means that the available total budget has decreased from previous years. At the same time, different facilities were created that provided additional funding for some CSOs. However, funding – all sought under competitive bidding circumstances – was nowhere near the original budgets for bigger CSOs.

What do these changes imply for our sample of 35 leading CSOs? Table 4 defines the general landscape of CSOs in their changing relationship with the Dutch government.[XIX] Ten of the 35 organisations (28.5 per cent) received government funding in both the MFS-1 and MFS-2 period while 21 out of 35 organisations were selected for the Strategic Partnerships fund (60 per cent). Some others like SNV received separate funding up to 2015, but have subsequently become an integral part of the "core group". The "independent" organisations in this sample are not only the advocacy organisations, but also include large service and mutual support organisations like Doctors Without Borders, UNICEF and VSO. All of the organisations in the latter group share a relatively small dependency on government funding (see chapter 1). Only three organisations have been part of MFS-1 or MFS-2 but were not selected for the strategic partnerships. They can be considered "drop-outs" from a more preferential position in early partnering cycles. The history of the "comeback" organisations shows that this does not necessarily have to be negative. Some organisations facing rejection in earlier stages of the partnership cycles, such as Plan, Aids Fund and Solidaridad, managed to make a solid "comeback" under the new regime. They have developed notably different partnership strategies than the largest (core) CSOs that, in general, have tended to diversify their partnership portfolios much more. Despite all the turmoil, however, core organisations, as well as independent organisations, show remarkable stability. The overall trend seems to point to a greater degree of hybridisation at both ends of the dependency spectrum. This applies in particular to the larger organisations.

Table 4: A changing relationship: 35 key CSOs and the Dutch government (2007-2020)

Core hybrid organizations *MFS1, MFS2 and SP accepted*	Comeback organizations: *MFS1 or MFS2 rejected/not applied, SP accepted*	Drop-out organizations *(MFS 1 and/or 2 accepted, SP rejected/not applied)*	Independent hybrid organizations *(all rejected and/or never applied)*
AMREF	Aids fonds***	Warchild	Doctors without borders
Cordaid	Amnesty International#	Fair Trade Original	Avalon foundation
Both Ends	Dance4Life#	Bid Network	FairFood international
Care Nederland	PLAN**		Mensen met een missie
Edukans	Solidaridad***		Unicef Nederland
Hivos	Wetlands International#		VSO Nederland
ICCO			World Vision
IKV/Pax			Habitat for humanity
IUCN –NL			Max Havelaar
Liliane Fonds			Oikos
Oxfam-Novib			
Nederlandse Rode Kruis			
Simavi			
SNV*			
Terre des Hommes			
Wilde Ganzen			

*special position in early funding arrangements; ** rejected with MFS-1; # not applied for MFS-1;
*** rejected with MFS-2

3. Trends:
In cross sector partnerships

Chapter two identified the years 2008-2012 as a vital first period for internal (re) alignment in the CSO sector. Chapter three documents a number of specific trends in the realised partnership strategies of 35 leading CSOs for this period beyond their relations with the government. It describes developments in (1) total numbers of reported partnerships, (2) size of the partnership portfolio, (3) types of partnerships, (4) priority issues covered, (5) regional coverage, and (6) forms of engagement. The chapter finally considers whether the first signs of a fundamental change in dependency relations with the Dutch government in this period triggered a particular generic partnering strategy of CSOs beyond the relationship with the government. Can these trends be extrapolated?

3.1 Total numbers continue to increase

Over the years, the 35 leading development CSOs have substantially increased their involvement in partnerships. This is witnessed through the increased attention in annual reports on the phenomenon. We have used this phenomenon to document and compare their strategies because publications on partnerships are part of the external alignment needed to make the partnership strategy work. Relative reporting on partnerships therefore provides a good comparative basis for the importance of partnerships to each CSO (see also Annex 2 for a methodological note).

A sharp increase (54 per cent) in the number of reported partnerships appeared between 2008 and 2010; the period directly following the major triggering events that took place and which affected the relationships of CSOs with the Dutch government (chapter 2). Since then the number of partnerships continues to increase, but at a slower pace (11 per cent growth) (Figure 12). Varying strategies are reported by the seven largest CSOs in our sample (with individual annual revenues of more than 70 million euros). The largest co-financing organisations with the greatest dependence on government funding in this period (ICCO, Hivos, Cordaid) all show considerable growth in their partnership portfolios. Oxfam is more ambiguous, whereas UNICEF and the Red Cross kept their partnering profile relatively stable at more manageable proportions. Doctors Without Borders combined a rapid growth of revenues during the period 2008-2012 (from 130 to 170 million euros) with a sharp increase in the size of their partnership portfolio.

Figure 12: Total number of partnerships (n=35)

Number of reported partnerships of the largest Dutch CSOs
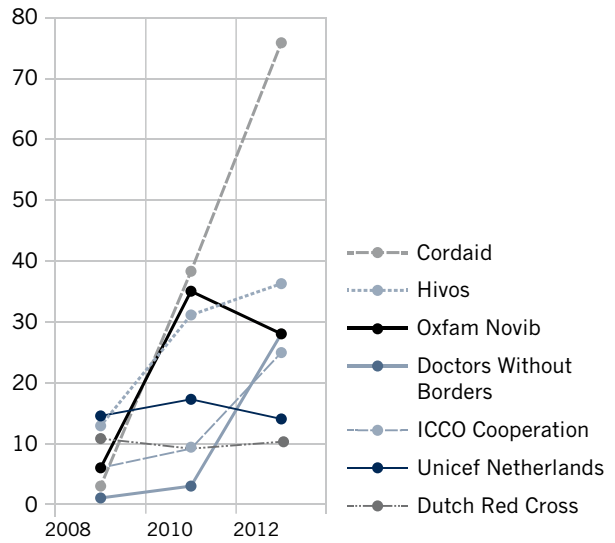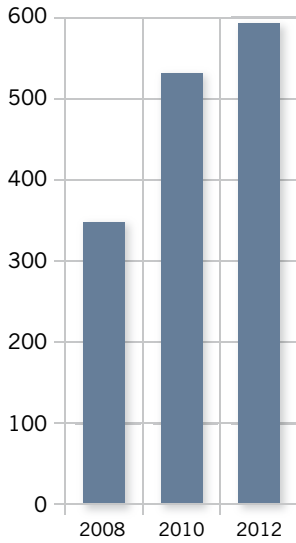
The changed attention to partnerships has seriously affected the Top 10 ranking of Dutch CSOs most active in partnering when compared to the earlier period. In 2008, AMREF Flying Doctors led with 48 reported partnerships. The average number of partnerships in the Top 10 CSOs was 15.8. In 2012, the leading CSO (Cordaid) reported more than 70 partnerships, while the average number of reported partnerships amounted to 35.3 (figure 13) Of the total sample of 35 CSOs, nine have 20-40 partnerships while 25 have less than 20 partnerships. Not one of the CSOs is without partnerships. Compared to the CSO partnering strategies of 2008 (with a sample of 90 CSOs), the Top 10 CSOs have managed to double the amount of partnerships they have. Except for Hivos, the organisations in the Top 10 have changed.

Figure 13: Top 10 reporting on partnerships in 2012 vs 2008

2012

Number of partnerships reported

Rank	Organisation	Number
1	Cordaid	76
2	WAR child	38
3	Hivos people unlimited	36
4	ARTSEN ZONDER GRENZEN	28
5	OXFAM Novib AMBASSADEURS VAN HET ZELFDOEN	28
6	Simavi Iedereen een gezonde basis.	26
7	Both ENDS	25
8	iCCO	25
9	Wetlands INTERNATIONAL	22
10	WILDE GANZEN	21

2008

Number of partnerships reported

Rank	Organisation	Number
1	AMREF Better Health for Africa	48
2	Aids Fonds	17
3	unicef	14
4	Hivos people unlimited	13
5	iicd People - ICT - Development	13
6	IUCN	11
7	Het Nederlandse Rode Kruis	11
8	SNV	11
9	Solidaridad	11
10	Liliane Fonds	9

3.2 Size: bilateral relations prevail

The number of partners the CSOs in our sample worked with within one partnership determines partnership size. We see that partnerships are increase in numbers and complexity: there are quite a few partnerships involving more than three partners and this is slowly growing in importance. Nonetheless, most partnerships still consist of a few partners: the majority having only 1-2 partners (68 per cent). The 35 CSOs examined in this study seem to be in favour of partnerships with a limited number of partners, i.e. with not more than 3 partners. Many of these partnerships are still in their infancy, which makes it more logical for CSOs to want to negotiate with a small group of partners. The limited experience of most CSOs with partnerships also makes it easier to exit them or engage in relatively short-term partnerships. Consequently, the number of terminated partnership is also considerable, although we lack exact data for this.

Figure 14: Distribution of the number of partners a CSO chooses to cooperate with during a partnership (2012)

number: amount of partners

size of the circle: the bigger the more often it occurs
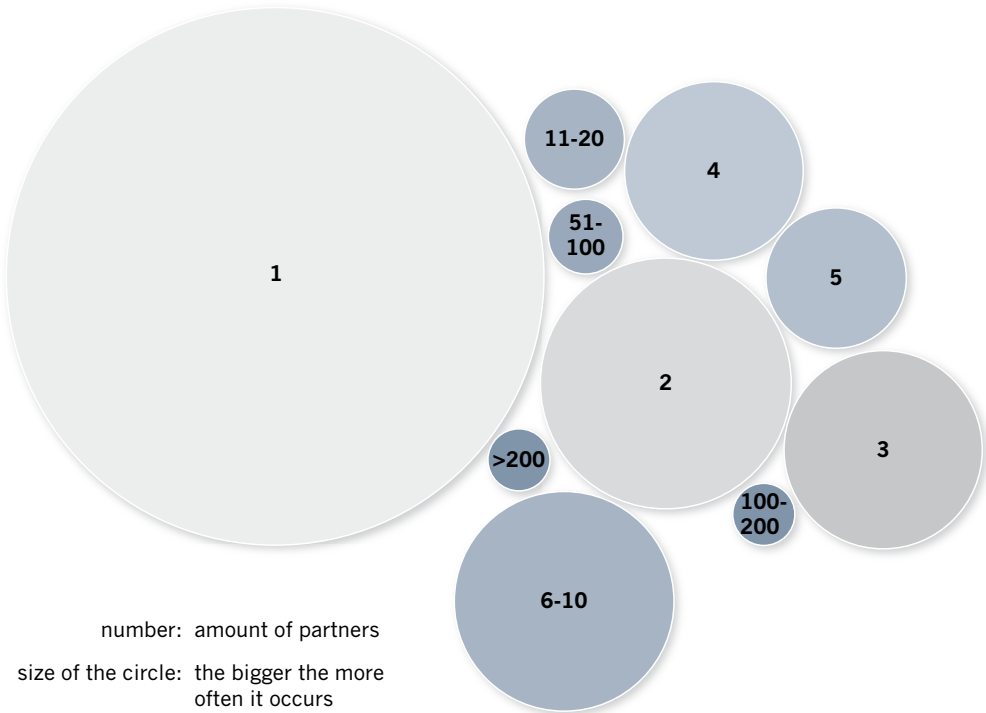
3.3 Types: trend towards multi-stakeholder and balanced portfolios

Partnerships can be formed between many different players. They can be other CSOs (social, non-profit), governments (public, non-profit), firms (for-profit), as well as other such as knowledge institutes or community-based (semi-public/private) organisations. Most scientific literature differentiates partnerships as being either intra-sector or cross-sector.[xx] For this research, this would mean that an intra-sector partnership would be collaboration between two or more CSOs.

However, intra-sector partnerships were not very popular in 2008: only 4 per cent of the CSOs in our sample mentioned collaborating only with CSOs. In 2010 this was very different with 41 per cent of the sample collaborating with other CSOs. In 2012 this stabilized to 26 per cent. A clear reason for the sharp increase in CSO-CSO collaboration for the year 2010 can be attributed to the second partnering cycle which was part of the policy prerequisite of MFS-2 and which required Dutch development CSOs to form horizontal alliances (chapter 2).

