DEVELOPMENT PARTNERSHIPS WITH THE PRIVATE SECTOR AT WORK

Insights from partnerships with the private sector facilitated by the Dutch Embassy in Colombia.

Kingdom of the Netherlands

THE PARTNERSHIPS RESOURCE CENTRE

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COLOMBIA
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Findings from a media analysis of newspaper article titles. (Search in Lexis Nexis by applying the keyword 'Colombia' for the timespan: 01/01/2005 until 26/10/2011 for selected newspapers: (1) English language media: *The Financial Times; The Guardian; The International Herald Tribune; The New York Times; The Washington Post.* (2) Dutch media: *Het Parool; Trouw; De Volkskrant; NRC Handelsblad; Het Financieele Dagblad; De Telegraaf; Elsevier.* (3) Spanish media: *El Mundo; El Pais*).

This publication is prepared by Stella Pfisterer (research associate) at the Partnerships Resource Centre (PrC). It highlights the findings of a joint research project of the PrC and the Embassy of the Kingdom of the Netherlands in Bogotá, Colombia. The project identified the lessons learned from development partnerships with the private sector, facilitated by the Dutch Embassy in Colombia. The author wishes to extend her sincere appreciation to Judith Fraats and Nasim Payandeh, who provided significant support in data collection, analysis, presentation and editing of the report. She would also like to thank Rob van Tulder, Jimena Samper, Ismaela Stöteler, Frea Haandrikman and Kathrin Bischoff for their input, comments and support through the different phases of the project.

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For more information please visit:
www.partnershipsresourcecentre.org.

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SUMMARY

Increasingly, government-led development agencies work together with private sector organizations in partnerships for development. These partnerships are based on a win-win rationale: they create value for the organizations involved as well as for the target-group. Based on seven Dutch-Colombian partnership cases, with Colombian private sector involvement, we investigated how these partnerships work in practice, and explored the role of the development agency's support to this type of development project.

Experience of development partnerships with the private sector in Colombia shows that partnerships represent innovative solutions for challenges that impede business activities and inclusive development. The partnership cases which we investigated have been successful and have directly supported around 15,000 families. They had the potential to achieve results for business and development, but found it difficult to measure results beyond project assessment criteria. Partner organizations, for instance, reported very little of what they gained from the collaboration. The partnership cases followed managerial values and the leadership style of the private sector. This explains the efficiency of the investigated development projects.

Specific steps contributing to the development of a partnership are often unidentified, and partners do not know how they developed mutuality. Mutuality – the key principle for achieving synergistic rewards from the collaboration – is achieved mainly through transparency, accountability, the development of a partnership identity and the presence of a partnership champion. The design, formal structures and informal processes based on the principle of mutuality are important for generating benefits. In the specific Colombian context of a low-trust society, confidence in other sectors is often a defining barrier to partnering. Achieving mutuality in partnerships therefore requires a strong focus on trust-building mechanisms, guidance and mutual support.

The financial and non-financial involvement of the government-led development agency had a catalytic function, enhancing the scope and scale of partnership projects. The development agency can influence mutuality in partnership projects through requirements such as accountability processes and criteria.

Partnerships are increasingly used as a tool to address development challenges in Colombia. Promising partnership cases have emerged and Colombian stakeholders have gained partnering experience which provides rich lessons for partnerships with private sector and government-led development agency involvement. Insufficient knowledge-sharing, however, hampers learning from partnering experiences within Colombia and across Colombian borders. This study provides recommendations related to developing confidence in the partnership approach through (a) a more thorough focus on mutuality mechanisms in partnership designs, (b) enhanced co-ordination of partnership projects and programmes and (c) improved knowledge creation and sharing the reality of partnering for bringing development partnerships forward in Colombia.

RESUMEN

Donantes internacionales trabajan cada vez más estrechamente con organizaciones del sector privado a través de alianzas para el desarrollo, que se basan en relaciones gana-gana, creando valor tanto para las organizaciones involucradas como para beneficiarios. Basándonos en siete casos de alianzas Colombo-Holandesas con empresas privadas colombianas en el puesto conductor, emprendimos un estudio de cómo estas alianzas trabajan en la práctica y exploramos el papel de donantes internacionales en apoyar este tipo de proyectos para el desarrollo.

La experiencia con alianzas para el desarrollo con el sector privado en Colombia es evidencia de que este tipo de alianzas representa una solución innovadora frente a los desafíos que frenan actividades empresariales y un desarrollo inclusivo. Las alianzas estudiadas son casos exitosos y juntas han apoyado directamente a un total de 15.000 familias. Las alianzas público-privadas funcionan de acuerdo a una serie de valores administrativos y de liderazgo característico del sector privado, lo cual explica su eficiencia en el desarrollo de proyectos. Así, han tenido el potencial de producir ventajas empresariales y en pro del desarrollo, pero aún tienen dificultades en medir efectivamente su valor agregado. Los socios aliados rara

vez reportan propios beneficios a raíz de la colaboración con otras entidades.

Estas alianzas se forman dentro de una "caja negra", y los aliados no saben cómo han podido desarrollar "mutualidad". Mutualidad – concepto clave para alcanzar recompensas sinérgicas de una colaboración – es lograda principalmente a través de un alto nivel de transparencia, contabilidad y el desarrollo de una identidad colectiva. Diseños, estructuras formales y procesos informales basados en el principio de mutualidad, son claves para la generación de beneficios. En el contexto particular de Colombia, sociedades con poca confianza representan un obstáculo importante para el desarrollo de mutualidad dentro de una alianza, necesitando así el establecimiento de mecanismos de acompañamiento que fortalezcan la confianza entre cooperantes. Los donantes internacionales tienen la capacidad de ejercer influencia en el desarrollo de un sentido de mutualidad; por ejemplo, a través de criterios de transparencia requeridos para la contribución de recursos. Además, su función como catalizadores, impulsa estos proyectos a alcances y escalas mayores.

Las alianzas son usadas con más frecuencia como herramientas para abordar los desafíos del desarrollo colombiano. Debido en parte a su capacidad para apalancar recursos, estas alianzas se convierten en mecanismos de coordinación para solucionar problemas. Los casos exitosos en Colombia son evidentes y por lo tanto existe una fuente valiosa de conocimiento en el país. Sin embargo, los procesos y sistemas para compartir conocimiento son insuficientes para esparcir los aprendizajes de estas experiencias. Nuestro estudio brinda recomendaciones relacionadas al desarrollo de confianza inter-organizacional a través de (a) un enfoque en los mecanismos de mutualidad dentro del diseño de alianzas, (b) una mejora en la coordinación de proyectos en alianzas y (c) mejoras en la creación e intercambio de conocimiento sobre la realidad cooperativa de las alianzas con el propósito de impulsar las alianzas público-privadas al frente de los trabajos para el desarrollo en Colombia.

WHY READ THIS PUBLICATION?

The idea to create this publication sprung from the desire to document and share our research findings on development partnerships with private sector involvement facilitated by the Embassy of the Kingdom of the Netherlands in Colombia. We aim to provide insights into how partnerships with active private sector involvement work in Colombia.

Our research is based on private sector-managed partnerships embedded in Dutch development co-operation in Colombia, but some principles apply to a broader range of cross-sector partnerships.

This publication includes many practical issues that organizations face when working in collaboration. It provides particular insights for organizations from civil society, private sector, government and international development agencies which aim to enhance their partnering capacity, in particular in Colombia.

THE PUBLICATION PROVIDES INSIGHTS INTO THE FOLLOWING TOPICS:

Chapter 1: The partnering rationale - Why development agencies and business increasingly work in partnerships and what do we know about the partnering practice?

Chapter 2: The Colombian context - What is the state-of-partnerships with the private sector in Colombia?

Chapter 3: The experience - How have development partnerships facilitated by the Dutch Embassy in Colombia worked in practice?

Chapter 4: The lessons learned - What lessons have been learned about development partnerships with the private sector in Colombia?

Chapter 5: The way ahead - Can development partnerships with the private sector in Colombia be supported?

Appendix: The Cases - Case descriptions of development partnerships with the private sector facilitated by the Dutch Embassy in Colombia

CHAPTER 1

The partnering rationale: Why development agencies and business increasingly work in partnerships and what do we know about the partnering practice?

Since the early 2000s, 'engaging business in development' has become a trend in development co-operation. Government-led development agencies are increasingly working together with non-state actors – and as in our case, particularly with business – in public-private partnerships to accelerate sustainable development. Partnership programmes in development cooperation involving the private sector often follow an economic development rationale where the collaboration promotes both economic growth and poverty reduction[I].

Even when partnership programmes of bilateral development agencies follow different approaches, they share the common purpose of leveraging business capabilities and resources to enhance development. In this way, aid is considered to work as leverage: the donor agency's contribution mobilises additional funding from the private sector and the collaboration offers donor agencies a way to target private funds for social ends, thereby increasing the development impact of corporate activities[II]. The primary target is therefore not the company, but public investment should have a catalytic function to accelerate development outcomes.

"Public-private partnerships address mutual interests and leverage the particular strengths of each partner. Development co-operation benefits from private sector involvement in partner countries, which helps to achieve development-policy objectives on a sustainable and cost-effective basis." GIZ, 2011

Setting the Boundaries

There is a broad spectrum of partnering approaches between international development agencies and the private sector (for an overview see Heinrich, 2013). This research focuses on development partnerships for achieving broader development results. In this form of collaboration, government-led development agencies combine their resources and competencies with private companies or business associations – and often also with civil society organizations – to accelerate development objectives. These partnerships often work on a programme or project basis and aim to identify innovative solutions to development challenges in private sector-managed partnerships.

Public-private partnerships for development must meet three important characteristics: 'mutuality' (the interdependence of partners to create joint value), 'additionality' (the positive difference that results from public funding) and they must be a means to an end, and not an end in themselves. In this sense, they differ from (a) classical contracted PPPs in infrastructure provision, (b) collaborations where public money is not directly involved (e.g. business-NGO partnerships) and (c) partnerships which are purely dedicated to wider knowledge sharing, policy dialogue or advocacy.

International donor agencies' partnering motives	Private sector's partnering motives
Efficiency gains: 'Value for money' by leveraging donor money with private resources, capacities and outreach to achieve impact, while keeping overhead costs relatively low	*Lower financial risk*: accessing initial funding for activities that do not have an adequate business case upfront
Political interest: coupling development co-operation objectives with economic benefits for the business and social communities at home	*Political support*: using existing networks of bilateral donor agencies through advice and brokerage
Development impact: boost and mobilise private sector investment towards development goals and enhance development outcomes	*Development expertise*: harnessing the development expertise of donor agencies in specific sectors
Sustainable results: continuation of the project after donor support ends through ownership by project partner	*Improve operating environment*: diminish bottlenecks in the environment where businesses operate
Governance rationale: actively following a stakeholder approach in implementation of development policy	*Gaining legitimacy*: develop public trust and confidence in the private sector
Learning agenda: stimulate mutual learning and innovative 'development solutions'	*Create innovative solutions*: demonstrate ability and courage by entering stakeholder relationships to develop innovative solutions

Table 1: Selected partnering motives[III]

THE VALUE CREATION RATIONALE AND CHALLENGE

The underlying rationale of partnerships is that partners jointly address a specific issue (or problem of mutual concern) by sharing risks and responsibilities, and through contributing their 'core complementary competencies[IV]' in order to achieve 'collaborative advantage'[V] – i.e. favourable results for all partners involved. This is a positive development for the donor agency through implementing its policy objectives, and a positive business case for the participating company.

The value proposition of partnerships is therefore their ability to link business and development interests to the extent that value is created for the partners, and ultimately for the target group. Creating and distributing value is the central justification of development partnerships, which can make use of the complementary approaches and resources of organizations with diverse societal backgrounds. The collaborations should create synergistic effects (i.e. benefits over and above the outcomes if each resource were applied in isolation)[VI].

The strength of the partnering rationale can, however, also generate a bottleneck for value creation, whereby partners enact contradictory logics[VII], because of divergent expectations of, and approaches to, value creation[VIII]. This challenge to align approaches can lead to a number of shortcomings often reported in partnerships between international donor agencies and business, such as the lack of accountability, transparency or legitimacy, poor governance and inadequate performance monitoring. The main criticism of development partnerships with the private sector is that they are seldom able to align profit-driven and welfare-driven interests, which throws doubt on the added value of the partnership approach. Ultimately this leads to criticisms about spending public money for 'private' development projects.

Criticism about involvement of international donor agencies in partnerships with business	Criticism about involvement of companies in partnerships with development money
Partnership only rhetoric: Public sector framework of control does not comply with the idea of 'partnership' – the relationship is close to a contractual arrangement	*Managerial pragmatism: Private sector values restrict the idea of development*
Risk of market distortion: Lack of transparency regarding the reasons for entering into a partnership with a specific company	*Not demand-driven: Partnerships with the private sector are driven by companies' supply-side incentive*
Risk of missing the 'target': Public money does not reach the intended recipients but benefits the private sector	*Risk of 'free-riding': Private sector uses development money for its own means*

Table 2: Criticism on involvement in partnership projects

Additionality

From a development point of view, partnerships with the private sector make only sense if the public contribution triggers an additional development effect that goes beyond the impact that the private partner – in pursuance of its own interests – would have had alone (Altenburg, 2005). The counterfactual nature of the concept often makes it challenging to prove additionality (Kindornay & Reilly-King, 2013). A number of questions about the added value of government-led development agencies' support to private investment can be asked (Heinrichs, 2013):

Is the donor subsidy in addition to what would have been invested by the business partner, and not merely replacing business investments?

Has donor support enhanced the scale, scope and speed of the project, or brought about any long-term changes in strategic business behaviour or competencies?

Have results been achieved solely because of donor support, and would otherwise not have been achieved by the business alone?