Cross-sector partnerships can be differentiated between public, private and social. Therefore, we distinguish between bilateral CSO-government collaboration, CSO-business collaboration and CSO-other collaborations. The latter category often involves a knowledge institute. In 2008, the interest in CSO-business relationships was particularly tangible. However, this interest later diminished because of a preference for collaboration with other CSOs (it rebounded slightly again in 2012). Finally, in 2012, we can see that all sectors became almost equally as popular as one another. CSO-government involvement represents a small and decreasing portion over the years, but this probably hints more at the fact that most CSOs do not report their cooperation with the government as a partnership but instead report it as a subsidy relationship. More information was provided on the changes in this relationship in chapter 2. Hivos is one of the few exceptions: in 2012 they explicitly referred to their cooperation with governments and government officials as partnerships (Hivos, Annual Report 2012, e.g. p. 8). So, although the Dutch government started to change policies towards CSOs from a relationship based on subsidies to one based on partnerships, not many CSOs actually framed their relation as such in 2012.[XXI]

Figure 15: Type of partnerships
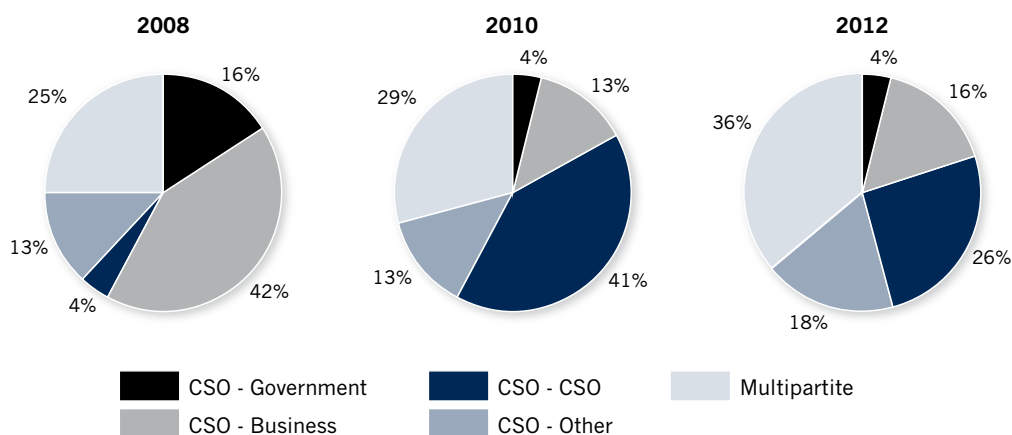
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The clearest and most sustained growth in the partnership approach of all CSOs has been in so-called multi-stakeholder partnerships. Here the CSO collaborates with more than one sector. This can thus be a CSO-business-government partnership or a CSO-CSO-government partnership, etc. The multipartite partnership is an indicator of partnership complexity. As we can see from the graphs, there is a slight increase in multipartite partnering from 2008 to 2012, showing that complex and diverse partnerships have increased in popularity.

As current partnerships show a larger diversity in stakeholder groups (government, CSO, business, international organisation, and knowledge institute) partnership complexity has thus increased from 2008 till 2012. Partnerships consisting of two or more partners from different stakeholder groups grew from 24 per cent in 2008 to 34 per cent in 2012. Through these more complex partnerships, CSOs might increase their impact and scope. This increased complexity also implies broader roles for the CSO and moves them further into the direction of hybridisation. As the leading CSO in partnering noted:

> *"Our increased focus on multi-stakeholder relationships resulting in increased partner diversity entails a broader role for our organisation: next to financing and capacity development, we are initiator, facilitator and broker."* (Cordaid, Annual Report 2012: p. 89).

3.4 Issues: health, education and human rights prevail

Partnerships are often initiated for the purpose of solving a (global) social issue.[XXII] These issues are not easily solved and certainly not by one partner alone. They represent wicked problems: highly complex and dynamic problems that involve multiple actors, interdependencies, and institutionalized beliefs and habits.[XXIII] Wicked problems also appear because solutions cannot be found in any of the traditional sectors (civil society, state, market) and thus require engagement and ultimately partnerships of actors from multiple sectors.[XXIV]

In this light, we looked at the issues for which CSOs considered partnerships particularly appropriate. Over the years, health and education persistently parade in the Top 3 of thematic issues addressed by Dutch CSOs (respectively 15 and 12 per cent in 2012). Compared to 2008, "poverty" in general (5 per cent) is no longer in the Top 3 of issues in 2012, while human and labour rights have entered the Top 3 (11 per cent). Of interest here is the rapidly growing attention towards water and electricity. Environmental conservation and climate change have never made it into the Top 3 partnership strategies of the largest development CSOs, whereas hunger has remained a relatively low in priority. In 2012, twenty out of the 35 CSOs focused on multiple issues (57 per cent), whereas 15 out of 35 CSOs (43 per cent) specialised in one of the classic themes (health, education and rights). Since 2012, themes attracting increased attention in the partnering strategies of CSOs are CSO management, disaster relief, entrepreneurship, and food security.

Figure 16: Changes in priority issues addressed by Dutch CSOs (2008-2012)
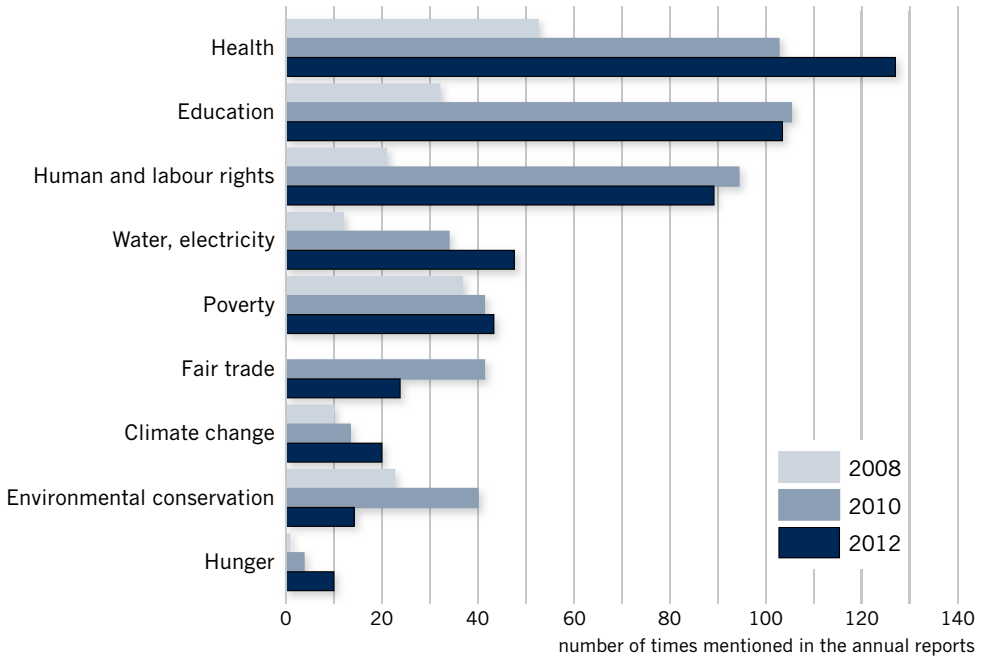
3.5 Geographical concentration on two regions

In the 2008-2012 period, CSOs implemented partnerships in Africa (20 per cent, stagnating) and Asia (36 per cent, growing) in particular. This is at the detriment of a geographic focus on Latin America (11 per cent), Eastern Europe (7 per cent) and the Middle East (2 per cent). The drastic decrease of partner countries of the Dutch government from 33 to 15 – and a refocus on Africa and Asia – is probably one of the major explanations underlying this change in geographical focus. Pakistan, Colombia, Bolivia and Egypt are three of the – sometimes considered remarkable – dropouts.[xxv] In this sense, the influence of the policies of the Dutch ministry can still be considered substantial. The most noticeable trend, however, is the growth in the number of partnership projects intended for multiple regions (23 per cent).

Figure 17: Regional distribution of partnerships (2008-2012)
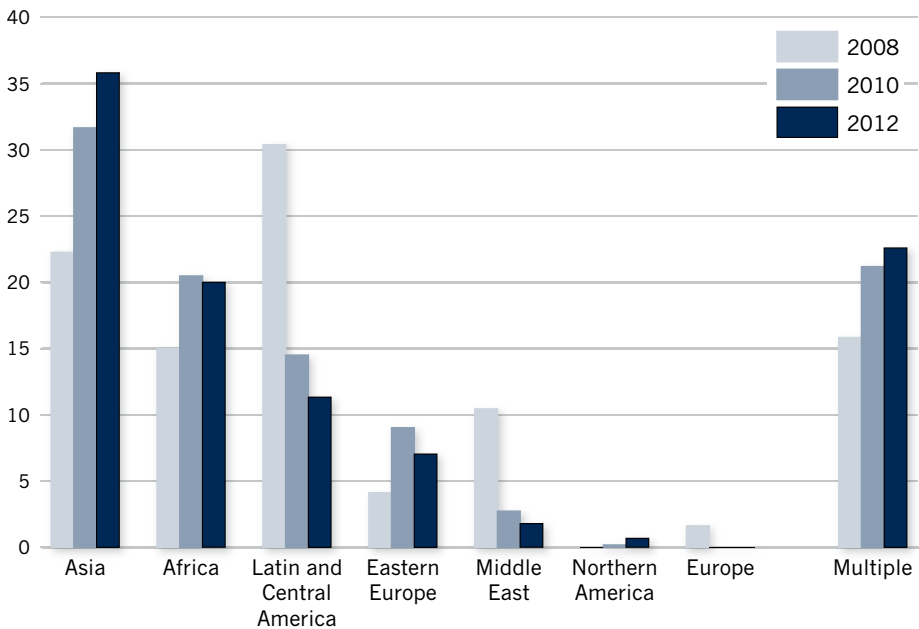
Examples of multiple regional partnership projects:
• United Entrepreneurship Coalition – BiD Network, Annual Report 2012, p. 21
• WASH Alliance – Wetlands International, Annual Report 2012, p. 4
• Global Alliance for Clean Cook Stoves, SNV, Annual Report 2012, p. 32

Each region influences the priorities of partnerships differently. Partnerships in Africa and Asia, as well as those intended for multiple regions, mainly focus on health and education. In South America, environmental conservation and human/labour rights receive the greater attention, whereas partnerships for the Middle East and Eastern European are primarily occupied with human/labour rights. Northern American partnerships are directed at poverty reduction and water/ electricity provision. European partnerships include, in particular, issues of fair trade followed by education and health topics.

Figure 18: Countries where partnerships projects are running and the main issues per region (2012)

partnerships projects

NORTHERN AMERICA	**EUROPE**	**EASTERN EUROPE**	**MULTIPLE**
• Poverty, water and electricity provision	• Education • Fair trade and health	• Human and labour rights • Environmental conservation	• Education • Health • Human and labour rights

SOUTHERN AMERICA	**AFRICA**	**MIDDLE EAST**	**ASIA**
• Human and labour rights • Environmental conservation	• Health • Education • Human and labour rights	• Human and labour rights	• Health, Education • Human and labour rights
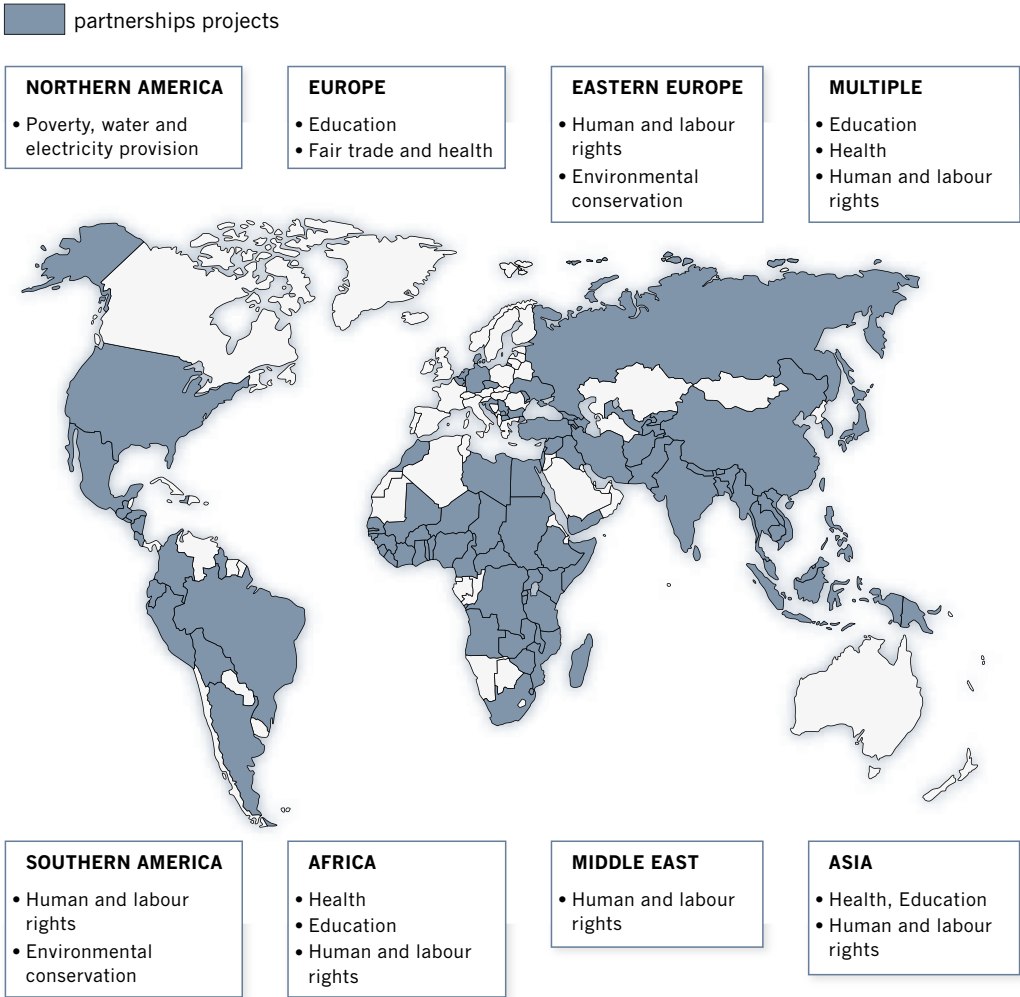
3.6 Forms of engagement: increasingly joint projects

The first State of the Partnerships Report documented that one third of the partnerships (of the 90 CSOs) was primarily aimed at finance. Examples were given of large transactional relationships that were not always easy to identify as real "partnerships". In chapter 4 we will further discuss this topic in order to help CSOs better qualify the form of engagement involved in the partnership. In 2008, almost equal shares of partnership projects were aimed at so called "joined projects", which are more transformational in nature. Of those, 7 per cent involved in-kind contributions (for instance, through volunteers, knowledge and/or working hours donated without further involvement) that can be classified as largely philanthropical relations. Some 3 per cent were aimed at dialogues (round tables, joint policy making efforts). At that time, we concluded that the relationship with business had been dominated by financial motivations, which was portrayed as a

relatively poor reason to strike a partnership. However, these relationships are changing as is shown by the partnership strategies of the leading 35 CSOs during the 2008-2012 period. The financing relationship occupies more or less the same position in the total number of partnerships. In-kind "partnerships" become less important. Dialogues grew from the 2008 position. Most noticeable, however, is the rapidly increasing popularity of "joint projects" in which partners actually try to come to a more meaningful and longer-term relationship. Many of these joint projects are also multiregional.

Figure 19: Forms of engagement in partnerships in 2010 and 2012

(n=35)

2010
5%
6%
13%
32%
44%
32%

2012
6%
2%
7%
53%
32%

Joint projects Dialogue Other
Financing In kind
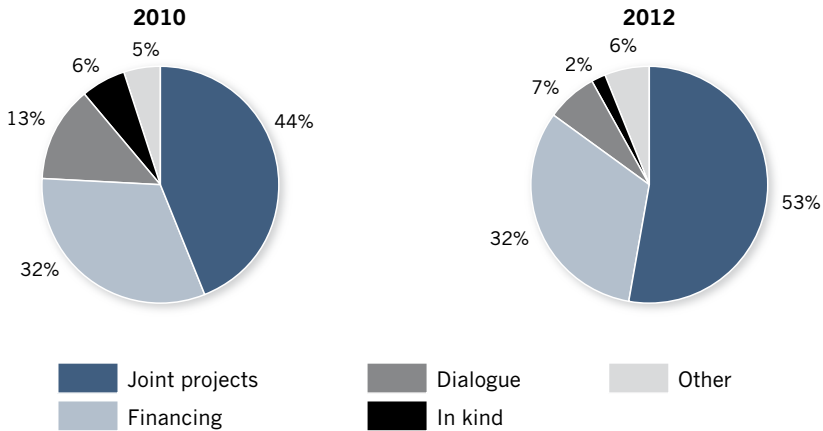
3.7 Conclusion: the end of a transition period?

In this chapter we documented trends in the partnership strategies of leading CSOs in the period after 2008. As explained in chapter 2, 2008 can be considered a tipping or triggering point in the relationship with the Dutch government. Before 2008, the relationship with the government was relatively stable, although not without some disturbance – leading to the first partnership cycle. The 2011 State of the Partnerships Report concluded that the funding relationship with the Dutch government – as measured in 2008 for 90 CSOs – had not influenced their partnership strategies in any decisive manner.

After 2008, immense changes appeared in the relationship between CSOs and the government. This created considerable uncertainty and even turbulence in the sector. It triggered many of the CSOs to look within and beyond their own sector for potential partners – and in relation to their value proposition and business models. In the 2010-2012 period in particular, these CSOs rapidly increased their partnership portfolios. Many CSOs that had been less endowed by government funding seemed to have engaged in more gradual partnering strategies. The overall picture for the sector as a whole at the end of this period, therefore, looks mixed. For the 35 CSOs in our sample, we see a modest transition effect. The organisations with the least government funding (0-20 per cent) struck on average the lowest number of cross sector partnerships (Table 5). The CSOs with the highest relative dependence on government funding (above 60 per cent) engaged in more partnerships on average. This relationship is not necessarily affected by the size of the CSO: we can find big and small organisations in each dependency category. It is much more likely that the

relationship is influenced by the nature of the value proposition of the CSO and the extent to which it needs external partners to achieve this. This makes the relationship case and context specific. For some of the bigger CSOs more dependent on government funding, the transition period has been used to experiment with a large number of partnerships. The bigger size of their portfolio, however, also presents them with a substantial coordination problem (see chapter 4). External alignment is difficult to achieve without a proper degree of internal alignment. The transition period is not yet over.

Table 5: Dependency on government funding and number of partnerships			
Percentage government funding 2012	Number of NGOs	Number of partnerships per NGO in 2012	Average number of partnerships per NGO
0-10%	8	6,28,8,2,11,4,14,14	10.8
11-20%	2	11,21	6.5
21-30%	5	14,14,10,18,10	13.2
31-40%	4	6,12,11,38	16.75
41-50%	1	15	15
51-60%	4	6,4,28,22	15
61-70%	2	76,17	46.5
71-80%	2	7,26	16.5
81-90%	6	20,25,36,25,11,16	22.2
91-100%	1	8	8
Total	35		

4: Tools:
How to better manage partnerships

Throughout the preparation of this report it became clear that there are a number of bottlenecks in the partnership strategies of CSOs that require more attention. In the last section of the previous State of the Partnerships Report (2011) a number of challenges for the period after 2008 were formulated. Many of these challenges still hold: internal and external coordination of the partnerships, defining appropriate reasons for partnering, and understanding the preconditions for success. This report has added a number of more concrete challenges to this list and we will discuss them shortly. First, it remains remarkable how poorly CSOs define "partnerships". A partnership not well defined is a partnership not well understood. Secondly, that hardly any of the organisations have actually looked at both sides of their partnerships is also remarkable. The strategic intents of both parties need to be coupled to the appropriate forms of engagement. If they are not well understood, strategic misalignment can jeopardize the whole partnership. Thirdly, while most CSOs stress the success of their partnerships, it is equally important to understand failure. Being transparent about both dimensions provides an important stepping stone for creating learning capabilities to deal with the increasingly complex issues – organised within multi-stakeholder processes – for which cross-sector partnerships are organised. Fourthly, as partnership portfolios increase in size, so the management of them becomes a challenge in its own right. Some concrete examples are given on how to portray these portfolios. The concluding section explains how the Partnerships Resource Centre can provide CSOs with practical assistance in learning, monitoring, research and the framing of issues.

4.1 Framing partnerships appropriately

At the start of a project, do organisations actually understand the type of partnership they are engaged in? Does it matter? Is every relationship that actors define as a "partnership" a real partnership? Moreover, can another form of collaboration that is not framed as such also qualify as "partnership"? In the earlier benchmark study, published in 2011, we found that CSOs used many words to describe their collaborations and relationships with other organisations. Not only did this pose a methodological problem for studying partnerships, but it clearly hinted at the relative vagueness with which the concept – intended or not – was used. With the growing popularity of "partnerships" as a means of getting things done or getting funding, however, the importance of framing them correctly also increases. For this and the previous benchmark study we included all the different words used by the organisations themselves to indicate their partnership approach.

Partnerships come in many forms and can have different goals and ambitions. There is an observable trend that more CSOs (e.g. Cordaid, Wetlands, ICCO Cooperation, War Child) categorize their partners according to certain taxonomies. However, the majority of CSOs still tend to classify traditional, "dependency-like" donor-recipient funding relationships as "partnerships". Definitions on what exactly the organisation understands as a partnership are seldom stated in the annual

reviews of development CSOs. Two noticeable exceptions in 2012 were Wetland International and the ICCO Alliance. They consider partnerships as:

> *"… Relationships where it works with the partner organisation(s) on the basis of equity to achieve jointly formulated objectives, with distinct contributions from each partner"* (Wetlands International, Annual Report 2012: p. 19-20).
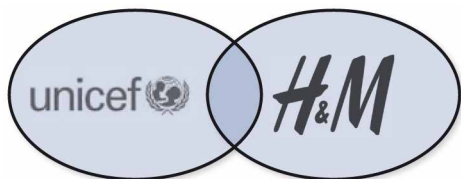
> *"…ICCO Cooperation stimulates programmatic cooperation in which multiple stakeholders work together based on a joint analysis, a shared vision of the problem to be addressed and a joint plan of action."* (ICCO Alliance, Annual Report 2012: p. 14)

What becomes clear from these frames is that they emphasize different dimensions. For example 'jointly formulated objectives' is not exactly the same as 'a joint plan of action', while 'on the basis of equity' in one definition is not matched by any comparable dimension in the other definition. Most organisations do not even try to define what they consider to be a partnership. They consequently report about their partnerships in ambiguous or often confusing terms that are not always helpful in understanding the logic of the partnership. Relations are called 'collaborations', 'alliances', 'communities' and the like. As examples, see how the following four bilateral partnerships are described.
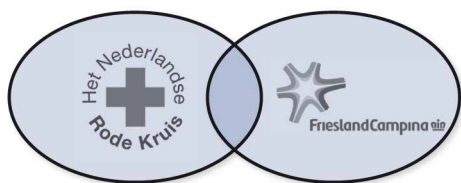
	The CSO Dutch Red Cross *and the Dutch dairy multinational* FrieslandCampina *signed a five-year partnership contract in 2012. 'The completion of our collaboration was so natural and quick, we jumped into it.' Emergency assistance, food security and nutrition are among their shared topics* (Source: Dutch Red Cross, Annual Report 2012).
	UNICEF *and fashion giant* H&M *developed the All For Children (AFC) label. The organisations unite against child labour and support child education programmes. A quarter of the selling price of AFC-labelled sold clothes in H&M stores was directly donated to UNICEF* (Source: UNICEF, Annual Report 2012).
	"Together with Cordaid, we form the "Communities of Change" (CoC) Alliance. In cooperation with organisations in Southern countries, we work towards green and fair local economies by stimulating sustainable agriculture and agroecology, and by supporting small (female) farmers and improving their position in policy processes. The methods we use come from these local communities themselves and have proven to be very effective." (Source: Both ENDS, annual report 2012, p. 17)
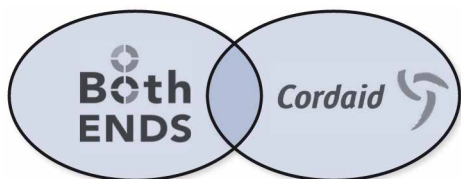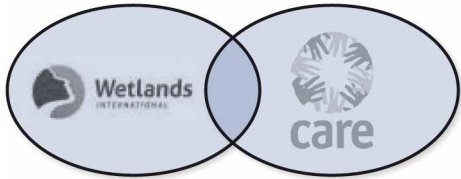
Each of these partnerships stresses different dimensions of the relationship and its ambitions. The richness of the area, however, is important in this particular transition stage. A too specific definition of partnerships would ignore the efforts of many organisations to enter into this new area without defining it properly. The challenge of the present transition stage is not only that parties themselves are searching for the right partnership configuration, but also that scientists do not agree on a single definition – which relates to the problem that is difficult to define what the most relevant dimensions of successful partnerships are. As a consequence many competing definitions still exist.

So everything counts? That is certainly not the case. We know from the existing research on partnerships that this is far from being a theoretical problem alone. Lacking sophistication in the actual delineation of what constitutes and what does not constitute a partnership can seriously hamper the expectations, the management, and ultimately the outcome of the partnership. A proper framing of the partnership is particularly important in the partnership formation process. It helps in aligning expectations. But there are no simple formulas or one-size-fits-all frames.