INSIGHTS FROM THE PARTNERING PRACTICE

In Colombia, international development agencies have become increasingly involved in partnerships with the private sector to enhance the institutional environment for doing business and at the same time accelerating socio-economic development. The Embassy of the Kingdom of the Netherlands (EKN) in Bogotá is one example of a bilateral development agency actively involved in partnerships with the private sector. From 2004 to 2011, the EKN gained experience with setting up, facilitating and monitoring seven partnerships. Despite addressing a diverse variety of issues, the Colombian private partner (company, corporate foundation or branch organization) in each one of these partnerships has been actively involved in the management and implementation of the partnership project. They were successful and directly supported around 15,000 families in various regions of Colombia.

The Dutch-Colombian partnering cases provided a wealth of experiences for all partners; beneficiaries and stakeholders. Such experiences provide insights into how development partnerships work in Colombia when the private sector is in the driver's seat, and in particular how they create business value and development impact.

The cases show how mutuality enabled the partners to reach partnership objectives together. In addition, they provide answers to questions about additionality in development partnerships with the private sector. Ultimately, these reflections help to improve understanding of the drivers of partnership success, especially in the context of Colombia.

PARTNERSHIP AT WORK

Get an Impression

The partnership 'Alliance Program for the Socio-Economic Development of the Banana Community of Magdalena and Uraba' presents its objectives and results in this video:

http://vimeo.com/19442247

Mutuality and the Balance of Advantages

The belief underlying these partnerships is the idea of working together effectively to create synergy. Mutuality refers to the idea of focusing on shared interests and goals of two or more partner organizations, while recognizing that they also have potentially differing interests. Mutuality is created through the sort of institutional arrangements, policies and practices that are likely to promote the mutual benefit of the key partners (Guest & Peccei, 2001). Mutuality also encompasses principles as jointly agreed purpose and values, mutual trust and respect, equal benefit from the relationship, mutual dependence of partner which entails respective rights and the responsibilities of each actor to others (Brinkerhoff, 2002).

INSIGHTS: THE RATIONALE OF DEVELOPMENT PARTNERSHIPS WITH THE PRIVATE SECTOR

Recent trend: Development partnerships with private sector involvement are increasingly facilitated or set up by government-led development agencies

Win-win rationale: The proposition of partnering is that by linking development and business interests the partnership creates value for all involved and accelerates development

Two sides of the same coin: The strength of cross-sector partnerships to align the strengths of partners from different sectors can also create the main barrier for value creation of development partnerships

Learning from experience: Partnership cases facilitated by the Dutch Embassy in Bogotá can help to improve understanding of mechanisms which support or hinder the value creation of development partnerships with the private sector in Colombia

The research team and the partnership project leaders at the Embassy in Bogotá.

THE RESEARCH PROJECT

In 2011, the Partnerships Resource Centre and the Embassy of the Kingdom of the Netherlands (EKN) reviewed a specific type of cross-sector partnership: partnerships managed by the private sector and embedded in bilateral development co-operation. The objective of this study was to bring together lessons from seven partnership projects facilitated by the EKN. This helps to identify drivers for the success of partnerships with private sector involvement in Colombia.

Dinero.com

"Alianzas Público-Privadas no son un Lujo, son una Necesidad"

"Investigadores de Partnerships Resource Center de la Universidad Erasmus de Rotterdam presentaron los resultados sobre su evaluación a un grupo de alianzas entre empresas, gobierno y sociedad civil."

12. Jul. 2011

LA NACIÓN

"Centro de Investigación Holandés Estudia Proyecto Caficultor"

"El café huilense es protagonista en el mundo no sólo por su calidad, sino por el desarrollo de múltiples proyectos que a su alrededor se gestan. El Centro de Recursos de la Asociación, evalúa el programa Vivamos Mejor para cosechar calidad"

02. Mar. 2011

EL INFORMADOR

"Embajada de Holanda Evalúa Alianzas en el Departamento de Magdalena"

"La Universidad de Erasmus de Rotterdam, fue elegida para evaluar 7 alianzas que la Embajada de Holanda realiza en Colombia, en diferentes áreas como: el café, aceite, electricidad, gas, banano, entre otras."

22. Mar. 2011

Dinero.com

Neither large companies nor governments or civil society are able to tackle societal problems on their own. Thus, partnerships constitute the seed for economic development. This motivated the one-year research of seven partnership initiatives in Colombia, supported by the Dutch Embassy, the results of which were shared at the University EAFIT in Bogotá.

12. Jul. 2011

LA NACIÓN

Coffee producers in Huila participating in the joint Coffee Company Huila and Dutch Embassy project were visited by three Dutch researchers, who gathered information from the implementation of the project. The objective was clear: evaluate the impact of the partnership, establish its effectiveness and recommend the continuity of a partnership approach in the country.

02. Mar. 2011

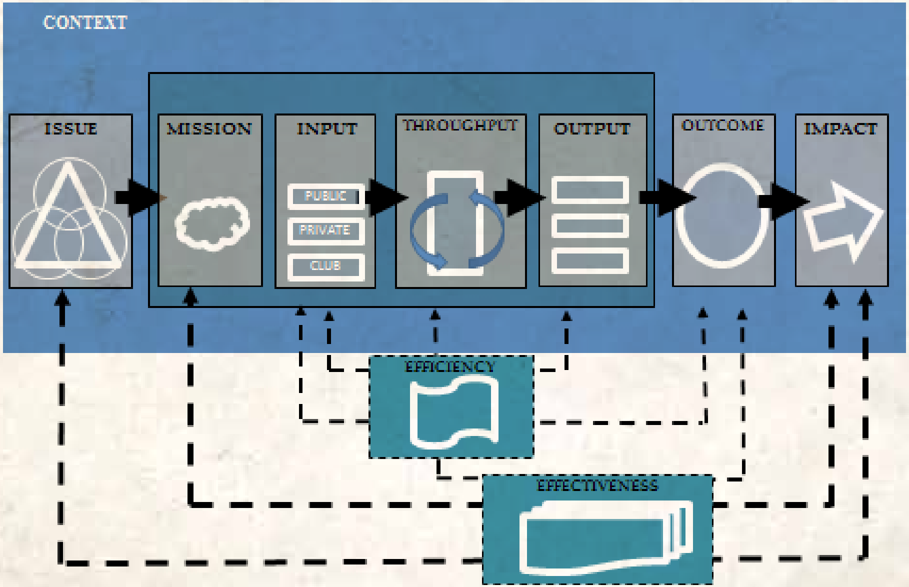
EL INFORMADOR

With the purpose of evaluating the impact of the Augura PPP project, a team of researchers from the Erasmus University visited several banana plantations. They hope the results of their research will support the idea that PPPs may be effective mechanisms for addressing social problems and facilitate new partnership endeavors.

22. Mar. 2011

THE PARTNERSHIP EFFECTIVENESS MODEL

The Partnership Monitoring & Evaluation Framework



The Partnerships Resource Centre developed a monitoring and evaluation framework that helps practitioners to access relevant knowledge about partnerships. This model informed our research project on development partnerships in Colombia.

The Partnerships Effectiveness Model contains two dimensions:

(1) a descriptive part that follows the partnership from its start-up phase towards its results (output, outcome and impact);

(2) an analytical part that covers the four most relevant aspects of partnering: context, efficiency, effectiveness and impact.

More information on this model and can be consulted under: http://www.partnershipsresourcecentre.org/our-model/context

PEACE AND CONFLICT IN COLOMBIA

Since the 1950s, Colombia has suffered a prolonged armed conflict between the Government and illegal armed groups, such as the Revolutionary Armed Forces of Colombia (FARC by its acronym in Spanish). The illegal armed groups generate most of their income from drug trafficking. Although the causes, actors and nature of the conflict have changed over time, the country has experienced few and intermittent periods of peace. The conflict escalated during the 1980s with the emergence of paramilitaries who confronted the guerrillas and justified their actions as self-defence in the absence of the state.

Decades of violence have undermined the government. President Alvaro Uribe Velez (2002-2010) came to power with the promise of re-establishing control by developing a democratic security policy and using military confrontation to deal with the FARC. Whilst the military was confronting the guerrillas, Uribe made advances in signing peace agreements with the paramilitary groups. Generally speaking, he was been able to control the advance of the guerrillas and restore some semblance of security, especially on the country's roads. Nevertheless, some analysts are not sure whether Uribe really undermined the guerrillas' presence, or if he pushed the guerrillas out to other territories in the country instead.

Criminal gangs known as 'bandas emergentes' (emerging bands) or 'Bacrim' are the latest additional threat to peace in Colombia. Demobilised ex-paramilitaries run these groups and operate in the same zones of influence as they did before. One could conclude that Colombians not only live in an internal and unconventional conflict with ideological roots[IX], but also in a multipolar conflict, with many different actors all with different interests where civil society and drugs have been used as instruments of war. For the armed conflict to be resolved, active participation from civil society and the private sector are essential. Therefore, it is also the responsibility of the government to involve civil society – especially the business class – and citizens who live in urban areas in conflict resolution, because the vast majority of them perceive the conflict is something that happens far away and does not affect them directly.

CHAPTER 2
The context: What is the state of partnerships with the private sector in Colombia?

Despite a history of serious internal armed conflict, Colombia shows sustained growth levels similar to other middle-income countries. But income is not equally distributed in Colombian society: in 2011, 34% of the country's population lived below the national poverty line[X]. The role of the government has become more significant recently, but it has always been difficult for the state to manage the difficult geography and complex social-political problems of the country. This is why Colombia's private sector and civil society play an important role in addressing many of the country's social and economic problems and injustices.

The private sector as development agent

For decades, private companies in Colombia have been involved in finding solutions for the violence and social inequalities affecting their operations and the population. Global trends, such as a the growing relevance of Corporate Social Responsibility (CSR) in business operations, have broadened opportunities for the private sector in Colombia to have a more active role in the management of social and economic concerns.

CSR in Colombia has undergone an evolutionary process, from charity – promoted by values based on religious principles – to strategic philanthropy and social investment[XI]. Since the mid-1990s, corporate foundations multiplied with the purpose of channelling philanthropic resources, and were driven by state policies providing tax advantages for donations[XII]. However today, businesses place more importance on embedded CSR policies, and recognizing the need for expanding the vision of corporate engagement beyond philanthropic undertakings[XIII]. Colombian business leaders realise the broader impact resulting from co-ordinating their operations with social investment programmes implemented in co-operation with stakeholders. In 2011, for example, 45% of businesses resort to public-private partnerships for implementing their CSR activity[XIV].

In Colombia, CSR strategies now encompass social issues that have traditionally fallen outside the limits of business responsibility. Alongside human right violations and social security in the presence of armed conflict, private sector involvement in development has been focused on a set of priority issues: poverty based on unequal distribution of income, conflict and human rights, illegal cropping, environmental issues, and corruption[XV].

90% of companies reported CSR related activities

47% of CSR policies emphasize reduction of poverty

90% of CSR policies emphasize environmental sustainability

73% of companies incorporated a CSR policy

51% of companies have aligned CSR policies with MGDs

43% of CSR policies emphasize education

Source: National CSR Survey 2011 by National Association of Entrepreneurs

HISTORY OF PARTNERSHIPS WITH PRIVATE SECTOR INVOLVEMENT IN COLOMBIA

Partnerships with the private sector in Colombia, originated in the 1930s. The first well-known collaboration was set up by the National Coffee Federation, which began working with the private sector and NGOs to benefit small coffee growers. In the 1960s and 1970s, governmental organizations such as the Instituto Colombiano de Bienestar Familiar-ICBF (Colombian Family Welfare Institute) developed alliances with the private sector. In the 1980s, partnership initiatives particularly related to microenterprise development emerged. In the last decade, public-private co-operation, is more often found in the provision of public goods, such as electricity, infrastructure and local value chain optimisation, though it is also present in programmes tackling diverse socio-economic problems. Since 2000, international development agencies have channelled more resources through public private partnerships, because development co-operation and private sector interests in Colombia are increasingly addressing improving economic conditions, decreasing vulnerability of the population in conflict-affected regions and ensuring ecological sustainability.

Nowadays, Colombia – with its dynamic national and multinational private sector – provides rich opportunities for partnerships. The Colombian state not only recognizes the especially important contribution offered by socially responsible companies to its economic development strategy (when compared to provision of public goods or infrastructure), but also acknowledges its own responsibility to encourage such participation. More specifically, alliances between businesses, civil society organizations and public institutions may result in a favourable context for inclusive markets to emerge. Cross-sector collaboration as a mechanism for addressing key challenges through linking private sector strategies and government policies is recognized in the government's recent National Development Plan.

A variety of different partnering approaches are identified in Colombia, ranging from partnerships that deliver 'public good' that probe business opportunities, to partnerships related to upgrading the value chain to stimulate sustainable business practices. Approaches include one-on-one collaboration, but multi-stakeholder partnerships are becoming more common in a wide variety of industries and sectors.

Promising partnership projects have been implemented. Examples encompass the Programa Nacional de Alianzas (National Alliance Programme) lead by Fundación Corona in collaboration with the World Bank or the Proyecto Apoyo Alianzas Productivas (Support Productive Alliance Programme) facilitated by the Colombian Ministry of Agriculture (see page 19). Such cross-sector partnerships focus on reducing poverty, enhancing governance, building social capital, building capacity and/or reducing vulnerability for low-income populations.

CHALLENGES OF COLLABORATION IN COLOMBIA

Innovative partnerships can inspire international debates on the role of partnerships in development and – as in the Colombian context – their role in conflict-affected regions[XVI]. Barriers to collaborative efforts can also be identified. They range from associated costs, alignment challenges, achieving complementarity and managing organizations' differing cultures. Partnerships are also constrained by Colombia's specific political, economic, cultural and social factors.

- The institutional framework for partnering in Colombia is characterised by the country's conflict-ridden history. Colombia represents a low-trust society where accountability and transparency are often lacking in regions affected by conflict. According to Transparencia por Colombia, companies identify violence as the prime problem, and corruption as the second in the country[XVII]. This causes businesses to be more reluctant to enter into partnerships with the public sector.
- The lack of financial and non-financial resources at the local level, the political instability, and corruption often hamper the public sector from playing an active role in partnerships. This goes hand-in-hand with several legal restrictions for the management and investment of public funds, which can create a barrier preventing the public sector from becoming actively involved in public-private partnerships.
- Although the Colombian Constitution of 1991 stipulates that the private sector must have a social function, and that civil society has a political voice, policies and enforcement mechanisms develop only slowly[XVIII].

On the one hand, there is an increasing interest in collaborations with organizations from other sectors. Partnerships are considered to bring a mutually beneficial development process. On the other hand, collaboration in Colombia is often hampered by a lack of confidence in other sectors, and in the process of working together. It's therefore important to pay attention to the development of mutuality in partnership projects to be able to successfully balance the value of these joint endeavours.

INSIGHTS: THE STATE OF PARTNERSHIPS IN COLOMBIA

Two faces of Colombia: On the one hand, Colombia is a modern, democratic country with respect for the rule of law and a competitive market economy, on the other hand it is a country that is taken 'hostage' socially, economically and politically by illegal armed groups and shows striking inequalities in wealth distribution.

Business as development actor: The role of companies as development actor in Colombia has undergone a transition from charity towards active inclusive business strategies.

Key development issues: Priority issues of the private sector as development actor in Colombia include unequal income distribution, conflict and human rights, illegal cropping, environment, ethical issues and corruption.

Partnering history: Colombia has a history of cross-sector collaboration dating back to 1930, but cross-sector partnering with the private sector in the driver's seat is an emerging trend.

Development mechanism: In Colombia, there is an increasing recognition that PPPs are a mechanism to link private sector strategies and state policies to overcome barriers for poverty reduction.

Remaining partnering challenges: Despite the increasing willingness of collaboration, partners often experience barriers in the Colombian institutional environment such as low trust, lack of transparency and no active involvement of the local public sector in partnerships.

PARTNERSHIP EXAMPLE 1

PROYECTO APOYO ALIANZAS PRODUCTIVAS (SUPPORT PRODUCTIVE ALLIANCE PROGRAM)

The productive alliance programme of the Colombian Ministry of Agriculture and Rural Development aims to link small farmers to niche markets through a productive partnership scheme with a formal business partner. Furthermore, the programme provides financial assistance at the phase of pre-investment (feasibility studies and evaluation of financial, environmental and social viabilities). The alliances are directed towards the demand of the private commercial sector; this is achieved by increasing the competitiveness and business development of the poor rural communities in a sustainable manner.

http://www.minagricultura.gov.co/03convocatorias/03j_conv_alianz.aspx

PARTNERSHIP EXAMPLE 2

STRATEGIC ALLIANCE BETWEEN NATIONAL FEDERATION OF COFFEE GROWERS OF COLOMBIA AND NESTLÉ FOR SUSTAINABILITY

The initiative is part of NESCAFE plan6, a global plan for sustainable coffee aiming to double the amount of coffee that Nestlé directly buys from the farmers and their associations over the next five years. The project is to benefit consumers and producers of coffee by supporting farmers in improving productivity through resistant coffee varieties, in order to ensure a continuous supply of high quality coffee.

http://www.federaciondecafeteros.org/particulares/es/sala_de_prensa/detalle/multinacional_nestle_y_federacion_de_cafeteros_firman_alianza_por_la_sosten/

COLOMBIAN ORGANIZATIONS INVOLVED IN PPPS

Agencia Presidencial para la Acción Social y la Cooperación Internacional

Acción Social is the national government entity for social action and international co-operation. It seeks to mobilise Colombia to overcome extreme poverty, advance in reconciliation and lead the country's international co-operation agenda. Acción Social undertakes activities on behalf of victims of violent conflict and displacement by ensuring, where possible, return, reintegration and repatriation. In addition programmes are focused on problems such as income generation, infrastructure, food security and creating conditions for peace and prosperity programmes.

www.accionsocial.gov.co

Consejo Empresarial Colombiano para el Desarrollo Sostenible

CECODES is the Colombian chapter of the World Business Council for Sustainable Development. CECODES brings together leading companies to unite their commitment towards sustainable development by focusing on economic growth, ecological balance and social progress. It provides companies with a guiding process for practices that enable them to continuously improve and accomplish a balance between economic, social and environmental issues in line with sustainable development.

www.cecodes.org.co

Consejo Privado para la Competitividad (Private National Competitiveness Council)

The Private National Competitiveness Council is an independent not-for-profit organization which aims to contribute to the articulation of strategies that achieve significant improvements in the competitiveness of Colombia in the short, medium and long term. The Council serves as an articulator and interlocutor between the public sector, private sector, academia and other organizations interested in promoting competitiveness and related public policy. The Council leads and participates in processes that have great impact on the economic and social agenda of the country.

www.compite.com.co

Other organizations working in cross sector partnerships include NGOs such as Alianzas por Colombia (Alliances for Colombia), advising and accompanying organizations to create partnerships. Alisos, Avina, and Ashoka are also relevant NGOs developing networks and alliances for sustainability.

CHAPTER 3
The experience: How have development partnerships facilitated by the Dutch Embassy worked in practice?

Partnerships with the private sector are becoming a recognised instrument with which to shape development co-operation between the Netherlands and Colombia. Collaboration with private firms and civil society organizations is considered as one way to bring the Millennium Development Goals closer, so PPPs are a means to reach the objective, not an objective in themselves.

From 2004 to 2011, the Embassy of the Kingdom of the Netherlands (EKN) in Bogotá was involved in the facilitation and monitoring of seven development partnerships with the private sector in Colombia, applying a producer- or consumer-focused approach. These partnerships work mainly at the nexus between poverty, security, human rights and environment. The partnership approach focuses in particular on producing results for the vulnerable population which is, and was often, affected by armed conflict. Such partnerships are intended to stimulate economic and social conditions for sustainable development. The partnership projects were managed by Colombian private sector organizations.

The experiences of development partnerships when the private sector is in the driver's seat provide insights into how such partnerships have actually created development and business outcomes, by developing mutuality in the partnering process.

HOW DOES THE DUTCH MINISTRY OF FOREIGN AFFAIRS DEFINE PPPS?

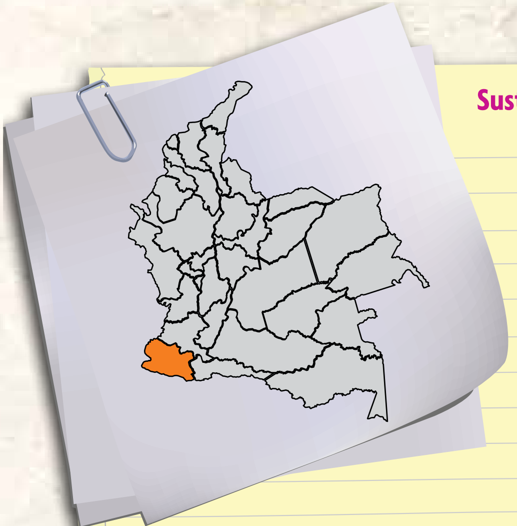
"a form of co-operation between government and business (in many cases also involving NGOs, trade unions and/or knowledge institutions) in which they agree to work together to reach a common goal or carry out a specific task, jointly assuming the risks and responsibilities and sharing their resources and competencies"

(Ministry of Foreign Affairs of the Netherlands, 2010)

FRAMEWORK FOR DUTCH-COLOMBIAN PPPS	
EKN'S OBJECTIVE	• Deliver promises made on agreed international development goals • Set preconditions for socio-economic development and peace-building efforts through economic integration • Create trustworthiness for Dutch firms to invest in Colombia • Demonstrate legitimacy and competency of the EKN to effectively address Colombian issues • Promote Dutch policy
PPP FRAMEWORK[XIX]	• *Target group: vul*nerable population (armed conflict) • Inclusion of issues around areas of good governance, human rights and peace building, and special attention for women • Agreement to reach common development goals or results that partners cannot achieve alone • PPPs need to be innovative • All partners invest in the collaboration, explicitly share risks, tasks and responsibilities and contribute key competencies • PPP is in the interest of all partners • When possible local governments or institutes are involved in the PPP • Concrete contribution to the achievement of the MDGs • Preferably the Dutch financial contribution does not exceed 50% of project budget • Timespan of the PPP: between *two and four years*

PUBLIC-PRIVATE PARTNERSHIPS FOR DEVELOPMENT FACILITATED BY THE EMBASSY OF THE KINGDOM OF THE NETHERLANDS IN COLOMBIA

EXAMPLE RESULTS AS OF JULY 2011



Sustainable Development Programme for Nariño's Coffee-growing Families

Partners:
Empresas de Narino, Starbucks Co., Carcafe Foundation, International Organization for Migration, Embassy of the Kingdom of the Netherlands

Main Goal:
Improve the livelihood of coffeegrowing families; promote social and economic stability of the Nariño region

Selected Results:
Creation of associations (25 associations created)
C.A.F.E. Practices certification (1160 families)
Psychological and social training (1080 families), education
Training in using organic fertilizers (1080 families)

Implementation Timeframe:
2004-2007

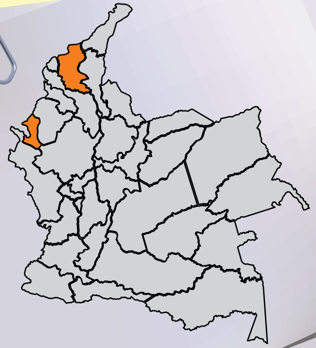
Integral Sustainable Development of Small Coffee Planters in the Department of Huila

Partners:
Coffee Company Huila, Banco Agrario, Local Government of the Department of Huila, SENA, Embassy of the Kingdom of the Netherlands.

Main Goal:
Contribute to structural poverty reduction; to strengthen the capacity of social and productive organizations; to enhance government accountability and to promote democratization in the department of Huila.

Selected Results:
Improvement water & sanitation system (for 845 household's wastewater treatment) and technology in productive units (950 households).
Certification in Rainforest Alliance, C.A.F.E. Practices, Fairtrade and Organic certification (500 producers certified)
Trainings and education (70 people were trained as Sustainable Development Technicians)

Implementation Timeframe:
2008 - 2010



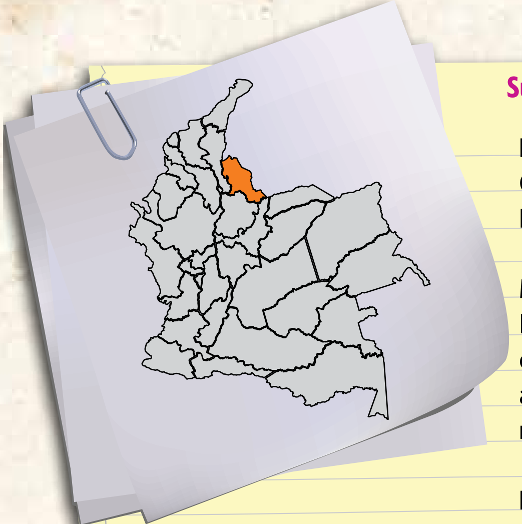
Alliance Program for the Socio-Economic Development of the Banana Community of Magdalena and Uraba

Partners:
Augura, Fundauniban, Corbanacol, Embassy of the Kingdom of the Netherlands

Main Goal:
Promote the sustainable development of the coffee sector in Huila contributing to structural poverty reduction and strengthening of the social and economic conditions

Selected Results:
Job generation & securing (392 jobs created, 1826 secured).
75% of new jobs for demobilised persons
Home improvements, connection to basic sanitation network, road infrastructure and community centre
Certification in international standards (537 producers certified)

Implementation Timeframe:
2006-2010



Sustainable Palm Oil Production for Smallholders

Partners:
Oleoflores S.A., National Association of Palm Oil Producers, Embassy of the Kingdom of the Netherlands

Main Goal:
Implement RSPO certifications to improve economic efficiency, social and environmental sustainability, as well as strengthening of relationship between community, municipality and producer.

Envisaged Results:
Organizing producers in 12 associations
Action plan for the process of the integration concerning the cultivation of new seeds on 3.000 hectares in 200 new families
Implement the process of RSPO certification for 680 agricultural farmers

Implementation Timeframe:
2010-2013

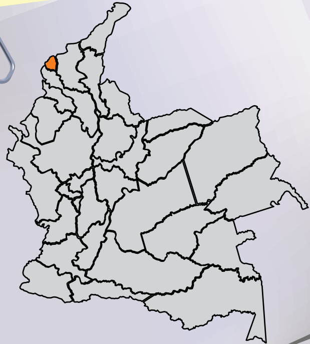
Sustainable Coffee-Growing in Colombia (Cesar)

Partners:
National Federation of Coffee Growers, Douwe Egberts Foundation, Embassy of the Kingdom of the Netherlands

Main Goal:
Facilitate the return of 600 demobilised coffee growing families to the region of Cesar and generate favourable conditions for socio-economic development through social assistance and economic reactivation of the coffee sector.

Envisaged Results:
Guarantee the access to international markets for the commercialisation of coffee
Families will obtain a solution for a habitation
Establishment of productive ecosystems (by the end of the project 600 hectares of forest will be protected)

Implementation Timeframe:
2009-2012



Pre-Paid Electrification Project

Partners:
Electricaribe, NuPlanet, Acquire, Embassy of the Kingdom of the Netherlands

Main Goal:
Improve the efficiency of electricity provision in order to cost effectively and sustainably expand and extend access to electricity in poor and rural areas of Colombia.