So what do we know? In the recent scientific literature on CSO partnerships[XXVI], we can find many lists of features that define a "true" partnership from the perspective of CSOs. It is generally agreed that the notion of "partnership" should refer to a type of collaboration with a relatively high degree of involvement of each party, especially when compared to notions such as "alliance" or "cooperation", which are frequently used in similar contexts. The following checklist of distinguishing features can help you in defining the kind of cross-sector partnership you are trying to establish:[XXVII]

- The partners originate from different societal spheres, which provides them with core competencies that are needed for addressing the issue
- The partners share (development) objectives, goals, and a common vision
- They benefit from complementarity in resources and competences
- Partners acknowledge that they cannot address the issue on their own
- The partners have no problem in becoming interdependent
- Rewards and profits are shared
- There is voluntary collaboration and contractual agreements
- There is a mutually agreed division of labour
- Decision-making is shared and non-hierarchical
- Risks, responsibilities, and accountability are shared
- Initially trust is not a necessary condition, but all parties should work on informal trust-based relationships alongside formalized relationships
- Each partner works on institutionalizing the partnership in their own organisation
- There is the will to learn from mistakes and for the discussion of them if they appear
- There is a good monitoring system in place

These elements constitute the defining starting dimensions of a true partnership. The more partners are able (and willing) to create transparency on these dimensions, the easier it becomes to classify a collaborative relationship as a partnership. This transparency should be sought in the formation phase of the partnership. Preferably these elements should be included in the Memorandum of Understanding of the partnership and the Partnering Agreement (box).[XXVIII]

Defining elements of a Comprehensive Partnering Agreement

A good partnering agreement will:
- Define the problem addressed
- Specify the mutual understanding of roles and responsibilities
- Articulate the commitments which partners must live up to
- Formalise the relationships between partners
- Provide a reference point for the collaboration that is to follow
- Support the partnering process by ensuring partners have correctly developed answers about all aspects of the partnership
- Reduce the likelihood of misunderstandings and disputes
- Serve as an overall framework to manage the partnership and guide decision-making
- Help maintain focus on the original activities and objectives
- Allow partners to keep track of project performance and review progress
- Allow for flexibility

4.2 Strategic alignment: understanding partnerships as mutual relationships

Chapter 3 showed that the forms of engagement with which CSOs strike partnerships can influence the nature of the relationship (section 3.7). However, CSOs still use "partnerships" in a rather loose manner, which sometimes makes it difficult for organisations to understand the strategic intentions they have for the partnership themselves (section 4.1). This problem is mutual and relates to what can be called the challenge of "strategic alignment". Partnerships full of good intentions can go seriously sour because the collaborating parties have different intentions in (a) what they would like to achieve with the partnership, and (b) how it relates to the value proposition of their own organisation. These dimensions define the degree of engagement of an organisation in the partnership. Strategically aligned partnerships have a comparable degree of engagement. The alignment challenge for partnerships is not that the ambitions are low or high, but that they are different between the partners.

Austin and Seitanidi[XXIX] introduced a collaboration continuum to identify the degree of engagement in partnerships. They identify four nodes on a continuum that define increasing intensities and ambitions for partnerships: philanthropic > transactional > integrative > transformational. Their collaboration continuum provides a way to look at collaborations as dynamic phenomena: no stage is a discrete point, but every node represents a higher level of commitment. Collaboration projects are always multifaceted, so some characteristics may be closer to one reference stage while other traits are closer to another. Neither does the continuum imply that being "transformational" is necessarily better than being in a "philanthropic" relationship. It all depends on the goals and the expectations of the partners. The continuum defines the degree to which the intentions for

partnership can be considered more or less strategic: philanthropic partnerships are usually relatively ad-hoc; transformational partnerships are inevitably strategic.

The continuum provides a practical tool for organisations to assess their own and their partner's strategic intention for the partnership:

Ad-hoc ↕ Strategic	Philanthropic	Are involved in providing welfare to society through charitable giving, such as the sponsoring of sport clubs and donating to charity organisations. Resources often flow in one direction: from the business to the CSO. The transferred resource mainly helps the CSO in pursuing its mission and goals, but it involves a low degree of commitment and links with the core activities of the organisation.
	Transactional	The rationale for transactional partnerships is improving profitability of market share from a business perspective. Examples are bottom of the pyramid-initiatives. Other examples are marketing campaigns whereby consumers buy a product of which a certain percentage of the profit goes to charities.
	Integrative	Focus is on balancing interests of the organisations involved by actively using their core competences. For instance, a partnership between an advocacy organisation and businesses that focuses on certification programmes in order to sustain their commodity chains
	Transformational	Interact with all relevant stakeholders in order to equally respond to all partners' needs and resources. Aimed at systems change, which can lead to disruptive social innovation and new organisational forms.

Source: based on Austin and Seitanidi, 2012

Applying this continuum to the four exemplary partnerships mentioned in the previous section (4.1) would lead to a more specific classification of their intent as follows:
- RedCross-Friesland Campina: transactional/ integrative
- UNICEF – H&M: integrative
- Both ENDS – Cordaid: transformational
- Wetlands – Care: integrative/transformational

The strategic alignment question then becomes whether both parties have the same understanding of their partnership and have comparable degrees of engagement. Philantropic relations, for instance, require much less commitment to the partnership than integrative or transformational partnerships. As long as both parties share the same ambition, the partnership can be a great success. For the partnerships that involve less engagement, the termination of the partnership is not necessarily bad, as long as each party understands it as temporary and philantropical. The success of transformational partnerships is much dependent upon the longer term engagement of both parties. Strategic alignment appears when the collaborative parties have the same intention for the partnership. Strategic misalignment appears when these intentions differ and are either not understood or not communicated. The most frequent source of misalignment with Dutch CSOs in their partnerships with companies appears in those "partnerships" where the prime motive of the company is philantropic, while the CSO perceives the relationship as integrative or even transformational. Many examples exist of CSOs that failed to anticipate the sudden and often unilateral termination of sponsorship by a major donor. Essentially, they had made too optimstic an assessment of the degree of engagement of this particular partnership for the company.

Three cases of Dutch partnerships can further illustrate the use of the above tool. They present how to assess the degree of mutual engagement and the perception thereof. It also illustrates how partnerships can change over time. Partnerships can also turn sour if actual and perceived engagement levels start to diverge. We include two cases of relatively good alignment and one

case of relative misalignment. The last case, for instance, shows how important it is to engage in good expectations management. The setting of mutual goals and agreements on measuring impact might also be sources of the misalignment within a partnership. Exploratory research has shown that partnerships with a high level of engagement and strategic allignment are evaluated positively and achieve most operational impact.[xxx] It was also found that this type of partnership requires considerable investments in time, money and effort. Additionally, it takes years to reach this level of mutual trust and understanding between partnering organisations. This also means that in the whole portfolio of partnerships, organisations will probably only be able to have this high degree of engagement and commitment with just a few partnerships.

Case [A] strategic alignment 1%Club – Accenture

The partnership was formed after the 1%Club participated in the Accenture Innovation Awards. This annual event allows start-ups to pitch innovative ideas to a jury that judges the different concepts. The 1%Club was one of these concepts and it appealed so much to some managers at Accenture that they began to explore if they could cooperate on a structural basis. This explains the intensive cooperation right from the start where financial donations were immediately supplemented with knowledge-sharing projects. Currently, 1%Club makes use of all three CSR activity types, but also engages in co-creation and recruiting events with Accenture, something that can be classified as being integrative in nature. Another important factor is that 1%Club looks for expansion of their community within the network of Accenture and at the same time introduces Accenture to possible potential clients in co-creation sessions with multiple companies. Finally, the 1%Club has a group within Accenture for all kinds of volunteering options and which is called the 1%Community. This community is made up of Accenture employees who feel connected to 1%Club and is quite active: in 2014 the brand awareness of 1%Club increased from 60 per cent to 78 per cent. 1%Club stays in close contact with this community and with Accenture CSR managers to see what new activities can be done. At the beginning of 2015, Accenture & 1%Club implemented the 1%Club CSR engagement platform in which they use the core competences of both organisations. Concluding from this, the degree of engagement is quite high and strategic from the perspective of both Accenture and 1%Club. This is mainly due to a great overlap in partnership definition and target audience, but also because they are jointly initiating activities that relate to the core business of both organisations.
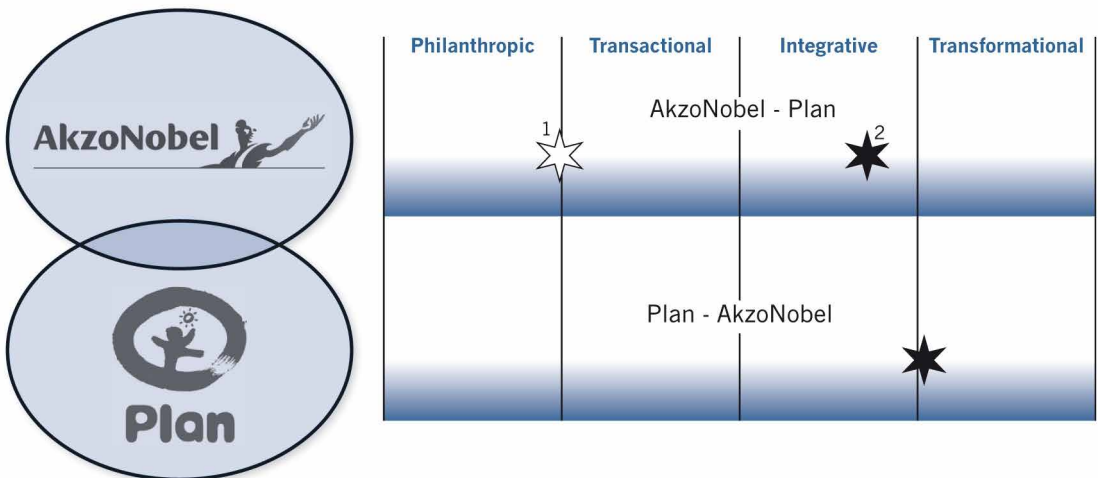
Degree of engagement
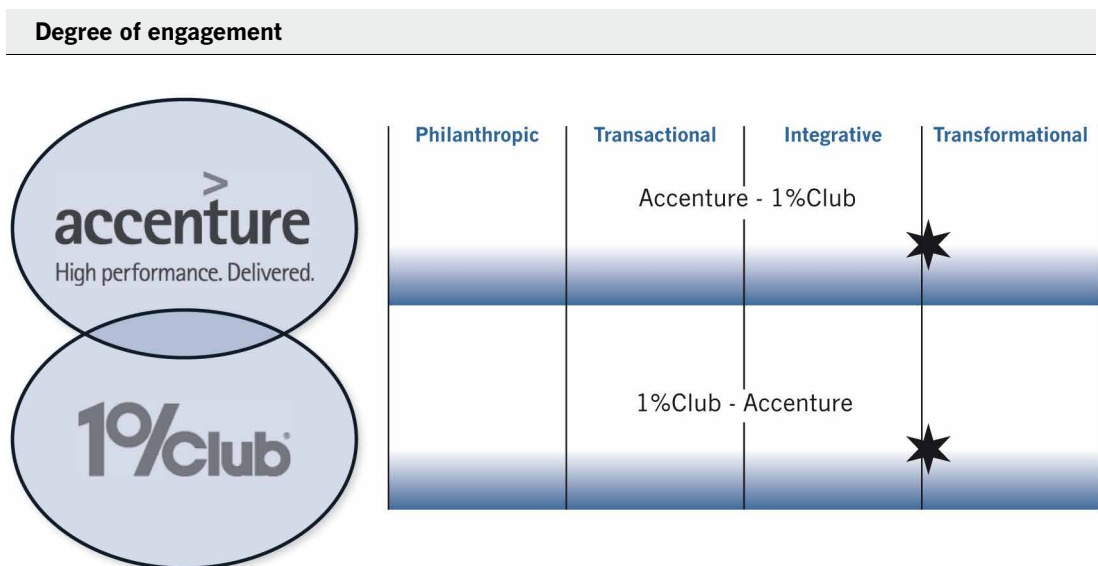
Case [B] changing alignment: Plan – AkzoNobel

Twenty years ago, AkzoNobel and Plan started a partnership in a so-called Education Fund. At that time AkzoNobel provided only financial assistance for educational projects and programmes in developing countries. Plan NL helped the company in making decisions about which projects to support. After the FIFA World Cup in 2014, AkzoNobel and Plan, together with Amsterdam Arena Advisory and various other partners, joined forces to enhance social development in the Natal region in Brazil. AkzoNobel takes the lead in organising vocational training in painting. Plan takes the lead in recruiting deprived youngsters to be trained as painters. AkzoNobel and Plan NL both participate on the Board of this renewed Education Fund.

Over the years the relationship changed considerably. The partnership between AkzoNobel and Plan started as a philanthropic partnership focused on charitable giving. In this stage (stage 1), Plan had clearly greater expectations of the partnership than AkzoNobel. This created alignment problems, which became acknowledged by Plan. Plan could do two things: either lower its expectations of the partnership and be satisfied with a sponsoring relationship or try to step up the engagement on both sides. The second approach was chosen. As a consequence, the partnership has moved towards a more transformative stage in recent years. The partnership evolved on the basis of co-creation in which decisions are jointly taken by the Board of the Education Fund with implementation in the project being jointly organised. Both parties continuously reflect on further development of the partnership and its programmes. Differences in the approach of each organisation are not considered problematic. The partnership has built-up mutual trust and is now seen as a good arena for (critical) dialogue and learning. For instance, Plan uses this arena to discuss the need for more focus on girls' empowerment. AkzoNobel uses this arena to stimulate Plan to prove their added value to the partnership (based on data). Effectively, a more functional perspective on partnerships has replaced charitable giving.

Degree of engagement

© The Partnerships Resource Centre/DeVink Mapdesig

The degree of engagement of both parties has become quite high and strategic. The partnership is becoming an essential part of the core (Human Cities) strategy of AkzoNobel, which aims at improving, energizing and regenerating urban communities across the world. The partnership

programme is increasingly connected to the core business of AkzoNobel. The partnership is equally important for Plan NL and increases its impact. AkzoNobel has proven to be a stable partner and financial resource for many years. The change in the relationship has also been accompanied by internal changes in Plan. Corporate partnerships are no longer part of Plan's fundraising department, but are now integrated in the programme department. Corporate partners are no longer seen as purely philanthropic.

Case [C]: Football for Water (sanitation and hygiene) alliance
The third case presents a more complex multi-stakeholder partnership consisting of seven partners. The Football for Water Sanitation and Hygiene (WASH) alliance contains one governmental partner, three organisations that work on WASH, one football organisation (KNVB) and two support organisations. Beyond that, they work with extra implementing partners in Kenya, Ghana and Mozambique. This public-private partnership combines the strengths of football and WASH by building football fields and toilet facilities near primary schools. It also encourages soft skills: improving teamwork and awareness of how important hygiene is for children's health through games and football. The impact of the programme, as measured in their mid-term review, is positive. Because of the popularity of football and the playfulness of the lessons in teamwork and hygiene given at schools, the educational messages stick in pupils' heads.

Role of the ministry			
Philanthropic	**Transactional**	**Integrative**	**Transformational**
★			

Role of the partner organizations operating in the Netherlands			
Philanthropic	**Transactional**	**Integrative**	**Transformational**
	★		

Role of the partner organisations operating in Kenya, Ghana and Mozambique			
Philanthropic	**Transactional**	**Integrative**	**Transformational**
		★	

Since this partnership is relatively young, large, and complex, it is less easy to position each partner's engagement along the collaboration continuum. Partners have their own role and activities and work towards a goal that is not inherent to any of the goals of the individual organisations. The government – an initiating partner – now plays a coordinating and financing role. The three organisations seem similar, since they all work on WASH implementation, but according to Simavi there are many differences between them relative to methods, procedures and the regions in which they work. This makes learning and exchange more difficult and also creates barriers for further integration and coordination between the Dutch partners. In the countries where partners actually build toilets, football fields and give coaching, the implementation has been more integrated. For this effect to actually materialize, communication and fine-tuning has been more crucial for the success of the programme and earlier mismatches in activities led to delays in the programme. KNVB, the football partner,, appointed a coordinator who knew much about both governmental programmes and WASH implementation. The supporting partners, AKVO and Aqua4All, had worked with WASH partners before. Over the last few years, the partners in the Netherlands improved the learning and exchange from south-north and north-north, which makes their "star" move towards the more integrative side of the continuum.
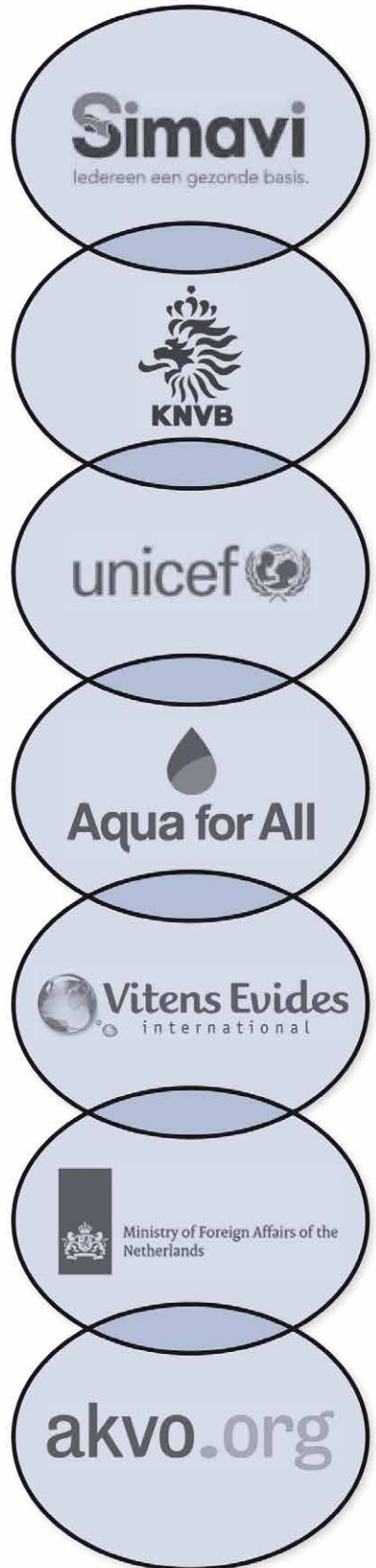
4.3 Partnerships as learning experience: considering Successes AND failures

How to celebrate success while learning from failure? Reporting plays an important role. Organisations are often inclined to only celebrate "success", but it is not always easy to define what that actually means. Success of partnerships is also difficult to measure, so the desire to serve sponsors and donors with success stories tends to lead to oversimplified statements, or to only report about "easy" partnerships. Superficial success stories are prone to allegations of window dressing. Reporting about (alleged) success stories can also be used to fine-tune the argumentation on what actually defines success: (1) in general, (2) for the specific issue at hand, and (3) in relation to the core mission of the organisation. Framed like this, success stories become the input in monitoring and learning efforts that can help organisations to improve their partnership projects even if they are considered a success. Being transparent about failure also helps organisations to generate feedback and to learn. We noticed in chapter 2, that many CSOs are still in a transition period in which it would be highly unlikely that all the partnerships they form will be successful. Keeping these stories "inside" for fear of exposure gives room for (1) group think, (2) limited learning, and in the end, even (3) lower legitimacy and credibility with other partners. Building up more coherent partnership portfolios is often part of an interactive learning process.

In the previous State of the Partnerships Report, we found that CSO annual reports in general fell short in providing clear monitoring and evaluation frameworks for the evaluation of their partnerships. CSOs were also extremely hesitant in providing information on failure, even when these cases had helped them in improving their partnership practices. It was concluded in that report that a lack of transparency related to a lack of learning capacity and societal accountability. When comparing the evaluation practices of the present sample of companies with the amount of evaluation sections found for the previous State of the Partnerships Report, we can only conclude that the transparency of CSOs in this area has increased substantively.

CSOs have also become less hesitant to report about their failures. CSOs reported negative outcomes in 5 per cent (N=30) out of the total of 594 described partnerships in 2012. For 2010, this was 9 per cent (51 out of 535 partnerships). Comparing this with our study published in 2011, we found only three reported unsuccessful partnerships. From this, it cannot be concluded that the decrease in percentages reflects a decrease in partnership failures over the years or a difference in reporting on partnership successes and failures.

The following table provides examples of reported successes and failures. The kind of arguments and metrics used to define success and explain for failure are still diverse and very context specific. Most of the success metrics also relate to the direct output and outcome of projects, much less to the longer-term impact.[XXXI] The table also includes the attributed factors behind success and failure. Cooperation, influence and impact are themes that define success in partnerships, whereas time/ineffectiveness, fraud and design/planning contribute to failures. Finance constitutes both a success factor and a source of failure.

Table 6: Successes and failures in partnerships

Successes	What is it?	Example
1. General improvement	Partnership contributed to clear and measurable improvements	'War Child successfully supported the reintegration of 190 children and young people who were previously linked to armed groups' War Child, Annual Report 2012: p. 15
2. Cooperation	Cooperation was especially valuable and successful, both partners profited	'The cooperation between IKON and Wilde Ganzen is intense and good. On an executive level, we discuss mutual opportunities to place each other in the spotlight' Wilde Ganzen, Annual Report 2012: p. 19
3. Influence	Partnership caused a change in policy making, reached influential people	'The American congress adopted the law, President Obama has signed it. From 2012, listed oil and mining companies have to fulfil strict transparency regulations' Cordaid, Annual Report 2010: p. 41
4. Target group satisfaction	Target groups endorse that a partnership has had an effect	'Our partner Coordination of Afghan Relief (CoAR) was successful in providing education to adults, of which three quarters of all participants were women. One of them stated: "Since I can read and write, people treat me with much more respect' Oxfam Novib, Annual Report 2010: p. 62
5. Target exceeded	Partnership targets reached in an early state, more beneficiaries reached than anticipated	'Through numerous activities, money was collected for the "Building a Health Network" program. With success, the program is fully funded a year earlier than planned" AMREF, Annual Report 2012: p. 14
6. Finances	Future financial support granted, revenues higher than expected	'The collaboration of the Dutch radio station 3FM and the Red Cross in their program "Serious Request" yielded more than 7 million euros: an unprecedented success' Dutch Red Cross, Annual Report 2010: p. 12
7. Manpower	Experts and others involved contributed substantially	'The scheme has been very successful, with many coaches and entrepreneurs continuing these relationships well beyond the life of the projects. Eighty-five per cent of the coaches also go on to coach again in successive years because of their positive experiences' Bid Network, Annual Report 2012: p. 11

Failures	What is it?	Example
1. Project partners	Difficulties of finding a partner, differing expectations and capacities, cooperation problems	'A CAFoRD project, receiving support in 2009, is inefficient as the director is frequently absent and the project staff remain without guidance. Consequently, results are flawed' Edukans, Annual Report 2012: p. 35
2. Project design	Weak project design, issues with project management, limited applicability	'WASH development activities focus on delivery of "taps and toilets" often without adequately taking into account the consequences for the water source (often wetlands) or the destination for waste and wastewater produced (often wetlands again)' Wetlands International, Annual Review 2010: p. 29
3. Finance shortage	Not granted subsidies, increased needs, no long term guarantee for finance	'Unfortunately, the government has anticipated budget cuts for the coming years. We are in need of other sources of revenue' Oxfam Novib, Annual Report 2010: p. 88

4. Ineffectiveness	Project scope is limited, implementation does not work as expected	*'DOL's goal was to engage more girls in school, nevertheless, more boys (224) than girls (120) eventually participated in school'* Terre des Hommes, Annual Report 2012: p. 29
5. Fraud	False reporting, funding did not reach beneficiaries	*'We discovered a fraud case in one of our projects: its funding did not reach the intended project. We decided to end our collaboration with the concerning organisation, at least until matters are resolved'* Edukans, Annual Report 2012: p. 19
6. Social unrest	Insecure situation, shutdown of branches, arresting of employees by local authorities	*'The government in Uganda turned out to be increasingly repressive. The police closed one of the walk-in centres in Northern Uganda and employees have been taken into custody for several days. Due to these circumstances some of the planned activities could not be executed in Uganda'* AIDS Fonds, Annual Report 2012: p 17
7. Delay	Delay of project execution, of financial means	*'We needed more time than anticipated to start the campaign in each country. Consequently, the campaign has been running for a rather short period of time in some countries'* Oxfam Novib, Annual Report 2010: p. 53

4.4 Partnership Portfolio Management: the basics

For organisations in transition, a solid partnership strategy starts with a basic overview of all the relationships that exist. Of strategic importance is an understanding of their nature and, preferably, their consequences for the organisation. It is remarkable how many CSOs have not yet made an overview of all the collaborative ventures (not necessarily partnerships) in which they have engaged. Many partnership portfolios have materialized as the result of many different and uncoordinated decisions. The overview is further hampered by a relative vagueness about what actually constitutes a "partnership". So, the framing problems (4.1) that hamper research into partnerships also hamper the management of them, certainly for organisations that have a big partnership portfolio. We also conclude that expansive partnership portfolios are, in addition, a sign of the transition and experimentation phase in which most of the CSOs still find themselves. In transition periods, many actions develop "bottom-up" or on an "ad-hoc" basis. The same applies for partnership strategies.

Thus the creation of partnership portfolios is part of a dynamic process that is difficult to plan or coordinate. When flexibility is needed, creating ad-hoc partnerships (see 4.2) might be the best route to take. When more stability is needed, ad-hoc partnerships might reinforce unrest in the organisation. Not everything can be planned, not in the least due to the ambiguity with which many CSOs are (re)considering their position in society. Partnerships also present windows of opportunity in transition processes provided the partnership portfolio is well managed. The intensification and extensification of networks of external relationships belongs to the prime managerial competencies of leaders. This starts with getting a proper (helicopter) overview of the whole portfolio of relevant partnerships.

Chapter 3 indicated that many CSOs have indeed substantially increased their portfolio of partnerships. In 2012, for instance, all of the Top 10 CSOs have to manage portfolios of more than 20 partnerships. Partnership complexity has also increased over the years. The increase in the number and diversity of partners, geographical regions and multiple issues all contribute to partnership complexity. Moreover, many CSOs are involved in multi-stakeholder partnerships. Different partnerships within that portfolio can also contribute to partnership portfolio complexity.

In order to control this complexity, a partnership portfolio should be carefully managed and guided by a portfolio strategy. The basics of a partnership portfolio strategy outlines choices taken in at least four areas:[XXXII]

- *Portfolio size and density:* how many partnerships have been created with how many partners per partnership?
- *Diversity in the type of partners:* how many and how big is the involvement of participants from (1) government, (2) firms, (3) other CSOs, (4) knowledge institutes, and (5) others such as semi-public or semi-private organisations?
- *The issue orientation of the partnerships* and how that relates to the core activities (value proposition) of the CSO.
- *The nature of the relationship:* (1) finance, (2) dialogue, (3) joint project, (4) in-kind or (5) unspecified.