Envisaged Results:
250 pre-paid devices implemented, resulting in average money savings of 11.368 COP per month
Energy savings on average 48% which equals 46kWh per month.

Implementation Timeframe:
2006-2010

Establishing a Fund for Connecting Rural People to a Natural Gas Distribution Network

Partners:
Promigas, Promigas Foundation, Surtigas, Gases del Caribe, Embassy of the Kingdom of the Netherlands

Main Goal:
Contribute to improvement of the quality of life of communities in rural Caribbean region by connecting them to natural gas services and involving them in social programs.

Implementation Timeframe:
2004-2007

Envisaged Results:
10.719 households connected to natural gas network and productive entrepreneurship
Family responsibility training (1624 families) and healthy reader program (39 schools involved)

RESULTS OF DEVELOPMENT PARTNERSHIPS WITH THE PRIVATE SECTOR

The partnerships facilitated by the Dutch Embassy in Bogotá directly supported about 15,000 families in various regions in Colombia. The activities undertaken by the partners in the Dutch-Colombian cases resulted in a variety of real outcomes such as newly developed products (e.g. pre-paid electricity technology) and capacity-building activities (e.g. certification for small-scale farmers). The partnership projects produced results which combine economic, social and ecological outputs.

Partnerships that aimed to develop products for consumers not only developed new technologies and network, infrastructure and devices, but also provided training, for example teaching energy saving and household economics to the new consumers. For partnerships aiming to overcome initial constraints to small producers in value chains, their primary aim was to build capacity and infrastructure for certification of traditional micro and small producers, thereby assuring permanence within the market and maintaining agricultural activities as the first source of employment in the various regions. Certification targets have been achieved. In some cases, producers also unintentionally achieved additional certifications. Partnership activities also included training for men women and young adults addressing inter-generational conflicts at household level, empowerment of women and participation in peace-councils.

PARTNERSHIP AT WORK

The economic contribution for families

Before the natural gas partnership project started, families spent nearly €7.40 per month for fuel; after the conclusion of the project, these families spent, on average, €2.80 per month for natural gas. These monthly savings represent an important economic contribution for the families.

"Being able to control my electricity bill saves me so much money that last year I put new flooring in my house."

Quote from an interviewee in Usiacurí

"Thanks to the project I managed to learn about reforestation, and solid waste and organic fertilizers handling"

Quote from an interviewee in Pedregal

"I saw how my neighbours had nice patios for drying their coffee; that motivated me to build one of my own"

Quote from an interviewee in La Unión

"A gas connection gives us a feeling of being less poor and creates more opportunities for us"

Quote from an interviewee

PARTNERSHIP CHARACTERISTICS

Most partnerships have been successful in achieving their goals, but there is little awareness of how processes and practices facilitated success. Here, we present the key characteristics of development partnerships, focusing on roles, the processes, and important mechanisms and practices of the partnering approach for creating mutuality.

Roles

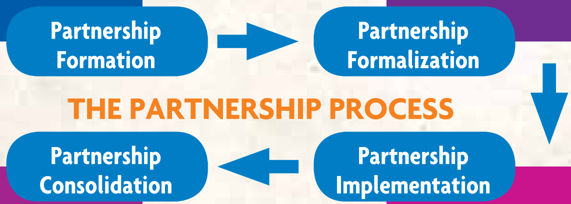
In most partnership cases, the private sector organization was the leading counterpart for the EKN. The lead partner takes main responsibility for the project and sets up agreements with the other partners. Based on this framework, other partners' specific roles and responsibilities emerge in the collaborative project. Roles can range from leading the partnership (management and monitoring), facilitating or, co-ordinating to providing managerial support or raising awareness. Obviously, organizations often adopt multiple roles and activities during the life of a partnership project.

Private sector organizations (including corporate foundations and branch organizations): These are primarily involved in the initiation (generating the idea and setting up the partnership) and implementation (responsibility for management of activities and steering the partnership towards results) of the partnership projects. Private sector organizations have provided financial and non-financial resources (e.g. project management skills) and awareness-raising activities for the partnerships. Branch organizations brought together a number of organizations which are often 'competitors' in a partnership project for extra advantage, and providing the opportunity for stimulating sector-wide efforts and co-ordination.

Civil society organizations: These primarily ensured that social indicators were included in the project design, built technical capacity, and facilitated implementation and connection to beneficiaries.

Public sector organizations: These increased technical capacity, provided resources to beneficiaries to complement the partnership, plus facilitation and articulation of the partnership project.

International development agency: These agencies were mainly involved in supporting the design and set-up of the partnership project, brokering and matchmaking between partners and stakeholders, plus monitoring progress, results and financial accounts. The development agency steers the partnership project through programme and funding criteria and provides financial resources.



Starts with organisations or group of stakeholders jointly realizing a common interest. Often, a leading organisation brings together those parties with a stake in the issue to define the problem, and commit to each other in seeking a solution. Partnering consortia can either (a) response to a Call for Proposal of a partnership programme of the government-led development agency or (b) address the development agency directly with a project idea. Partners develop a concept note, that defines the value of the PPP. This first orientation also clarifies the potential partnership's fulfillment of a set of basis criteria for funding by the development agency.

This phase is characterised by negotiations between stakeholders to design the partnership. The process transforms 'stakeholders' into 'partners'. In this phase, partners plan the project, negotiate the structure and the management of the partnership and define commitments of partners. Partners not only share common objectives, visions and agendas but also negotiate the required contributions, and responsibilities. This phase often ends with a partnership agreement and a funding contract from the development agency.

The focus is on implementing the partnership, working with monitoring systems and dealing with adjustments. This phase should reveal the relative value of the partnership and how successfully the partnership has achieved outcomes. During this phase the interest is in maintaining structures and enhancing the relationship between partners in order to be able to deal with potential dissatisfaction or conflicts that may arise between the partners.

When a partnership has ended its project cycle, the question of whether the outcomes from the initiative can be sustained in the medium to long-term arises. In a positive case, partners achieve such a level of trust in each other and processes are institutionalized so that focus can be turned towards taking next steps such as scaling-up, replication, or new formation of partnership plans. At this point it is decided whether or not the partnership will be able to continue without the development agency's support. In contrast, it can be decided that the partnership ends after successful completion or that the partnership will be terminated for a number of reasons.

What is the role of the target group?

Is the local community a partnership partner or a 'beneficiary' of partnership results? Analysed cases showed differences. Some partnerships focused on providing a public good to future 'consumers'. Communities are trained in the partnership's new technology or devices. Partnerships which develop small farmers' capacity for certification developed a different kind of relationship with communities than partnerships developing new technologies. In both types of partnerships, however, active involvement of producers or consumers throughout the partnership process enhanced the commitment of the target group towards the partnership.

PARTNERSHIP AT WORK

Partnership consolidation: Upscaling of the Augura banana partnership

BIn the case of the '*Program for the socio-economic development of banana growing communities*' partnership, the results created a new market opportunity that attracted private investments. Since October 2011, the upscaled PPP has therefore focused on the commercial aspects and visibility of small banana producers in the international market. The project takes place in two regions; Choco and Magdalena. In Magdalena the focus is to work towards Fairtrade certification with FLO. Partners in this new PPP are *EKN, Augura, Fundauniban, Corbanacol, Corporativos, FLO and Max Havelaar*. The public sector is represented by *Acción Social, SENA* and the *Colombian Ministry of Agriculture and Rural Development.* This combination of national and international partners from both market and public sector promises a degree of sustainability from the intervention.

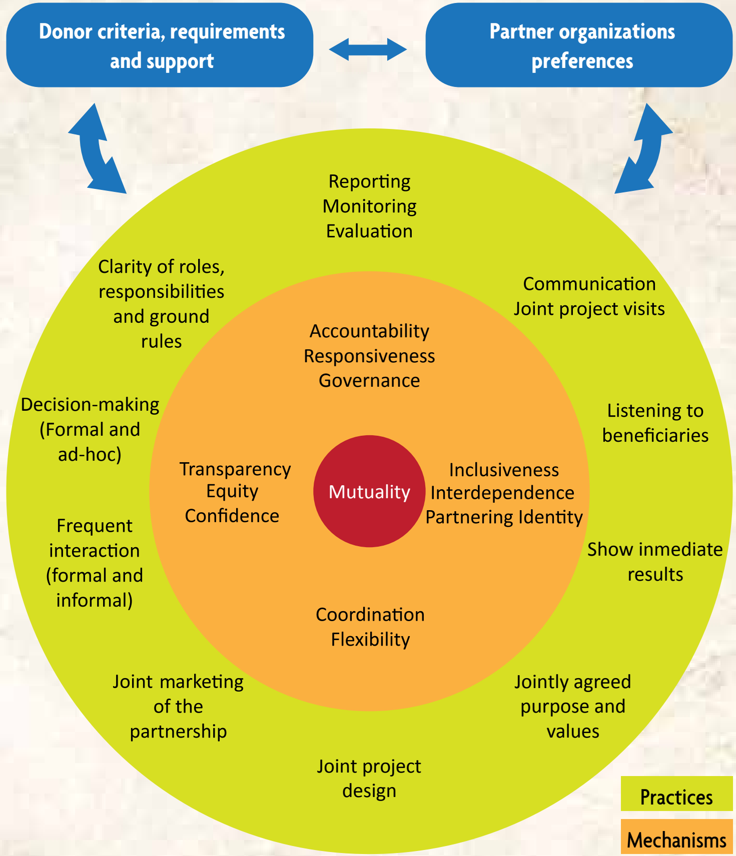
KEY MECHANISMS AND PRACTICES IN THE PARTNERING APPROACH

We identified a set of mechanisms and practices which facilitated the creation of synergies. It is obvious that the development agency's criteria, requirements and support influence the practices and mechanisms developed by partnerships. The same accounts for the preferences of key partner organizations.

In general, partnerships in Colombia show critical success factors similar to other partnerships around the world, such as clarity of roles, responsibilities, goals and ground rules, clear understanding of mutual benefits, and a clear vision of the objectives. However, in contrast to any international benchmark[XX], partnership project managers in the Colombian context emphasized:

- The importance of understanding the needs of local partners and beneficiaries, with a focus on building their own capacity rather than creating dependency.
- The importance of clear and enforceable lines of accountability.

We have illustrated selected mechanisms and corresponding practices that have been recognised as typical for development partnerships with private sector involvement in the Colombian context.



Mechanisms and practices for balancing value in partnerships.

Managerial values

Managerial values and leadership style of the private sector driven partnership approach have a significant effect on the partnering practice, for example, partnerships that have been efficient in their implementation. Having a limited number of partners would also speed up decision-making processes.

Accountability

In all partnerships, the lead partner had a powerful position that could be explained by the lead partner's (a) responsibility for the financial management of the partnership; and (b) direct accountability to the donor agency. In some cases, the lead partner had an 'information advantage' compared to other partnership partners. In contrast, the partnership approach involved a number of accountability mechanisms such as partnering agreements, decision-making practices, or reporting, which mitigated the power-imbalance between partners. These practices stimulated some mutual accountability for the partnership project.

Partnership identity

Some partnerships developed a strong 'partnership identity' where partners, and in some cases also beneficiaries, highlighted their belonging to and ownership of the partnership project. A partnership identity is a relevant mechanism for strengthening mutuality because of its ability to bring together diverse partners and create an attachment to common goals, procedures and objectives. Conceptualised as the result of communicative processes between partners, partnership identity is also the 'glue' that binds partners together and provides them with a shared feeling of togetherness[XXI]. A partnership identity allowed partners to not only market their project towards external stakeholders but also supported the sustainability of the collaboration.

Confidence through Transparency

Partnerships in Colombia demonstrate the importance of developing confidence, built through – for example – transparency. Confidence can supplement, substitute or lay the foundation for trust[XXII]. The partnerships stimulated building confidence and even trust between partners through informal and interpersonal communication, but also through formal interactions such as meetings, joint reporting or complying with the partnering agreement. Developing a partnering culture is also an important mechanism for creating a shared understanding on an operational level and can ensure the process moves forward in a meaningful way. Each encounter in meetings can result in an enhanced mutual understanding of each partner's comparative advantages and/or constraints[XXIII].

These practices have encouraged recognition of shared objectives, and the collaborative implementation of the project has stimulated confidence in each other. The relationship between the partnership partners and the target group has been strengthened through practices like regular project visits, listening, and integrating the needs of beneficiaries into the project design or adapting the project towards beneficiaries' requirements.

Partnership Champion

The Colombian experience strongly supports the importance of individuals to the success of the partnership. Several individuals play crucial roles in creating the right conditions for the partnering process, creating a partnering culture that appears to be the foundation for the project's success. Such 'partnership champions' have been crucial for making the partnerships happen.

PARTNERSHIP AT WORK

Partnership champions spread the partnering idea

In the case '*Integral sustainable development of small coffee farmers in the department of Huila*' the lead partner is highly convinced about partnering as mechanism for sustainable development. He initiated a regional committee for responsible and sustainable social development in the department of Huila, consisting of private sector, academia and the public sector to accelerate social and sustainable development.

INSIGHTS: MECHANISMS AND PRACTICES OF DEVELOPMENT PARTNERSHIPS FOR ACHIEVING RESULTS

Roles can change: Specific roles and responsbilities emerge in development partnerships. Organizations often adopt multiple roles within a partnership which can change in the four phases of the partnership lifecyle.

Determinants: In addition to the managerial values of the private sector, the Colombian context determines a number of partnership characteristics such as the importance of clear and enforceable lines of accountability and the importance of understanding the needs of local partners and beneficiaries.

Development agency influence: The development agency's criteria, requirements and facilitation can influence the process and design of partnerships.