These characteristics are relatively easy to identify at the level of the whole organisation. This inventory provides the leaders of the CSO with a first indication of whether their portfolio is compatible with their strategies, identity and future ambitions. Preferably, to help CSOs reveal and understand trends, portfolios are drawn over a period of time. More sophisticated partnership portfolio strategies also include strategic alignment questions (section 4.2), linking the issues with their own value proposition and more detailed monitoring and evaluation techniques.[XXXIII]

To illustrate what these basic choices lead up to, we considered the partnership portfolios of five exemplary CSOs: UNICEF, AMREF Flying Doctors, IKV Pax Christi, Both ENDS and Wilde Ganzen/ IKON. In the previous State of the Partnerships Report, we focused in particular on the partnership strategies of five other established large CSOs with great dependencies on the Dutch government: ICCO, Cordaid, Oxfam, SNV, and Hivos. For this report we chose to draw examples from a wider sample of CSOs spread over larger and smaller CSOs with limited (UNICEF, Wilde Ganzen), high (Both ENDS) and medium (AMREF Flying Doctors) government dependence. This group also represents a sufficient spread over service delivery (AMREF), advocacy (IKV/Pax) and more hybrid (Both ENDS, UNICEF) organisations. This selection leads to interesting differences in the portfolio approach of these organisations, as the Figures on the following pages will illustrate.

We constructed these portfolios on the basis of published documents:
- Some CSOs have numerous partners per partnership (e.g. Both ENDS with 10-15 partners per partnership), whereas others opt for only 1-2 partners per partnership (e.g. IKV Pax Christi)
- CSOs have a focus on single thematic issues (e.g. AMREF Flying Doctors focuses mainly on health and IKV Pax Christi mainly on human rights) or on a diversity of issues (e.g. Wilde Ganzen, UNICEF, Both ENDS)
- Some CSOs opt for extensive relations with firms (e.g. UNICEF, AMREF Flying Doctors), whereas others hardly have any relations with firms (e.g. Wilde Ganzen).
- Some CSOs selected multiple regions for partnership implementation (i.e. Both ENDS), while others focus on one or two regions, often mainly in Africa (i.e. AMREF Flying Doctors).

Comparing the partnership portfolios of these five exemplary organisations over time (2010 and 2012) reveals a number of different portfolio strategies CSOs:

- There is an increased tendency among these CSOs to implement partnership projects in Africa. Literally, the portfolio pictures display how sometimes complete regions are "off the map" (for instance Latin America and Central America, which are no longer focus areas for Wilde Ganzen in 2012)
- The number of government partners is more or less constant (i.e. Wilde Ganzen, IKV Pax Christi) or increases (Both ENDS)
- There is more focus on joint partnership projects (e.g. IKV Pax Christi primarily engages in joint projects)
- When these CSOs considerably reduced the number of their partners, they particularly lowered the number of their CSO-partners (e.g. IKV Pax Christi from 20 to six CSO partners and UNICEF from 13 to four CSO partners) and/or are active in less regions (e.g. AMREF Flying Doctors which is now mainly engaged in Africa)

HEALTH, WATER PROVISION
- ▲ Waterschap Velt en Vecht
- ● Aqua for All

WATER PROVISION
- ▲ Waterleiding Maatschappij Limburg

FUNDRAISING
- ▲ Amsterdam Rai

HEALTH
- ▲ VvAa

HEALTH, HUMAN RIGHTS
- ■ Ministry of Foreign Affairs
- ● Simavi
- ● dance4life
- ● Choice for Youth and Sexuality
- ◀▶ Rutgers WPF

HEALTH, EDUCATION
- ■ Government

HEALTH
- ◀▶ Academie Verloskunde Amsterdam
- ◀▶ TU Delft
- ◀▶ VU Amsterdam

WASH
- ■ Ministery of Foreign Affairs
- ● Simavi
- ● Akvo
- ● Rain foundation
- ● ICCO
- ● Waste

FRAUD
- ▲ KPMG

WATER PROVISION
- ▲ Kärcher

HEALTH
- ▲ VvAa

HEALTH, EDUCATION
- ▲ Glaxo Smith Kline

HEALTH
- ▲ Koninklijk Instituut voor de Tropen

AMREF
Better Health for Africa

Region and issue
- Western Europe
- Africa
- Multiple/global

Form of engagement
- – – Financing
- ·–·– Dialogue
- —— Joint project
- ·····– In-kind
- ······ Unspecified

Type of partners
- ■ State
- ▲ Firm
- ● CSO
- ◀▶ Research/University
- ★ Other

HEALTH, EDUCATION HUMAN RIGHTS
- ■ Minister of Health and Education in Kenya

WATER PROVISION
- ▲ WML
- ● Aqua for All

BUSINESS CLUB
- ▲ VvAa
- ▲ Mediq

EDUCATION, HEALTH
- ◆ MOI University Kenya

HEALTH, HUMAN RIGHTS
- ■ Ministry of Foreign Affairs
- ● Simavi
- ● dance4life
- ● Choice for Youth and Sexuality
- ◆ Rutgers WPF

INTERNAL AUDITS
- ● KPMG

AMREF
Better Health for Africa

FEMALE CIRCUMCISION
- ■ Government of Tanzania
- ◆ Massai

WATER PROVISION, HEALTH
- ● Aqua for All

HEALTH
- ▲ VvAa

HEALTH, EDUCATION
- ■ Minicipality of The Hague
- ▲ Businesses of The Hague

HEALTH, POVERTY
- ■ Ministry of Foreign Affairs
- ● Waste

WATER PROVISION, HEALTH
- ■ Ministry of Foreign Affairs
- ● Watercompany

HEALTH
- ▲ CZ

Region and issue

Africa

Multiple/global

Form of engagement

- – – – Financing
- –┼–┼– Dialogue
- ——— Joint project
- ·–·–· In-kind
- ········ Unspecified

Type of partners

- ■ State
- ▲ Firm
- ● CSO
- ◆ Research/University
- ★ Other

EDUCATION
▲ SchoolTV Week-journaal

FOOD
▲ 7 Restaurants in Lemelerveld

POVERTY
■ Ministery of Foreign Affairs
■ Ministery of Justice
● Kinderpostzegels
● Vluchteling en werk
● De Vrolijkheid
● Pharos
● DCIECPAT

EDUCATION
■ Government
▲ National Geographic Channel

EDUCATION
▲ Hyves

POVERTY
★ National Postcode Lottery

EDUCATION
▲ ANWB
● COA

DISASTER RELIEF
▲ ING

HOMELESS CHILDEREN
● Defence for Children
● Kinderpostzegels
● Amnesty International
● Kerk in Actie
● Vluchtelingen-werk

HEALTH
▲ Djoser

EDUCATION, HEALTH, HUMAN RIGHTS
▲ IKEA

EVENT MARKETING
▲ Achmea
▲ Ricoh
▲ Libéma

WATER PROVISION
▲ Wavin
● Aqua for All

WATER PROVISION
● Stichting 2015

HEALTH
▲ Procter & Gamble

Region and issue

Western Europe
Africa
Asia
Multiple/global

Form of engagement

— — Financing   ⋯⋯ In-kind
+—+ Dialogue   ⋯⋯⋯ Unspecified
——— Joint project

VIOLENCE AT SCHOOLS
- ■ Ministry of Foreign Affairs

WATER PROVISION, HEALTH
- ▲ Wavin

WATER PROVISION
- ■ Ministry of Foreign Affairs
- ▲ KNVB
- ▲ Vitens Evides
- ● Aqua for All
- ● Akvo
- ● Simavi

HEALTH
- ▲ Airport Schiphol

HEALTH
- ▲ ING

POVERTY
- ★ National Postcode Lottery

HUMAN RIGHTS
- ▲ Businesses Worldwide
- ▲ ING
- ▲ IKEA
- ● Save the children
- ◆ United Nations Global Compact

EDUCATION, HEALTH, HUMAN RIGHTS
- ▲ IKEA

HEALTH
- ▲ Djoser

EDUCATION, HUMAN RIGHTS
- ▲ IKEA

AWARENESS
- ★ SCENES

HEALTH
- ▲ Procter & Gamble

HEALTH
- ▲ RTL 4

FUNDRAISING
- ▲ Unique

Type of partners
- ■ State
- ▲ Firm
- ● CSO
- ◆▶ Research/University
- ◆ International Organization
- ★ Other

HUMAN RIGHTS
- Development Education Network Liberia
- Centre de Recherche et d'Action pour la paix
- Justice and Peace Commision of Sierra Leone

HUMAN RIGHTS
- ■ Ministry of Foreign Affairs
- Amnesty International
- Press now
- European Centre for Conflict Prevention

HUMAN RIGHTS
- ◆▶ Mitrova Rock School

HUMAN RIGHTS
- Fractal
- CBM

CHRISTIANITY IN PALESTINE
- Cordaid
- ICCO

HUMAN RIGHTS
- Memorial
- Russian Justice Initiative

HUMAN RIGHTS
- Fractal

HUMAN RIGHTS
- ★ All Jamu Kashmir Students Front

ANTAGONISM
- ■ Dutch Embassy

HUMAN RIGHTS
- ARCIAR
- CIC
- FOMI
- Justice Plus
- ★ Bisdom Bunia
- ★ Bisdom Mahagi
- ★ Bisdom Wamba
- ★ L'eglise du Christ au Congo

GENOCIDE
- ▲ Kamp Westerbork
- Potocari Memorial Centre

REGULATION OF THE SUDANESE OIL INDUSTRY
- ▲ Various companies

HUMAN RIGHTS
- Centre ibn Rochd

CLUSTER MUNITION
- Centre ibn Rochd

IKV PAX CHRISTI

HUMAN RIGHTS
- Amnesty International

HUMAN RIGHTS
- ■ Local governments in South Sudan

Region and issue

- Eastern Europe
- North America
- Africa
- Asia
- Multiple/global

Form of engagement

- ─ ─ ─ Financing
- ┼─┼─ Dialogue
- ──── Joint project
- ─·─·─ In-kind
- ─ ─ ─ Unspecified

EDUCATION

⭐ Basra Network for Peace and Development

HUMAN RIGHTS

◼ American Government

◼ British Government

◼ Dutch Government

▲ Anglo American

▲ Anglo Gold Ashanti

▲ Barrick Gold Cooperation

▲ Shell

● Pact

GENOCIDE

⭐ Bosnian Institute for Missing Persons

⭐ Veterans

HUMAN RIGHTS

⭐ National Postcode Lottery

HUMAN RIGHTS

● Musicians without Borders

◆ Fontys Rock Acedemy Tilburg

CLUSTER MUNITIONS

● Fairfin

IKV PAX CHRISTI

HUMAN RIGHTS

● Haki na Amani

HUMAN RIGHTS

● Free Press Unlimited

SECURITY OF CIVIL SOCIETY

⭐ Bisdom of Kisangani

REPARTITIONS OF LAND

◼ Ministry of Foreign Affairs

◆ African Studies Centre

HUMAN RIGHTS

● Amnesty International

Type of partners

◼ State

◆ International Organization

▲ Firm

⭐ Other

● CSO

◆ Research/University

EDUCATION
- ★ Nederlandse Rotaryclub
- ★ RIPEM

HEALTH
- ★ Dorp Vreeland

SUSTAINABLE AGRICULTURE
- ★ CMGDM
- ★ Vrienden van Toamasina

EMPOWERMENT OF WOMEN
- ★ Crisiscentrum Casa Amiga

EDUCATION
- ★ Casa Amazonia

POVERTY, NATURAL DISASTER
- ● Plan Noticias
- ● SOS Chili
- ★ Vrouwenbond in Chili

EMPOWERMENT OF DUTCH SERVICE CLUBS
- ★ Serviceclubs in Nederland (SIN)

MEDIA
- ● Ikon

POVERTY, EDUCATION
- ● Ustanovazjiveli

GLOBAL CITIZENSHIP
- ■ Ministry of Foreign Affairs
- ▲ PwC
- ◆ Nederlands Jeugdinstituut

POVERTY
- ■ Ministry of Foreign Affairs
- ● International Child Support
- ● SOS Kinderdorpen
- ★ Wereldkinderen

HEALTH, EDUCATION
- ★ Nederlandse Particulier Initiatief
- ★ Pusat Rehabiljitasi Yakkum (PRY)

HEALTH
- ● New Window
- ★ Hussaini Foundation Pakistan

BLIND PEOPLE
- ● Lion's Werkgroep Blinden

POVERTY, HEALTH, EDUCATION
- ● World Servants

MIGRANTS
- ★ Sava Network Foundation

IMPROVE SITUATION OF CHILDREN
- ★ Net4kids

RAISING MEDIA INTEREST FOR DEVE-LOPMENT PROJECTS
- ● Ikon
- ★ Zendtijd voor Kerken