Ensuring mutuality: Accountability, developing a partnership identity, developing confidence and the presence of a partnership champion were the most crucial mechanisms for developing mutuality in the researched partnership cases.

CHAPTER 4
Lessons from development partnerships with the private sector in Colombia

The Dutch-Colombian partnering cases show how development partnerships with the private sector in the driver's seat work in Colombia. This section highlights a number of lessons.

A. PARTNERSHIP PROJECTS HAVE THE POTENTIAL TO ACHIEVE RESULTS FOR BUSINESS AND DEVELOPMENT, BUT ARE CHALLENGED TO MEASURE THEIR ADDED VALUE

The value of the partnership approach lies in its ability to create value for business and development. From a business perspective, the PPPs that were analysed achieved business value by improving bottlenecks in the supply chain, mitigated financial risks for product development and improved the institutional environment in which they operated. This was combined with support for the CSR objectives of the private sector organization involved. At the same time, the partnering approach strived for development results. The advantage of development partnerships with private sector involvement is that these projects can have a direct positive development impact, such as job creation. The results from these partnerships show mostly stimulation of improved socio-economic livelihoods for low income populations. The partnerships showed there were challenges in measuring business and development value beyond the criteria for project assessment.

PARTNERSHIP AT WORK

Measuring impact of natural gas

The partnership project "Establishing a Fund for Connecting Rural People to a Natural Gas Network" included a research component to measure the impact of the project. In co-operation with Colombian universities, a four-year research programme was designed and implemented that allowed the characterisation of beneficiary households, and followed activities which had been implemented and continued to evaluate them. The objective of the research programme was to develop an index of living conditions for the beneficiaries, which measures the progress of the partnership project towards achieving the Millennium Development Goals (MDGs). These studies included – amongst others - cost-benefit analysis, medical check-ups and epidemiological studies. Measurement began with a baseline study before partnership activities were implemented, two mid-term evaluations, and two complementary studied were undertaken after the project was finalized. All studies measured the same variables at the same communities to assess changes.

A.1. Consumer-focused partnerships create a higher immediate business value

From the perspective of achieving immediate results, the business value of consumer-focused partnerships is expected to be higher compared to partnerships focusing on producers, because the new business opportunity can be easily replicated, is in the direct ownership of the company and directly supports the core business of the company. The immediate results of producer-focused partnerships translate into an improved operating environment for the company's investments, and therefore has the potential to contribute to the bottom line. The return from these partnerships may be long-term, or not easily expressed in monetary terms. Essentially, all partnerships supported and improved the 'social licence' to operate, and this can positively impact on corporate profitability (Binder et al, 2007; Heinrich, 2013)

A.2. Partnerships barely report what partner organizations actually gained from the partnership

Not all partners explicitly define their individual objectives, which makes it rather challenging to assess how they have actually benefitted from the partnership. Data related to organizational benefits are barely recorded or reported in partnership evaluations. One reason is that it requires a measurement at a different level of analysis – at the organizational level rather than at the partnership or project level. The distribution of benefits in a partnership is a crucial issue and the free-rider problem (benefits from the collaboration without investment in the costs of the benefit) remains a criticism when organizations are not transparent about their own return on investment.

THE PEACE-BUILDING SENSITIVITY OF PARTNERSHIPS

Sustainable peace cannot be achieved without alleviating poverty and increasing economic development. Partnership projects are an interesting instrument which can enhance companies' sensitivity to conflict in affected regions, and create both economic and social value. Partnerships work in and on the conflict. Partnerships are a pragmatic tool which leave out the 'politics' often inherent in peace-building processes.

Those Dutch-Colombian partnerships which operated in conflict-affected regions created mainly economic value, measured in the number of jobs created as well as the increase in value of farms after improvements to infrastructure and the integration of displaced persons in communities' agricultural activities.

Alongside economic value, partnership cases also have been designed to create social value. In a conflict setting this means partners work towards empowerment, for example through (a) strengthening the relationship (e.g. between corporate foundations and farmers or through highlighting co-existence and reconciliation activities in the projects), (b) participation of farmers in local decision-making (e.g. peace councils), (c) individual capacity building (with a particular focus on women empowerment) and (d) social organization (e.g. through group cohesion, co-ordination and generation exchange). Partners and beneficiaries often perceived that the respective partnership had a positive effect on social conditions, but the challenge to rigorously measure the overall and long-term contribution of the partnership projects to peace remains.

PARTNERSHIP AT WORK

The partnership on 'Sustainable Coffee Growing in Colombia' in Cesar will measure peace building in terms of displacement rates. The partners aim at 600 families (3.500 people) returning to their lands and having a possibility to stay in their regions of origin.

PREMIO EMPRENDER PAZ

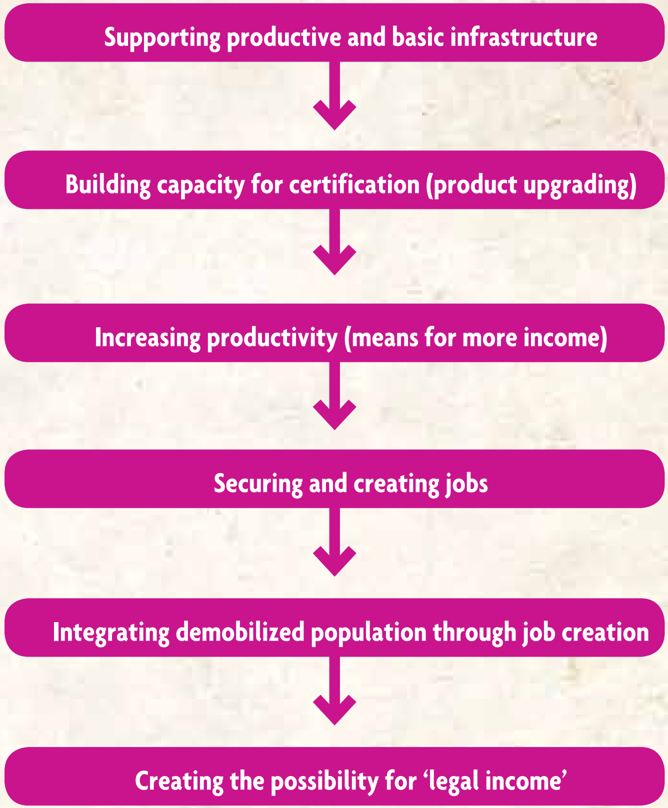
Since 2008 the 'Emprender Paz' peace prize initiative has been successful in encouraging companies to work with and for people severely affected by the conflict. Organizations exchange lessons learned and challenges faced during the development of peace-building activities in Colombia. The peace prize recognizes companies, corporate foundation and associations that promote the potential of the private sector for building peace.

In order to be considered for the peace prize, organizations must fulfill certain criteria such as: permanence, sustainability, replicability, impact and involvement.

In 2009, the partnerships "Alliance program for socio-economic development of the banana communities" and "Integral sustainable development of small coffee planters in the department of Huila" won the peace prize for their contribution and efforts for building peace in the partnership project areas of Huila and Magdalena/Urabá

Source: **http://www.emprenderpaz.org/**

The following example shows a 'theory of change' with the objective of creating an economic perspective for demobilized people:



WHAT TO TAKE INTO ACCOUNT WHEN DESIGNING A PARTNERSHIP M&E SYSTEM

What to measure?

By definition, development partnerships seek a wide range of results which increases the number of potential contributory and intervening factors. The question is, what to measure?

Usually, partners measure the results of the project based on pre-defined indicators and in terms of outputs and outcomes. This often results in measuring positive results, or in other words, success stories. However, partnerships also have unintended results – both negative and positive – which should be taken into consideration in the evaluation. Impact measurement is seldom done in development partnerships, partly because of the projects' temporary character. Development results reported quantitatively often stop at the output level, such as the number of new jobs created, or number of people trained. Very little information is recorded on long-term results.

Reviewing the process or assessing the partnership approach is challenging and often overlooked in partnerships, but can yield rich lessons for future partnerships.

How is it measured?

There is no single approach for monitoring and evaluating a partnership. Our findings showed that partnership measurement methodologies do little to enable analysis at different levels (partnership, project, organizations involved), do not always increase understanding of the inherent complexity of PPPs and seldom use complementary quantitative and qualitative methods.

The partnership M&E systems have trouble showing how synergies are achieved as a result of the collaboration. There is little information about the methodology of the partnership; the primary focus is on measurement of results. The partnering process is only superficially assessed, and this makes it even more challenging to attribute the partnership results to the respective partnering process. Examining and analysing the relationships between partners can be harmful for the relationship. Therefore, attention should be paid to the 'partnership approach' with its crucial links between problem analysis, design, management and outcomes to understand the value of a partnership's outcomes that are attributable solely to the specific partnership.

In addition, any claim of attribution of specific outcomes and impacts are problematic. Partnerships do not report which programmes and projects run in parallel to the partnership and if some outcomes were stimulated by other activities or policies. Project design can take into account the advantage of parallel initiatives which enhance the ability to address an institutional problem from different angles.

Measuring with whom, for whom and for what reason?

Measurements and their products have to meet a variety of demands from partnership partners and the development agency. For donor agencies, evaluations are mainly used for design and accountability, whereas measurements help partners as a management tool. In this context, the question is: evaluating with whom, for whom and for what reason? Measurement of development partnerships is often done by external agencies, in a barely participatory way and not necessarily steered towards joint learning. To introduce a participative monitoring and evaluation system can foster crucial self-awareness, reflection on experiences, and learning from mistakes for all partners. Last but not least, the results should help the organizations to improve their practices. Therefore, it should be clear from the beginning how results will be used.

B. PARTNERSHIPS CAN CREATE MUTUALITY BUT REQUIRE PRACTICES WHICH SUPPORT CONFIDENCE-BUILDING

Partnerships have to perform a balancing act between individual partner organizational preferences and mutuality[XXIV]. The partners' commitment to the overall partnership goal and objectives and practices which support an effective way of working together are important. The Dutch-Colombian partnerships had mechanisms and practices such as accountability, equal decision-making, a partnership champion and in some cases the development of partnership identity in place to create a certain degree of mutuality. However, they showed that the approach of the private sector included a number of trade-offs: efficiency versus inclusion of stakeholders, or stability of the partnership through provision of basic structures and procedures versus flexibility to deal with emerging issues. These trade-offs are striking because in the Colombian context stakeholders sometimes lack confidence in each other. Therefore, Colombian partnerships require specific practices which help to strengthen partners' confidence in each other and in the process. Transparency is instrumental in creating a sense of shared ownership of the project and its activities, for example through communication practices. Transparency is generated internally between the partnership partners and externally towards stakeholders.

B.1. Efficiency versus stakeholder inclusion

Companies are driven by the necessity to allocate resources efficiently. They have the skills to implement projects within a set time, the ability to adapt to changes in market environments or needs, and the economic power to bring projects to a large scale. Some examples of partnerships in Colombia highlighted this valuable asset for the private sector. One explanation is that representation in the partnerships' formal structures, such as boards and official partners, was narrow. This can be an efficient way to allocate responsibility, and to develop expertise and potential leadership for key partners. Participating representatives can take on important leadership roles, as they acquire expertise, nurture personal and professional relationships, and gain respect and trust. Such leadership may be also recognized outside of the partnership, for example, with particular stakeholder groups (Brinkerhoff, 2002).

B.2. Formal structure is not incompatible with informal processes

Partnerships in Colombia often operate in a challenging environment and require a flexible but robust structure to cope with changes in partner organizations or the institutional context. Stability of the partnership can be secured through a formal design (e.g. agreement and reporting requirements) (Brinkerhoff, 2002). In the Colombian context, staying flexible in their approach to emerging challenges and responsive to particular stakeholder concerns supports the activities of projects. Flexibility should therefore be incorporated into the partnership design.

This flexibility affords opportunities to build trust in the process and its eventual outcomes. However, partners need to have confidence in each other to be able to deal with flexible partnership structures, and confidence between government and business remains a particular challenge in Colombia. Informal processes can enhance confidence. The majority of partnership interactions appear to take place at 'project level', among partners who are most directly involved in day-to-day implementation.

The challenge of actively involving the local public sector

In development partnerships with the private sector, in particular those following a one-on-one approach, the government-led development agency often represents the only public partner. This can create a modest 'crowding out' effect for local governments. Some of partnerships adopted functions and responsibilities usually attributed only to the state. These 'authority alternatives' have implications regarding state strength and legitimacy. While business-led development initiatives may be filling the void left by the state, they may also deepen existing regional inequalities in terms of state services and attention (Rettberg, 2004).

C. DEVELOPMENT AGENCIES ENHANCE THE SCOPE AND SCALE OF PARTNERSHIP PROJECTS

Partnerships in development co-operation must show additionality: a positive difference through investment of public money. Development agency support is often narrowly defined as 'financial support' aiming to enhance the scale of a partnership. Our experiences of development agencies engaged in partnerships with the private sector showed that support is broader than just financial means. Development agencies' support encompasses matchmaking activities, joining board meetings as observers, advising on the design of the partnership project or mediating in conflicts. Without doubt, donor agencies have a great deal of influence on the design and process of a partnership through criteria and requirements such as reporting. This enables development agencies to steer the scope of the project and stimulate development additionality for the partnership project. It can be hypothesized that international development agencies can play a role in facilitating and guiding the strategic level of engagement of partners and stakeholders in a partnership by stimulating design and management features of partnerships.

But the short-term results orientation and ambition for providing start-up financing instead of long-term commitment by development agencies can challenge the idea of developing a partnership-like relationship.