HEALTH
- ● De Zaaier
- ● Centre Médical Evangè-lique de Nyankunde

POVERTY, HEALTH
- ● The Hunger Project
- ● NCDO
- ● Millenniumnetwerk Fryslân

HEALTH
- ● Pelikulan
- ● Yayasan Taman Sejahtera

ONTWIKKELINGSSAMENWERKING
WILDE GANZEN

Region and issue
- Eastern Europe
- Africa
- Asia
- Latin/Central America
- Western Europe
- Multiple regions/global
- Unspecified

Form of engagement
- – – – Financing
- +–+–+ Dialogue
- —— Joint project
- ·–··–· In-kind
- ········ Unspecified

GLOBAL CITIZENSHIP

■ SBOS
▲ PwC
◆ Nederlands Jeugdinstituut

FUNDRAISING

● KDF
★ CESE
★ Smile

COOPERATION BETWEEN CSO'S

■ EU
● Divoké husy
★ CISU

RAISING MEDIA INTEREST FOR DEVE-LOPMENT PROJECTS

● Ikon

MIGRANTS

★ Sava Network Foundation

POVERTY

● ICS
● SOS Kinderdorpen
★ Wereldkinderen

AWARENESS

★ Partin

ENHANCE DIALOGUE BETWEEN DUTCH NGO'S

● Cordiad
● Impulsis
● NCDO
● Partin

IMPROVE SITUATION OF CHILDREN

★ Net4kids

POVERTY, HEALTH, EDUCATION

● World Servants

ONTWIKKELINGSSAMENWERKING
WILDE GANZEN

BLIND PEOPLE

● Lion's Werkgroep Blinden

ENPOWERMENT OF SERVICE CLUBS

★ Serviceclubs in Nederland (SIN)

AWARENESS

◆ NCDO

FINANCIAL SUPPORT

★ National Postcode Lottery

EDUCATION

● Niketan
● Lionsclub Nootdorp/ Pijnacker

WATER PROVISION

● Self Help Development Project

WATER PROVISION

● Rotary Club Nakuru
● Rotary Club Amstelveen

POVERTY, HEALTH

● The Hunger Project

EDUCATION

● Gered Gereedschap

WATER PROVISION

● Heart for Gambia

Type of partners

■ State
▲ Firm
● CSO
◆ Research/University
◆ International Organization
★ Other

ENVIRONMENTAL CONSERVATION

■ Local governments
▲ Not specified
◀▶ Scientists

WATER PROVISION, CLIMATE CHANGE

▲ ACACIA Water
◀▶ Institute for Environ-
mental Studies (IVM)

EDUCATION, ENVIRONMENTAL CONSERVATION

● Joke Waller Hunter Initiative

BothENDS

EDUCATION, ENVIRONMENTAL CONSERVATION

● CSOS

WATER PROVISION, ENVIRONMENTAL CONSERVATION

◆ World Bank
★ African River Network
● NAPE

SUSTAINABLE PALM OIL

■ Governments
▲ Palm oil producers
● Various NGO's

POVERTY, HUMAN RIGHTS

★ Youth organizations

Region and issue

Africa

Asia

Western Europe

Multiple regions/global

Form of engagement

–– – Financing
┼┼┼┼ Dialogue
──── Joint project
─··─··─ In-kind
········ Unspecified

Type of partners

■ State
▲ Firm
● CSO
◀▶ Research/University
◆ International Organizations
★ Other

ENVIRONMENTAL CONSERVATION
- ▲ TNI
- ● NAPE
- ● ILSE
- ● SOMO
- ● Milieudefensie
- ● Action Aid Nederland
- ■ Ministry of Foreign Affairs
- ◆ Madhyam
- ◆ Development Institute
- ◆ Mining Zone People's Solidarity Group
- ★ Clean Clothes Campaing
- ★ Lumière Synergie pour le Développement
- ★ JVE International
- ★ Seatini

AWARENESS FOR SOY
- ● ICCO
- ● Farn
- ● ICV
- ● ISA
- ● IUCN NL
- ● Probioma
- ● Oxfam Novib
- ● Casa Comun
- ● Milieudefensie
- ● WWF Netherlands
- ● Reporter Brasil
- ● Guyra Paraguay
- ● Fundación Humedadle
- ● Fundación Pro Yungas
- ● Stichting Natuur & Milieu

ENVIRONMENTAL CONSERVATION
- ● CARI
- ● GRET
- ● PSO
- ● SCOPE
- ● Enmiya
- ● TMF
- ● GCOZA Mali
- ● ENDA Senegal
- ● EMG South Africa
- ◆ Madhyam
- ■ Swiss Agency for Development and Cooperation
- ★ LPPS
- ★ OLCA
- ★ CENESTA
- ★ CAREC
- ★ DCG Norway
- ★ Probioma

CLIMATE CHANGE
- ■ Ministry of Foreing Affairs
- ■ Ministry of Environment (Peru)
- ● Water Resources Commission (Ghana)
- ● AEDES
- ◆ ACACIA Water
- ◆ Development Institute
- ◆ VU Amsterdam
- ◆ Borena zone water resource office
- ◆ Centre for Social Research and Development
- ★ Action for Development

LOBBYING FOR BANK INVESTMENTS
- ● Coalition of NGO's

ENVIRONMENTAL CONSERVATION
- ◆ CRESA
- ◆ VU-CIS
- ◆ Turing Foundation

ENVIRONMENTAL CONSERVATION
- ◆ CRESA
- ● PSO
- ● Newtree
- ● Saheleco
- ★ ICI Conseil

RESEARCH ON JATHROPA
- ■ Reca
- ★ NWO
- ★ Hoarec
- ★ Africad
- ◆ Kwame Nkrumah University

LAND USE, LAND RIGHTS
- ◆ ICRAF
- ◆ VU-CIS
- ◆ Wageningen UR
- ● Cordaid
- ■ Ministry of Foreing Affairs

LAND USE, LAND RIGHTS
- ● Oxfam Novib
- ★ International experts
- ★ Local experts

WATER MANAGEMENT, WATER RIGHTS
- ■ Ministry of Foreing Affairs, Eco system alliance & FGG alliance
- ● AFIEGO
- ● ELCI
- ★ Di (Ghana)
- ★ Gomukh
- ★ Nile Basin Discour
- ★ Nature Kenya
- ★ NAPE
- ★ JVE (Togo)

LAND USE, LAND RIGHTS
- ● AEDES
- ● ELCI
- ● PSO
- ★ DI (Ghana)
- ★ Gomukh
- ★ Nile Basin Discour
- ★ Telepac
- ★ NAPE
- ★ JVE (Togo)

IMPROVEMENT OF MULTI STAKEHOLDER PROCESSES
- ● PSO
- ● Wageningen UR
- ◆ Tanjungpura University
- ◆ Malay University (Kuala Lumpur)
- ★ RSPO
- ● Cordaid
- ● ETC
- ● Fairtrade international
- ● ICCO
- ● Waste

SUSTAINABLE PALM OIL
- ■ Ministry of Foreing Affairs
- ● Aidenvironment
- ● FPP UK
- ● Oxfam Novib
- ◆ Malay University (Kuala Lumpur)
- ★ DOEN Foundation
- ★ DSF Advisory Group
- ● Local parties
- ● RSPO International
- ★ Sawit Watch

ENVIRONMENTAL CONSERVATION
- ■ Ministry of Foreing Affairs
- ● IUCN NL
- ● Newtree
- ● Prerak
- ● Samata
- ● Wetlands International
- ◆ NCF India
- ◆ WTI
- ★ Keystone
- ★ Life
- ★ RCDC
- ★ Telepac
- ★ Taller Ecologista

Both ENDS

4.5 Strategize

Solid Partnership Portfolio Management implies strategizing. One dimension of strategizing is making the proper link with one's own ambitions. This is very much case and context dependent. Another dimension of strategizing is comparing one's strategy with that of other CSOs. Are you serving on a bandwagon of initiatives or do you want to define your own niche? Chapter 3 described reported trends in partnering and partnership portfolio strategies of 35 leading Dutch CSOs from 2008-2012. They also present benchmarks for their own strategy. Not only have we seen an increase in the number of partners that CSOs collaborate with, but we also see that the complexity of these partnerships has strongly increased. CSOs tend to have more partners within a partnership, but they also have more partnerships in their portfolio. Moreover, these partners have become more diverse; as are the issues and geographical regions they cover.

The massive involvement in partnerships requires CSOs to strategize about their partnership portfolio. This report presented options that CSOs have used to manage their portfolio. The most frequently used options over the past years have been:

1) *Number of partners per partnership*
    - Option 1: Most CSOs (68 per cent) partner with a few partners (1-2) per partnership.
    - Option 2: Several CSOs (11 per cent) partner with many (6-20) partners per partnership.

2) *Geographical coverage*
    - Option 1: The majority of CSOs implement partnerships in Africa (20 per cent) and Asia (36 per cent), with the latter still growing.
    - Option 2: The number of CSOs focusing on multiple regions is growing (23 per cent in 2012).

3) *Issue portfolio*
    - Option 1: More than half of the CSOs focus on multiple issues (57 per cent).
    - Option 2: Less than half of the CSOs (43 per cent) address a limited number of classic themes, with health, education and human/labour rights being top priority issues.

4) *Type of partners*
    - Option 1: CSOs increasingly enter complex partnerships (with more stakeholder groups) to increase impact and scope (from 24 per cent in 2008 to 34 per cent in 2012).
    - Option 2: The majority of CSOs prefer to partner with other CSOs (32 per cent).

5) *Form of engagement*:
    - "Joint partnership projects" are the most popular as a form of cooperation (53 per cent).

6) *Funding*
    - Option 1: The majority of CSOs increasingly rely on donations (51 per cent) and commercial revenues.
    - Option 2: CSOs also hold on to government funding (44 per cent) even though this is much less than before.

4.6 Further support: PrC initiatives

The Partnerships Resource Centre (PrC) supports CSOs with (executive) training and detailed advice. The primary function of the PrC has been to document general trends, thus providing the sector with benchmarks. Furthermore, the PrC has developed a large number of supportive tools and initiatives to enable CSOs to upgrade their partnership strategies. At appropriate places in this report reference was made to specific tools already developed by the PrC, such as:

- Monitoring and evaluation framework
- Partnering agreement scorecard
- Partnership formation processes
- Critical success factors of partnerships
- Skills philosophy
- The partnership box: decision-making steps for partnerships
- Upscaling partnerships: a checklist

Other tools are in preparation. Three practical and practitioner-oriented initiatives have recently been developed and are described below. They are aimed at participation, interaction, and action research. They help facilitate permanent learning, information exchange in a safe environment and the (re)framing of issues. We invite you to participate!

Permanent learning		PPPLab is an action research and joint learning initiative established to enhance the relevance, effectiveness and quality of Dutch-supported public-private partnership in the areas of sustainable water and food security. It was founded by PrC, Aqua4All, SNV, and CDI in collaboration with the Ministry of Foreign Affairs and RVO. http://www.ppplab.org/
Out-of-the box thinking and reframing of issues		The Wicked Problems Plaza is a joint initiative of the PrC and the New World Campus (NWC). It brings stakeholders together and promotes effective collaboration. Participants in the sessions identify the different dimensions of problems and discuss dilemmas. Sustainable business models evolve from brainstorming on collective solutions and stakeholders find themselves being taken from abstract problems to concrete solutions using their heads, hearts and hands. The WPP is located at the New World Campus in The Hague: http://www.rsm.nl/the-partnerships-resource-centre/what-we-offer/wicked-problems-plaza/
Chatham House Rule Room		Will be created at the campus of Erasmus University in Rotterdam. It is linked to the Amnesty endowed chair on International Business and Human Rights and is intended to create a safe space for organisations to share dilemmas and negotiate new arrangements on international issues that have resulted in conflict. This facility will be supported by action research.