C.1. The support from donor agencies can work as catalyst

The perception of partnership partners in our analysed cases in Colombia was that outcomes of multiple interventions could not have been achieved without a partnership approach. Our study shows that most activities of the producer-focused partnerships would not have been initiated (or in a different form) without development support. In contrast, consumer-focused partnerships may have taken place, but to a much lesser extent and with a considerably lower outreach. The development agency in the partnerships functioned therefore as a catalyst to start the programmes.

C.2. Development agencies can steer the extent of development additionality in the partnership project

In order to receive funding by the development agency, partnership projects have to comply with its criteria. This required longer negotiations between partners and the development agency to shape the partnership design towards donor criteria. The process was experienced on the one hand as cumbersome and long, but on the other hand, partners highlighted that the project design included more social components with donor criteria and involvement in negotiations. Donor agency support for design and strategy may therefore steer the partnership towards a higher degree of development additionality. This requires an active role of the donor agency in the partnership design phase.

PARTNERSHIP AT WORK

Not the same scale

Through applying a partnership approach, the project 'Establishing a fund for connecting rural people to a natural gas distribution network' had a wider reach than it would have had without addressing the problem through collaboration. The project managed to connect 93% of the target group. Project partners estimated that without the partnership only 40% of this group would have been connected to natural gas.

C.3. Development agencies' criteria and requirements can steer but also hinder 'mutuality'

On the one hand, development agencies' criteria can support the development of a partnership-like relationship between partners, for example when transparency is mandated or the criteria specified interaction and implementation procedures. Here, the reporting system guaranteed an undisturbed flow of information between all partners and promoted the confidence in the progress of the partnership projects. From this perspective, the criteria and rules set by the development agency developed and assured accountability between the partners and of the partners towards the beneficiaries. On the other hand, time pressure and the relative emphasis on meeting targets can challenge the development of a partnership-like relationship between partners.

C.4. Degree of development agency involvement

Development agencies often do not have, or want, the capacity to be actively involved in the partnership project. Our research showed that consideration of the degree of involvement by development agency staff has to be more nuanced. In our cases, the Colombian partners highly appreciated active involvement by the development agency, in particular when it was the first time that the private sector organization managed a partnership project in general, and specifically under a particular agency's conditions. The partners also aimed to develop and strengthen a relationship with the development partner. In several cases, the development agency is not only considered to be a funder but also a partner. It showed that the required and appreciated level of engagement is dependent on (a) partnering experience and capacity of the private sector organization, (b) previous partnering experiences between private sector and donor agency and (c) the phase or stage of the partnership.

PARTNERSHIP AT WORK

Degree of Development Agency Involvement

The case ‘Sustainable Development Program for Nariño’s Coffee Growing Families’ ran from 2004 to 2007, after which the partners, aware of its positive outcomes and tangible impact, set up a second project. In the consecutive partnership, partner roles, participation and contribution remained similar. Yet, based on the lessons from the first partnership, certain activities were adjusted, and the facilitation of associations between coffee producers was given a more salient focus.

Moreover, with the exit of the Dutch Embassy after the first project, USAID Colombia joined the consecutive project as donor. The replicated PPP started in 2009 and was expected to run for two years. The project partners highlighted a difference in the donor agency’s degree of direct engagement. They preferred a high degree of donor involvement in the initial phase of the partnership, in particular regarding the set up and design of the partnership. In the second project, a lesser extent of facilitation was appropriate. One explanation is because the International Organization for Migration already had a well-established relationship with USAID Colombia before the second project started.

INTERNATIONAL DEVELOPMENT AGENCIES AND THEIR PARTNERING EXPERIENCES IN COLOMBIA

The Dutch Embassy is not the only international development agency facilitating partnerships with the private sector in Colombia. Other bi- and multilateral donor agencies are active in Colombian partnerships but many times with diverse partnering strategies. Development agencies often adopt multiple roles in their partnerships and roles can also shift within the lifecycle of a partnership project. They often have highly skilled local staff with a good expertise in the circumstances and institutional environment in Colombia; a definite asset. Their networks and political influence enable them to provide support to the private sector that lies beyond the capacities of the partner companies, in particular for medium-sized enterprises. Development agencies are often part of the PPP decision-making mechanism (for example represented on boards), but without voting rights. Development agencies also show a different level of active involvement in partnerships, which can be explained by their respective structures of development co-operation.

SHARED CHARACTERISTICS OF DONOR PPP STRATEGIES

- Development co-operation and private sector interests work increasingly hand-in-hand.
- Changes to the political agenda and their implications for funding and priorities still challenge development agencies when developing strategic partnership portfolios.
- PPP programmes tend to split costs and risks 50%-50%
- In Colombia, development PPPs operate mainly in regions affected by conflict and aim to contribute to build peace by stimulating inclusive growth.

LESSONS LEARNED FOR DONOR PPP APPROACHES

- PPPs are time-intensive and entail high transaction costs for development agencies
- In Colombia, accountability lines are rather short. An important success factor is therefore close personal contact between the PPP project manager and the donor agency's policy officer
- Some PPP programmes aim to stimulate a multi-stakeholder approach; however, the participation and commitment of local public parties remain a key challenge. Often the development agency represents the public partner
- Comparative assessment of all partnerships of donor PPP portfolios is lacking
- Monitoring and evaluation systems for partnerships are often not well developed

LESSONS FOR PARTNERSHIP MANAGEMENT

- *Your mutuality:* Be clear about how you work together effectively to achieve shared and complementary results. Which mechanisms do you plan to have in place? And what practices will you use to put these mechanisms into operation?
- *Your transparency:* Adopt a communication strategy so that it is clear how many meetings will be held, at what intervals and what information partners need from each other.
- *Your power:* Develop sophisticated governance mechanisms which focus on developing new accountability structures.
- *Your flexibility:* Be flexible enough to take into account changing transparency requirements in different phases of the partnership.
- *Your monitoring and evaluation:* Reflect and decide jointly (with the development agency) why each organization needs a partnership M&E system, what kind of information you each require, what will you do with the information, how you will obtain data, and who you will involve in the process.
- *Your results:* celebrate your results and any small wins, such as signing the agreement. Such immediate results help to increase confidence between each other and the process, but also gain the confidence of other stakeholders.

LESSONS FOR PARTNERS

- *Your benefit:* Be open about what you expect from the partnership, why you are taking part and what your organization wants to achieve – measure the return on investment.
- *Your 'target group':* Be clear about the role of the target group, whether that's the partner or other beneficiaries. Establish and maintain a good relationship with the target group and manage the expectations of all stakeholders, right to the end of the partnership. Develop incentives for the target group so that they are actively involved and stay committed to activities.

LESSONS FOR DEVELOPMENT AGENCIES

- *Facilitate inclusiveness:* Working with a the private sector can produce efficiencies. Depending on the aim, scale and scope of the project, the inclusion of national and local governments and civil society organizations is required and should be facilitated.
- *Your role:* Be aware of your role in the partnership. Development agencies often have more than one role in a partnership; as funder and as a partner. Be clear about the role you can play and want to have in the partnership project. Check at the onset of the project what degree of involvement potential partners expect from the development agency, and be clear to what degree the donor can and should be actively involved in the project.
- *Your influence:* Be aware of your influence, not only in the design and parameters of expected development results, but also on the mutuality that partners develop in the project.
- *Your capacity:* Some partnerships may require a higher level of engagement from development agencies. Be aware of, and transparent about your capacity and your level of engagement.
- *The additionality:* Be open and transparent about why a particular partnership project has additionality and how you and the partners came to this conclusion. Emphasize integrative monitoring and evaluation systems and be clear about your reasons for entering a particular partnership.

INSIGHTS: LESSONS FROM DEVELOPMENT PARTNERSHIPS WITH THE PRIVATE SECTOR IN COLOMBIA

Value creation potential: Development partnerships with the private sector have the potential to achieve business and development results, but are challenged to measure their actual added value beyond project assessment criteria.

Similar challenges: Development agencies and organizations involved in PPPs in Colombia face similar challenges: (a) proper involvement of the Colombian public sector, (b) monitoring and evaluation and (c) sustainability of the partnership.

Practices for confidence: Partnerships can develop a significant degree of mutuality, but require practices which support confidence-building. In this context, it showed that formal structures are not incompatible with informal processes.

Catalyst: The development agency financial and non-financial support and involvement in partnerships with the private sector works as catalyst and can enhance the scope and scale of partnership projects.

CHAPTER 5
The Way Ahead: can development partnerships with the private sector in Colombia be supported?

Partnerships are increasingly used as a tool to address development challenges in Colombia. The design, formal structures and informal processes based on the principle of mutuality are important for generating benefits. In the Colombian context, the achievement of mutuality requires trust-building mechanisms and guidance. Development agencies can support the development of these mechanisms.

Promising partnership cases have emerged and Colombian stakeholders have gained partnering experience which provides great lessons about partnerships with private sector and government-led development agency involvement. But learning is hampered by insufficient sharing of knowledge for partnering experiences within Colombia and across its borders. Therefore, this research provides recommendations related to developing confidence in the partnership approach through (a) a more thorough focus on mutuality mechanisms in partnership designs; (b) enhanced co-ordination of partnership projects and programmes; and (c) improved knowledge creation and sharing of the reality of partnering for bringing development partnerships forward in Colombia.

Mutuality – promote accountability and transparency in partnership design

Colombia is a low-trust environment characterised by a high level of corruption and conflict. In particular, private and public sectors may have a low level of confidence in each other. Well-managed development partnerships with the private sector function as new governance mechanisms, which are thought to develop alternative accountability structures between actors in society, and promote, develop and implement for instance transparent practices. Our study highlighted that accountability and transparency are important factors for partnership success to be taken into consideration in the Colombian context, but at the same time they are a difficult nut to crack. International donor agencies can promote these factors in their partnership programmes.

Mechanisms and practices to enhance mutuality
Mutual accountability: develop partnership designs that balance formal structures and informal processes (practices: joint reporting, monitoring and evaluation, informal meetings, joint field visits)
Transparency: support information flow between partners and ensure clarity in partner expectations with regard to from the relationship and how they benefited from it (practices: internal newsletter, storing documents e.g. in a cloud, partnership broker)
Partnership identity: create communicative processes which bind partners together and create attachment to goals and objectives (practices: develop logos, banners, websites, joint press-releases, speaking in terms of 'we')

Co-ordination - Bundle and link stakeholders and partnerships with similar interests

Co-ordination challenges exist at different levels: between development agencies, between Colombian organizations, between projects in the same sector. Several partnership initiatives are active in Colombia; they are often single projects, which operate in parallel, and are not integrated into broader programmes. The co-ordinating of projects is more likely to have a wider impact. One avenue for achieving greater systemic change is to use partnerships as a modality to promote the development of whole sectors (e.g. coffee in Colombia).

Co-ordination challenge	
Between international development agencies	Various international donor programmes offer partnership tools. Without co-ordination, this may lead to competition instead of synergy in Colombia.
With Colombian stakeholders	Organizations are in the start phase of developing more strategic partnership approaches in Colombia. Linking new ideas, approaches and activities to existing initiatives would support institution building and improving co-ordination between organizations active in partnerships in Colombia.

Promote active public involvement in partnerships

The important contribution offered by the private sector matches the Colombian state's economic development strategy. The Colombian government acknowledges its own responsibility to encourage private sector participation in its recent National Development Plan. Cross-sector collaboration could be a promising mechanism for addressing key challenges through linking private sector strategies and government policies. It is instrumental that the Colombian state continues to encourage the participation of the private sector. At the same time, institutions and local public entities should be encouraged to co-operate with the private sector in, for example the implementation of private sector and partnership initiatives at the local level. International development agencies can play a role here in facilitating the collaborative process.

Suggested co-ordination tools
Colombian development partnership web portal featuring and providing information on key partnership initiatives in Colombia. Can provide an overview of development partnership in different sectors and regions. Database could identify co-financing possibilities which may increase the impact of partnerships in a specific sector.
Network development can support local and international organizations to exchange their partnering experience and tell their partnering stories.
Facilitated stakeholder dialogue can support the identification of joint interests and complementarity for addressing a specific issue.

Knowledge creation and sharing - Raising awareness

Raising awareness of partnerships can be done from various perspectives. First, sharing best practices and knowledge of Colombian partnerships can increase the interest and confidence of Colombian organizations in the partnership approach. Evidence and knowledge which adds to our results on the specific characteristics of private sector-managed partnerships is required. It still has to be explored whether there is a difference when civil society is in the partnership driving seat. Knowing more about various forms of partnerships and – if possible – which partnership form is most suitable for a specific problem can support a more effective set up and design of development partnerships in Colombia.

In addition to promoting development partnerships within Colombia, their success can also be presented across Colombian borders. This can attract potential commercial partners and increase the sustainability of the partnering projects, financially as well as in terms of activity. Attracting partners from potential markets would also decrease the donor-dependency of these types of projects. Many projects require follow-up funding after the first initial partnership. Raising awareness of the partnership agenda where potential international partners can join could be a point to note for bilateral development agencies.

Suggested knowledge tools
Comparative PPP evaluation studies can encourage and strengthen monitoring, reporting and evaluation of results, measuring the sustainable impact of partnerships, and sharing the lessons learned from partnerships in Colombia internationally.
Capacity building: investing in capacity of organizations and individuals from business, civil society organizations, public sector and development agencies enhances learning from experiences and comparing experiences.
Present best practices: make partnerships and their results public and show which potential partnerships have succeeded, but also be honest about their challenges.
Actively involve local knowledge institutes in developing and disseminating knowledge about partnerships in Colombia.

INSIGHTS: THE WAY AHEAD FOR DEVELOPMENT PARTNERSHIPS WITH THE PRIVATE SECTOR IN COLOMBIA

Pragmatic solutions: Partnerships address institutional voids, which impede both business activities and inclusive development, with unconventional and pragmatic solutions.

Co-ordination challenge: The Colombian partnership landscape creates challenges for co-ordination (a) between international development agencies, (b) with and between Colombian stakeholders and (c) between partnership projects and initatives in the same sector.

Knowledge sharing: Knowledge creation and sharing activities such as raising awarness of the partnering approach and examples in Colombia and across Colombian borders can enhance confidence in multi-stakeholder collaborations.

Enhancing coordination: Co-ordination activities such as bundling partnerships in larger sector-wide programmes can contribute to achieving more systematic change.

Stimulating mutuality: The focus on mutuality through promoting accountability and transparency in the partnership design may help to enhance partnerships as ‘new governance modality’.

APPENDIX: THE CASES

Case descriptions of development partnerships with the private sector facilitated by the Dutch Embassy in Colombia

The Partnership Case

The department of Nariño in Southwest Colombia is affected by the armed conflict, cultivation of illegal crops, and a high level of poverty and migration, so Empresas de Nariño, Starbucks Co., International Organization for Migration, Carcafe Foundation and the Embassy of the Kingdom of the Netherlands joined forces in a partnership to foster sustainable development of coffee growing families in Nariño. The project ran from 2004 to 2007 and was set up as a multiple-impact programme focusing on vulnerable coffee-growing communities with a high rate of displacement and risk of forced migration. By implementing a social, economic and eco-friendly development strategy, the partnership increased the position of 1,160 small coffee-growing families in the coffee value chain. The PPP provided social and economic opportunities for coffee-growing families in Nariño, and thereby supported the preservation of the local coffee-growing culture, ultimately preventing forced migration and displacement of coffee growers in the Nariño region.

The Issue

The year 2002 closed with the lowest coffee prices in history. In the following four years, Colombian coffee production only decreased further. In the Colombian region of Nariño, more than 30,000 families are depended on growing coffee as their only source of income. Nariño has favourable climate and geographical conditions, which together allow coffee to be grown at very high altitudes and acquire a superior taste. This type of coffee is recognized for as a 'specialty coffee' and entitles growers to charge a premium, so it represents an opportunity for Nariño farmers to increase their income. However, coffee farms in Nariño are small, growers are poor and their production is low; the region produces only 3% of the total national coffee production. Nariño's coffee-producers are not only experiencing low productivity levels but coffee processing after harvesting fails to produce the required quality to secure satisfactory prices.

Unfavourable market conditions are linked with three other mutually enforcing issues in the region. (1) High levels of poverty restrict poor coffee growers from investing to increase and improve their crops. This not only continually decreases income, degrades quality of life and increases poverty but forces families to dedicate their lands towards growing illegal crops. (2) Armed conflict forces migration, further motivating the growing of illegal crops as well as regional and national instability, which in turn weaken the linkages between coffee supply chains and markets. (3) Difficult geography and lack of basic services limit the development of infrastructure that could contribute to quality, productivity, and improvements to commercial activity.

The Response

Empresas de Nariño, a Colombian coffee exporting company, began seeking ways to increase its exports of Nariño-grown coffee. The firm supplies Starbucks, a global coffee company, which had been buying most of Nariño's coffee production. Starbucks began asking its suppliers to implement C.A.F.E practices – a private standard certification – in 2003, as an effort to secure high quality. Meanwhile, the *International Organisation for Migration* (IOM) was interested in alleviating displacement of populations in the country caused by conflict, and the *Dutch Embassy in Bogot*á had economic and social development as goals for its development assistance to Colombia.

Motivated by the interrelation of issues and the potential for development, these organizations decided to join forces, pooling their capabilities and resources in establishing a partnership that would help small producers in Nariño meet certification requirements and increase crop quality. The PPP would, at the same time, build a multiple-impact programme targeting vulnerable communities at high risk of displacement and forced migration, by establishing sustainable and secure sources of income and spurring economic development.

The idea of building a partnership for developing the project emerged in 2002, but it was not until 2004 that it started. The PPP was an effort to improve the livelihood of coffee-growing families, promote the social and economic stability of the Nariño region, and contribute to the Millennium Development Goals. The objectives included empowering more than 1,080 coffee-producing families as farm owners, improving their skills and production facilities, enabling them to access viable economic and social opportunities, earn a reliable income in the long-term and gain access to education, food, better homes and public services, and ensure business continuity.

Financial contributions, provided by the project partners, were channelled towards activities co-ordinated by the *IOM* and executed by *Empresas de Nariño*, in three focal areas.

Economic development was promoted by commercialising coffee growers' associations, providing technical assistance, training in entrepreneurial development and associations and the provision of basic and productive infrastructure. **Environmental development** was introduced through clean practices based on sustainable agricultural actions (such as training sessions about organic fertilizers and biological composts, and obtaining certifications). Finally, **social development** was stimulated through the promotion of good handling for family finance and education about ownership and legislation.

The project ran from 2004 to 2007 after which the partners, aware of its positive outcomes and tangible impact, set up a second project. Based on their earlier experience, certain activities were adjusted and the facilitation of association between coffee producers was of higher prominence. Moreover, with the exit of the *Dutch Embassy*, *USAID Colombia* joined the consecutive partnership. The second PPP started in 2009 and was expected to run for two years.

The Results

Evaluation of the partnership and its activities uncovered a high level of accomplishment in terms of the initial objectives. As a first achievement, the number of targeted families to benefit exceeded the intended 1,080 - 1,160 involved in certification. These coffee-growing families experienced a notable increase in their productivity and also in the quality of their product. This ensured that the private company was able to continue its business relationships with these growers and additionally allowed higher prices for the better quality coffee. In motivating economic development, more than 5,000 technical assistance visits were made to farms, more than 1,000 families were trained in entrepreneurial skills, which further resulted in the creation of 25 small associations of coffee growers. Environmental conservation, through the establishment of clean practices in the coffee industry, was also supported by involving families in technical training to improve their knowledge of environmentally friendly practices, and 3,000 children participated in environmental education sessions. Finally, more than 1,000 families got psychological and social attention to help with the negative effects of conflict. This, together with improvements in the education system thanks to donations of computer equipment and the teacher training, has produced improvements in social conditions for the Nariño region.

PRE-PAID ELECTRIFICATION PROJECT

The Issue

People in the department of Atlántico, one of the poorest departments of the country, do not always have access to electricity. One reason is a high level of poverty in this region, linked to a culture of non-payment for basic services. Before the PPP started, less than 10% of the *Electricaribe* clients in the region were paying customers. Large numbers of households could not be connected to the company's electricity grid because of their inability to pay. Many families resort to alternative sources of fuel such as firewood, which may be detrimental to the ecology of the environment, or illegal connections. Illegal tapping of electric lines does not meet any safety standards and poses the risk of physical harm due to electric shocks. In addition, illegal connections damage the electricity supply infrastructure, resulting in loss of energy, and ultimately high costs for the energy companies. Against this background, investing in innovation, infrastructure, maintenance and quality of service did not seem profitable for power companies and as a result, customers in these areas experience fluctuations in supply – which feeds the vicious cycle of non-payment.

The Partnership Case

In the department of Atlántico in Colombia, many families do not have access to electricity because they have no way of paying energy bills. They resort to using other forms of energy, or find illegal ways to take electricity. As a result, they put their health at risk and energy is often lost. Access to affordable electricity would improve their lives. But it's not always economically viable for utility providers to connect families in these remote areas to the grid. The Dutch consultancy firm NuPlanet, the electricity suppliers Electricaribe and the Embassy of the Kingdom of the Netherlands established a PPP to improve access to electricity in this poor and predominantly rural area, with support from Acquaire, a Colombian power company and the Colombian Institute of Planning and Promotion of Energy Solutions (IPSE). The PPP's goal was to expand electricity provision in a cost-effective and sustainable manner. The pilot project developed the technology for an innovative prepaid service for 250 families in the Atlántico department. This service alleviates the cycle of debt as well as supporting energy-saving, and the company gains paying customers. The successful introduction of a prepaid electricity service inspired other businesses to consider implementing similar systems for their own services.

The Response

In South Africa, prepaid electricity is a commercial success, contributing to the goals of the World Summit on Sustainable Development, which in 2002 addressed the problems of poverty and its relation to energy access. *NuPlanet,* a Dutch consultancy company, identified the opportunity to use pre-paid technology for the Atlántico department's non-interconnected zones, and presented the idea as a business case to the largest private utility provider at the Colombian Atlantic Coast, *Electricaribe* and the *Dutch Embassy in Bogot*á. Supported by *Acquaire*, a Colombian power company and the *Colombian Institute for Planning and Promotion of Energy Solutions* (IPSE), a PPP was formed in 2006. All partners shared their skills, capacity and financial resources for the development and implementation of the prepaid electricity project. The objective was to improve the efficiency of electricity provision to expand and extend access to electricity cost effectively and sustainably to the poor and rural areas of Colombia.

All parties were involved in the PPP decision-making process. On an operational level, *NuPlanet* was in charge of co-ordinating and managing day-to-day operations and finances. *IPSE* and *Electricaribe* were in charge of installation of the devices, and developed their own strategy: they chose the area where the devices would be installed, as well as the way in which it would be done.

The Results

Successes were uncovered after the end of the partnership in 2010 in terms of the initial objectives; 250 families in the department of Atlántico have now safe and legal connections, with 75 of them newly connected to the electricity grid. The prepaid system prevented those families from getting into debt with the electrical companies and the system saved them money because they no longer had to pay fines and re-connection costs. This contributes to the alleviation of a cycle of debt and general poverty. The prepaid electricity meters can be connected only to protected lines, so illegal connections are no longer possible, thereby reducing the hazards and dangers of exposed wires.

The social component of the partnership project included training sessions for families to adjust to the new concept of paying in advance. They realized that it meant they were more in control of their budget and their use of electricity. In addition, the project resulted in energy savings averaging 48%, the equivalent of 46kWh per month.

The partnership approach made the financial investments, the investment in technology, the cultural shift and the implementation of the project feasible because of the shared risk by all partners involved. After the project ended, *Electricaribe* continued with the installation of its devices, and further developed the technology to optimise the prepaid electricity service. *Electricaribe* has made prepaid electricity part of its product portfolio and remains committed to connecting previously unconnected or illegally connected customers. It has started working with the PRONE programme through its subsidiary company *Energía Social,* and it is establishing all new connections with the prepaid.

The partnership succeeded in introducing prepaid electricity in the department of Atlántico. In other regions, several companies have also started including prepaid electricity to their product portfolio. This will carry on the work of electrification for non-connected or illegally connected households who have trouble paying bills. The business model for prepaid electricity proved to be both commercially viable and enhanced customers' living conditions.

ESTABLISHING A FUND FOR CONNECTING RURAL PEOPLE TO A NATURAL GAS NETWORK

The Partnership Case

Access to reliable, affordable, economically viable and environmentally sound energy service in the Colombian Caribbean region demonstrates a multi-layered problem. Extending access to natural gas for low income families in rural areas –who are difficult to reach in a commercial sense – required the commitment of several actors. In 2005, Promigas and Promigas Foundation established a PPP with Surtigas, Gases del Caribe and the Dutch Embassy in Bogotá with the goal of contributing to the region's development through expanding the use and supply of natural gas in the region. The partnership also provided workshops about home economics, self-care, hygiene and productive entrepreneurship, including micro-credits for the beneficiaries. These workshops helped service users to realise that using gas instead of coal or firewood for cooking had benefits. As a result, the PPP successfully connected more than 10,000 low income families to the natural gas grid, resulting in social, environmental, and economic benefits. After the project, participating families needed less medical care and were able to reduce their expenditure on fuel. Consequently, this PPP contributed to curtailing poverty in this rural region of Colombia.

The Issue

Colombia has a number of natural resources including fossil fuels and natural gas. Nationwide, Colombia has 5.4 million natural gas users, of which 88% belong to lower income levels. The natural gas reserves are mainly located around the northern coast of Colombia, one of the poorest regions of the country. Many families live without adequate sanitation, clean water or power supplies. They often do not have access to a safe and reliable fuel supply, such as natural gas; these families are not accustomed to using it. In remote areas, pipelines for gas may not be available. Alternatives such as firewood and coal can have major negative effects on health, especially when burned inside the house. The use of natural gas may provide a solution. However, families have to pay a connection fee to the pipelines, which those on low income cannot afford. Colombian law states that gas companies are not allowed to fund users' final connection fee.

The Response

Promigas is the leading provider of gas in Colombia. In the northern coastal region, *Promigas* is present through its subsidiaries *Surtigas* and *Gases del Caribe*. *Promigas*

Foundation is its corporate foundation and operates independently from the company, focusing on business and educational development in communities. In collaboration with the *Dutch Embassy* in Bogotá, which contributed around 50% of the financial resources for the project, these organisations join their expertise and resources in a partnership to contribute to the region's development through servicing natural gas and social programmes. Through the PPP, the *Dutch Embassy* provided families with a subsidy to cover most of the cost of connection. The local Colombian government – not a signed-up partner of the PPP – granted permission for the construction of pipelines and completion of the infrastructure; it was also involved in co-ordinating educational programmes.

The PPP implemented its project in 2005 and ended it in 2008, with the management model establishing responsibilities for each player. The *Dutch government* continuously monitored the performance of the actions and resource investment in addition to providing a grant; *Promigas* managed the resources, performed audits and provided general management for the project, both for the infrastructure and for the social and research components; *Fundación Promigas* designed and directed performance of the research and social components; distributing companies *Surtigas* and *Gases del Caribe* contributed resources to finance the project´s social performance programmes. An executive committee met frequently and reported every month. Every budgetary change and project decision had to be approved by the executive committee before implementation. In collaboration with Colombian Universities, the partners developed a monitoring and evaluation system that measured results and effects throughout the duration of the project and afterwards.