Annex 1:
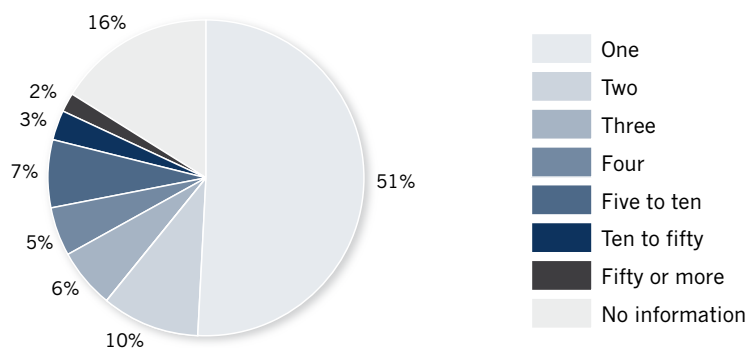# The sample

Table 7: The sample

Nr.	CSO name	Total revenue 2012	Part of MFS2?	Part of FDOV/FDW?	Part of SP?	Gov. funding % of total funding 2008	Gov. funding % of total funding 2010	Gov. funding % of total funding 2012	Commercial revenue	Donations 2012	Funding through National Postcode Lottery 1990-2014
1	Aids Fonds - Soa Aids Nederland, St.	24.402.953	No	No	Yes	42%	49%	52%	0	11049968	0
2	Amnesty International Afdeling Nederland	24.216.672	Yes	No	Yes	0%	0%	2%	234355	23006195	72.223.892
3	AMREF Flying Doctors, St.	11.004.304	Yes	Yes	Yes	33%	45%	30%	0	7427750	20.549.834
4	Artsen zonder Grenzen	172.158.000	No	No	No	n.a.	0%	0%	0	1,71E+08	319.170.447
5	Avalon Foundation	693.109	No	No	No	33%	67%	33%	0	375888	2690.000
6	BiD Network, St.	2.229.628	Yes	No	No	25%	52%	81%	0	244706	6.145.000
7	Both ENDS	8.687.047	Yes	No	Yes	73%	67%	84%	0	1088728	1.000.000
8	Care Nederland	14.026.334	Yes	Yes	Yes	77%	77%	76%	0	3205183	2.000.000
9	Cordaid, St.	129.345.000	Yes	Yes	Yes	73%	58%	64%	0	40235000	5.6174.519
10	Dance4Life Nederland	4.133.506	Yes	No	Yes	73%	2%	26%	0	3033775	5.370.775
11	Edukans	16.329.306	Yes	No	Yes	53%	48%	44%	0	8912964	0
12	Fair Trade Original	18.768.713	No	No	No	67%	n.a.	0%	18513098	175705	0
13	Fairfood International, St.	2.147.535	No	No	No	4%	3%	54%	0	953728	4.097.576
14	Habitat for Humanity Nederland, St.	1.960.946	No	No	No	0%	0%	0%	0	1846916	0
15	Hivos, St.	115.827.000	Yes	No	Yes	90%	91%	84%	0	16917000	12.558.688
16	ICCO	97.056.266	Yes	Yes	Yes	95%	91%	90%	0	7607708	9.230.607
17	IKV Pax Christi, St. Samenwerkingsverband	12.323.190	Yes	No	Yes	47%	54%	81%	0	101583	2.000.000

Nr.	CSO name	Total revenue 2012	Part of MFS2?	Part of FDOV/FDW?	Part of SP?	Gov. funding % of total funding 2008	Gov. funding % of total funding 2010	Gov. funding % of total funding 2012	Commercial revenue	Donations 2012	Funding through National Postcode Lottery 1990-2014
18	IUCN NL	14.920.231	Yes	No	Yes	80%	53%	90%	0	1352800	19.480.728
19	Liliane Fonds	22.543.448	No	No	No	10%	12%	10%	0	20192363	18.326.595
20	Max Havelaar	3.923.301	No	No	No	4%	8%	5%	2481456	1223777	5.582.314
21	Mensen met een Missie, St.	10.215.245	No	No	No	43%	32%	33%	41785	6128796	0
22	Nederlandse Rode Kruis	81.984.000	Yes	No	Yes	33%	18%	29%	0	56745000	79.755.123
23	Oikos	1.258.998	No	No	No	0%	0%	12%	19769	1058272	0
24	Oxfam Novib, St.	156.386.000	Yes	Yes	Yes	86%	56%	59%	0	56244000	347.410.954
25	Plan Nederland	47.892.000	No	Yes	Yes	35%	13%	27%	0	34656000	48.117.749
26	Simavi, St.	16.070.000	Yes	Yes	Yes	37%	51%	78%	0	3326000	19.899.760
27	SNV	Unknown	No	Yes	Yes	100%	>90%	>90%	n.a.	unknown	0
28	Solidaridad, St.	19.134.325	No	Yes	Yes	un-known	69%	66%	0	6039722	12.013.194
29	Terre des Hommes	22.960.292	No	No	Yes	31%	35%	39%	0	13633390	49.504.722
30	UNICEF Nederland	70.455.000	No	No	No	0%	0%	0%	0	69889000	316.099.58
31	VSO Nederland	4.026.766	No	No	No	0%	8%	8%	0	2835580	0
32	Warchild	22.682.271	Yes	No	No	22%	19%	31%	0	15492856	19.483.076
33	Wetlands International Foundation	12.056.305	No	Yes	Yes	0%	75%	52%	0	5242004	0
34	Wilde Ganzen/ IKON, St.	17.174.000	Yes	No	Yes	8%	11%	12%	0	14780000	4.162.905
35	World Vision Nederland	6.510.127	No	Yes	No	25%	33%	28%	0	4693176	0

Annex 2:
Using reported partnership strategies

When a CSO reports about partnerships, it is not always clear what types of collaborations they mean. Broader or stricter definitions of partnerships thus bias the total number of partnerships a CSO is in, as shown in chapter 3. Trends in reporting about partnerships nevertheless give a good indication of the relative importance that CSOs give to reporting and transparency. Moreover, reports do represent the most important partnerships for a CSO. We validated this for most CSOs in this report as we did in the 2011 study, which contained information about the 2008 portfolios of CSOs.

When a CSO does not report specifically about a partnership, this does not necessarily imply that they do not engage in partnering. Therefore, even these results were checked and included in the analysis if deemed necessary. In this study, missing values are corrected for in order to give more accurate percentages and to provide quick overviews of the current situation in the Netherlands. The next graph shows the percentage of "missing values" that were added in counting the number of partners in reported partnerships for the complete sample. No info/missing value is reported when collaboration is mentioned in the annual review, but it remains unspecified with which parties they collaborate.

Figure 30: Proportion of missing values as compared to positive values

Legend:
- One
- Two
- Three
- Four
- Five to ten
- Ten to fifty
- Fifty or more
- No information

Pie chart values: 51%, 10%, 6%, 5%, 7%, 3%, 2%, 16%

Endnotes

I.   See Rob van Tulder and Alex van der Zwart (2006) *International Business-Society Management*, London: RoSee Rob van Tulder and Alex van der Zwart (2006) *International Business-Society Management*, London: Routledge, p.8.

II.   For this study, the sample chosen was more limited than for the 2008 baseline study in order to make comparison over a longer period of time economically feasible. The sample incorporates all largest, internationally operating development CSOs based in the Netherlands, such as Oxfam Novib, Doctors Without Borders, ICCO Cooperation, Hivos, Cordaid, SNV, Unicef, Dutch Red Cross, and Plan Nederland, next to a selection of the most influential CSOs from a previous period (see PrC, 2011).

III. See Volkskrant (10 July 2015) eigen fondsenwerving goede doelen.

IV.   See Ineke Holtwijk (2015) *De Mannen van de Droomfabriek*, Uitgeverij Balans - for a concise – but not undisputed – history of this phenomenon.

V.   The longitudinal trend analysis of this report is based on the coverage of partnerships that CSOs themselves have reported in their official annual reports. It contains therefore a selection and representation bias. Since partnerships are part of external alignment strategies, however, this bias is either relatively minor or systematic for all CSOs. The *relative* results of the sample therefore remain relevant for the analysis.

VI.   Linda Polman (2008) *De crisiskaravaan. Achter de schermen van de noodhulpindustrie*, uitgeverij Balans. See also the many discussions on the sense and nonsense of aid on the website of Vice Versa, the journal of the CSO sector; http://www.viceversaonline.nl/

VII. The directors of the two largest Dutch development CSOs (ICCO and Cordaid) classified the MFS-2 move as a 'tipping point' in the movement towards new business models, but also as a step towards 'involuntary cooperation' (Vice Versa, 12 April 2010).

VIII. Dutch Ministry (2013). *Medefinancieringsstelsel 2010-2015 (MFS II)*. [Online]. Available at: http://www.rijksoverheid.nl/onderwerpen/subsidies-voor-ontwikkelingssamenwerking-en-europa/subsidies-maatschappelijke-organisaties/medefinancieringsstelsel-2010-2015-mfs-ii [Accessed 22 October 2013].

IX.   van Hessen, F. (2009). *Het Mede Financierings Stelsel (MFS-II) in het kort.* [Online]. Available at: http://archive-nl.com/page/1611701/2013-03.

X.   WRR (2010) *Minder pretentie, meer ambitie: ontwikkelingshulp die verschil maakt.* Den Haag: WRR rapport nr. 84.+ Dutch Ministry (2012). *New focus of Dutch Development Policy.* [Online]. Available at: http://www.government.nl/documents-and-publications/parliamentary-documents/2012/01/12/new-focus-of-dutch-development-policy.html.

XI.   See Steven Verwer, Lau Schulpen, Ruerd Ruben (red) (2014) *Hoe nu verder?* Uitgeverij Balans.

XII. Also companies that engage in CSR are going through comparable phases. For an overview see: Van Tulder, R. Van Tilburg, R, Franken, M. and Da Rosa, A. (2014) *Managing the transition to a sustainable enterprise*, London: Earthscan/Routledge.

XIII. APE/MDF (2014) *Evaluation of Schokland and Millennium Agreements 2008-2013*, Final Report March 17.

XIV. The two PrC documents on *"Critical Success Factors"* and *"Cross-Sector Partnership Formation, What to consider before you start?* The Partnership Resource Centre, 2012" can be found on the website.

XV.   The PrC wrote two evaluation reports on the first round of the FDW and FDOV facility that supports these conclusions. See: PrC (2014) *"The applicant's perspective"* (which includes the survey results amongst first tranche participants in the two facilities and PrC (2014) *"The community perspective"* which considers in particular the gender and community perspective of the projects.

xvi. Policy framework: Dialogue and Dissent. Accessed on 03/03/2015 via http://www.government.nl/documents-and-publications/regulations/2014/05/13/policy-framework-dialogue-and-dissent.html

xvii. See the previous State of the Partnerships Report on NGOs (2011) in which we identified the big linkers in the MFS-1 and MFS-2 facilities.

xviii.

xix. We do this along the same categories as were published in the State of the Partnerships Report 2010: p. 57. Please note that many of these organisations also have other subsidy relationships with the ministry that go beyond these generic programmes.

xx. Gray, B., & Stites, J.P. 2013. *Sustainability through Partnerships: Capitalizing on Collaboration*. Network for Business Sustainability. Retrieved from: nbs.net/knowledge

xxi. Another factor is that we counted the number of partnership without looking at the size of the financial engagement. This would make the relative importance of "partnerships" with governments probably much bigger.

xxii. Kolk, Ans, (2012) Partnerships as a Panacea for Addressing Global Problems? On Rationale, Context, Actors, Impact and Limitations . In: M. Seitanidi & A. Crane (Eds.) (2013), *Social Partnerships and Responsible Business: A Research Handbook*, Routledge. Available at SSRN: http://ssrn.com/abstract=2089577

xxiii. Rittel, H. W. J., & Webber, M. M. (1973). Dilemmas in a general theory of planning. *Policy Sciences*, 4(2), 155_169.

xxiv. Austin, J.E. and Seitanidi, M.M (2012) Collaborative value creation: a review of partnering between non-profits and businesses: part 1. Value creation spectrum and collaboration stages. *Non-profit and Voluntary Sector Quarterly* 41: 726.

xxv. See http://www.rijksoverheid.nl/onderwerpen/ontwikkelingssamenwerking/partnerlanden-ontwikkelingssamenwerking. Accessed 20 December 2013.

xxvi. Van Huijstee, Mariëtte M., Francken, Mara and Leroy, Pieter (2007) Partnerships for sustainable development: a review of current literature, *Environmental Sciences*, 4:2, 75–89
- Gray, B., & Stites, J.P. (2013) *Sustainability through Partnerships: Capitalizing on Collaboration*. Network for Business Sustainability. Retrieved from: nbs.net/knowledge
- Roehrich, J.K., Lewis, M.A., George, G. (2014) Are public-private partnerships a healthy option? A systematic literature review. *Social Science & Medicine* 113:110-119.

xxvii. The list of partnership features is based on an unpublished PrC inventory study on PPP characteristics that was carried out in 2010. A list of "preconditions for success" was also included in the previous State of the Partnerships Report – 2011.

xxviii. For more information on this technique, see; Partnerships Resource Centre and The Partnering Initiative (2014) *Designing Comprehensive Partnering Agreements*. Here you can find a Partnering Agreement Scorecard that you can use in designing your partnership. Another source of information can be found in the PrC (2012) publication on the partnership formation processes.

xxix. Austin, J.E. and Seitanidi, M.M (2012) Collaborative value creation: a review of partnering between non-profits and businesses: part 1. Value creation spectrum and collaboration stages. *Non-profit and Voluntary Sector Quarterly* 41: 726.

xxx. Tom Veldhuis (2013) *CSR and business-NGO partnerships An assessment of partnerships and impact at Accenture*, Rotterdam: Erasmus University, Master Thesis; this thesis also provides examples of misalignment.

xxxi. The PrC has developed a Monitoring and Evaluation Framework for Partnerships. This will be further developed and fine-tuned with partnership practitioners in the PPP lab (see 4.5).

xxxii. Rob van Tulder, Andrea da Rosa (2012) The Role of Cross-Sector Partnership Portfolios in the Inclusive Business Strategies of Multinational Enterprises *New Policy Challenges for European Multinationals. Progress in International Business Research*, no.8, Emerald; 153-180.

xxxiii. The PrC prepared a basic document on Partnership Portfolio Management. See the website.

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