The Results

The partnership and its activities revealed a high level of success. The partnership succeeded in introducing the use of natural gas in the region. The PPP constructed pipelines for 14,178 households and more than 10,000 beneficiary families in the northern coastal region are now connected to natural gas. *Gases del Caribe* and *Surtigas* provided the new users with two-burner stoves, plus training in home finances, health issues, cooking conditions, hygiene, self-care and business creation.

Changes in energy costs and knowledge of home economics led to a reduction in overall energy spending for new users. Before the partnership project families spend nearly €7.40 per month for fuel; after the project was concluded, these families spend on average €2.80 per month for natural gas. Their expenses dropped from

7.6% of the family budget before the project to 2.4% after connection to the new service. These savings of nearly 62% represent an important economic contribution for the families. The education and productive programmes implemented within the project's social component show positive results: 560 small businesses were created, 75% of them led by female heads of households; 1,500 families received loans and training and 300 multiplier agents were trained in home economics. In addition to economic results, participants' health statuses changed because of swapping wood, biomass and coal for natural gas. Before the project started, 37.6% of households experienced respiratory problems. After the project ended, the number of households with respiratory problems reduced to 28.7%.

These conditions have contributed to improving the Living Conditions Index of the beneficiaries' families. The Index measures progress towards the Millennium Development Goals. Improvements particularly relating to the eradication of poverty have been made, improving maternal and child health and ensuring environmental sustainability. The PPP illustrates profitable business opportunities for the further expansion of natural gas in the region and in other parts of the country.

ALLIANCE PROGRAMME FOR THE SOCIO-ECONOMIC DEVELOPMENT OF THE BANANA COMMUNITIES OF MAGDALENA AND URABA

The Issue

Bananas constitute one of Colombia's main agricultural products, accounting for 35% of the country's non-coffee agro-exports. The Colombian banana production, concentrated in Urabá and Magdalena, represents a main source of income for the banana regions. In 2004, 90% of Urabá's economy depended on the banana industry. Unfortunately, these regions show characteristics of economically underdeveloped communities with high poverty levels. A strong connection between banana-generated income and household food security means that increasingly unfavourable market conditions have contributed to the weakening of this particular sector's potential for small growers and plantation workers. Driven by international markets demanding new types of production standards and changing power structures in the supply chain, poor banana growers not only experience declining bargaining power in pricing decisions but also face necessary but almost unaffordable investments for improving quality. In particular, certifications are a crucial but costly opportunity for banana growers because in the

The Partnership Case

In the two main banana-growing regions of Colombia, small banana producers fid keeping up with emerging sustainable production methods to be a challenge. Living in the aftermath of armed conflict, these banana communities are vulnerable and face the challenge of integrating those people demobilized from the forces. In 2006, the Colombian banana trade association, AUGURA, plus two corporate foundations of banana exporters Fundauniban and Corbanacol and the Dutch Embassy in Bogotá have set up a partnership to enhance the capacity of small producers and vulnerable communities to secure their position in the banana export chain in a sustainable and fair way. The project provides evidence of the success of a strategy which involves a more sophisticated co-ordination of activities of organizations with similar objectives in the same sector.

long run, they provide the basis for small producers to guaranteeing their place in the banana markets.

Insufficient infrastructure for production and basic services makes it difficult for banana growers to increase productivity and quality, as well as to access the market and improve links to the supply chain. In the Colombian banana regions, this issue is intertwined with the aftermath of armed conflict. Armed groups compromised growing operations taking place in plantations by spreading insecurity and using extortion. The current challenge is to deal with a high number of demobilized persons in the region.

The Response

The banana trade association of Colombia, *AUGURA*, has been working to maintain the market position of small producers in the Colombian banana community. Fruit exporting companies *Banacol* and *Uniban* have also been engaged in sustainable development efforts in their operational regions through their social foundations to increase the community's quality of life. Together with the *Dutch Embassy in Bogot*á, which sought to contribute to building peace and socio-economic development, and the national public training institute *SENA,* these organizations opted to bring together their resources and expertise in a sustainable development project. Its objective was to include small banana producers and vulnerable communities in the banana export chain in a sustainable and fair way. The partnership aimed to develop the capacity of small banana producers to comply with the requirements of the European market in particular, and simultaneously contribute to the Millennium Development Goals by stimulating social and economic development. It represented an important stepping-stone towards building peace.

All major partners contributed financial resources; the Dutch embassy accounting for 42% while the Colombian partners pooled the remaining 58%. The partnership model was characterised by channelling resources through the private sector with *AUGURA* assuming a co-ordinating and management role, leaving implementation activities under the direct responsibility of the corporate social foundations.

The partnership started in November 2006 and ended in October 2010. In this period, partnership activities were implemented along three core lines: **contribute to increased competitiveness** through training and certification of small and medium banana farmers; **enable and stimulate business development** to generate jobs by providing basic and productive infrastructure – such as basic sanitation and improving irrigation systems on the banana farms; and **prevent an increase of the social problems** in the region through the promotion of peaceful coexistence, for instance through social infrastructure, as well as engaging demobilised people through reintegration strategies.

The Results

A study of the project's initial accomplishments uncovered positive outcomes that exceeded initial targets. The competitiveness of 537 banana families was enhanced as they achieved certification standards such as Fair Trade and GLOBALGAP. The upgrading activities resulted in 15-30% increase in farm values. Approximately 6,000 farmers benefitted from the provision of infrastructure. Productive infrastructure in particular produced an average increase of 10-15% in productivity. The partnership project created 393 jobs and secured another 1,826, contributing to stable incomes for 433 families. Demobilised people benefitted from 75% of the new jobs. The project also made important achievements in social development and building peace. More than 2,500 people benefitted from new classrooms and integral community centres that fostered a stronger and more cohesive community. In 2009, the partnership won the '*Emprender Paz*' peace prize, an initiative of the Colombian Ministry of Trade, UNDP, Global Compact, and the German Agency for Development Co-operation (GIZ).

The partnership has successfully supported the preconditions for social and economic development of Colombian banana communities. Through working within the framework of sustainable development, the partnership functioned as a stabilizer in the region, socially and economically.

The Partnership Case

The Colombian department Huila has been severely affected by the presence of illegal armed groups and illicit crop production, further fueling conflict and hampering social and economic development. There is therefore a need to develop alternative economic opportunities for the inhabitants of Huila, which will lead to building peace and social development. In order to address the region's challenges, Coffee Company Huila, the Dutch Embassy in Bogotá, Banco Agrario of Colombia, the Government of Huila and the state-funded education organization SENA joined forces to implement a project that promotes market competitiveness among the region's coffee growers and enables a higher quality of community life, peace and security at the appropriate scale.

The Issue

Coffee growing and processing is one of the most important industries in Colombia. The coffee industry provides employment for about 800,000 people, representing nearly a third of total rural employment. Of all agricultural sectors in Colombia, the coffee sector in particular suffered from the abandonment of farms because of violence. Moreover, lucrative cocaine crops have a financial appeal to small scale farmers afflicted by poverty.

Huila is one of the three main departments in Colombia. It is home to 12% of the country's coffee farmers, yet it is characterized by many individual small scale farms, which restricts opportunities for increasing the national yield. Still, there is opportunity for upgrading quality to improve incomes. For example, the demand for certified coffee increases, presenting opportunities for small-scale growers and attracting families towards income sources other than growing illegal crops. These mutually enforcing issues of persistent poverty and conflict are further strengthened by a lack of institutional capacity. Armed conflict and a lack of participation in community organizations by the coffee farmers of the Huila region undermine the authority of the local government. Lack of skills and knowledge resulted in limited contact between the coffee growers and the municipality. This decreases trust in institutional capacity and further challenges government efforts to stimulate development.

The Response

The motivation to promote sustainable development in the coffee sector of Huila, and improving its position in the export market led the *Coffee Company Huila* to set up a partnership project, tackling economic and social aspects of community development. The *Dutch Embassy in Bogot*á was interested in peace building and good governance, the *Banco Agrario* was seeking to improve the coffee-growing community's access to financial markets, *SENA* was interested in building the coffee farmers' capacity and *Huila's local government* was motivated by the potential to improve socio-economic development. Together, they formed a partnership in 2008 with the main purpose of contributing to the reduction of structural poverty and to strengthen the capacity of social and production organizations. The partnership simultaneously targeted the improvement of government accountability and promoted democratization and building peace in Huila.

Financial contributions were made by all partners, though the main contributors remained the Dutch embassy and the private sector. In June 2008 the project activities started under the slogan "*Vivamos major... para cosechar calidad*!" (or "Live better... to harvest quality!"), targeting 5,000 people, especially women and young people.

These activities were focused in three areas. First, **good governance** activities were aimed at strengthening local institutions. **Peace and coexistence** was stimulated in the communities and within families. Finally, improvement of Huila's coffee production in the global coffee supply chain was strengthened by targeting improvements in the **quality of the crops of the small farms**. Better quality secures better prices for a positive effect on household income, and a reduction in the need to rely on illegal crops.

More specifically, partners engaged the beneficiaries in technological improvements, the renovation of plantation infrastructure, plus technical as well as entrepreneurial training sessions. This was seen as making steps towards meeting standards and certifications. Once achieved, they were accompanied by support for development of business strategies for the commercialization of farm produce. This economic component was complemented by the social aspect of the project, through coupling the productivity strategy with improvements to basic provisions such as clean water and sanitation, as well as community education programmes for different age groups and objectives, such as human rights awareness, leadership, public participation and basic primary education. With an implementation strategy led by the *Coffee Company Huila* and on-the-ground execution of the various components being shared among all partners, the partnership finished its operations in 2010.

The Results

All partners and beneficiaries of the programme were positive about the results of the partnership, recognising that it had surpassed initial expectations and targets. For example, 950 farms benefited from developments to infrastructure. This and the technical training led to an improvement in the efficiency of coffee production, and quality was significantly improved through certifications gained by 500 farmers. Within the improved supply chain, and as a result of business training and support, many women were able to move from merely producing coffee to marketing and commercialising it, some even creating new businesses for themselves.

The complementary social component also reflected positive outcomes, as more than 1,000 people were engaged in social education programmes. This raised women's public participation, with 84% of the target group perceiving higher female participation in community organizations. It improved family relationships for 90% of beneficiaries and promoted peaceful coexistence in the communities. In 2009, the partnership won the '*Emprender Paz*' prize, which recognizes private sector-led initiatives. The partnership was highly successful in strengthening trust between partnerships, farmers and community organizations. By applying a partnership approach, the challenges of the region of Huila have been addressed on a greater scale.

SUSTAINABLE COFFEE-GROWING IN COLOMBIA (DEPARTMENT OF CESAR)

The Issue

Colombian coffee is often regarded as one of the best-quality coffees in the world. As of 2011, agriculture accounted for 12.7% of Colombian GDP, which coffee representing its most important agricultural product. The coffee industry provided employment for about 800,000 people in 2010 – that was almost a third of total rural employment. Almost 90% of the coffee producers are small-scale farmers, with less than three hectares planted with coffee. The global coffee crisis hit Colombia's small producers hard. In the 1990s, 23% of producers did not make enough to meet their production costs, which affected their standard and quality of life.

Coffee farmers in the Cesar department were deeply affected by armed conflict, which was common in the region. Most were forced to leave their homes. Once secure conditions were restored, the families returned to their abandoned farms and deteriorated crops. But coffee prices at that time were too low for the coffee farmers to cover their expenses and restore coffee production. Demand had shifted to a preference for coffee certifications, which also

The Partnership Case

The vulnerable coffee-growing families in the region of Cesar are confronted with problems such as a lack of social structure, the challenge of community building, the existence of inequality and extreme poverty. The conflict left profound negative economic consequences in the Cesar region, posing additional challenges for sustainable development. As response, a partnership between Federacion Nacional de Cafeteros (FNC), Douwe Egberts Foundation, the Government of Cesar and the Dutch Embassy in Bogotá provides a potential solution for engaging the region's coffee-growing families in sustainable development that ensures not only social and economic welfare but also contributes to peace-building processes.

required major investments. The coffee farmers in Cesar were therefore struggling for financial survival.

The negative economic effects of conflict and the unfavourable market conditions were further aggravated by a lack of social networks and structures, as well as the coffee farmers' limited knowledge and capacity for community-building processes.

The Response

The *National Federation of Coffee Growers* (FNC) has worked since late 1950s to bring Colombia's coffee sector to the forefront of international attention. In line with this, the FNC initiated a partnership with the *Douwe Egberts Foundation*, in 2009. It was interested in supporting small coffee producers to access international markets through improvements in quality and sustainability, and working towards the attainment of international labels.

The purpose of this collaboration was to support the economic and social development of coffee-growing families in the department of Cesar by facilitating the return of 600 displaced coffee-growing families to la Serranía del Perijá in Cesar. It was done through an integral strategy to generate favourable conditions for socio-economic development.

Such a strategy is composed of social assistance, socio-economic reactivation especially for the coffee market and the sustainable use of natural resources. The partners set specific objectives that would lead the way for project implementation. On the one hand, the partnership was to contribute towards the fulfilment of basic necessities for 600 families and the reconstruction of the social structure in the violence-affected areas. On the other hand, the project would also support the reactivation of 600 farms for the production of coffee, the diversification of income and integration into the international supply chains.

With these objectives, the organizations presented a partnership proposal to the *Dutch Embassy in Bogot*á. Motivated by the possibility of contributing to sustainable development for coffee growers as well as focusing on curtailing of violence in the region, the Dutch embassy entered the partnership by supporting the project with a contribution of 48% of the total budget, and facilitated the project partners.

Resources were dedicated to a series of activities that served a variety of objectives. These activities included building capacity for farmers, constructing infrastructure to improve living conditions for communities, technical training in economic and environmental aspects of coffee production, advance production capacity through supporting farmers' adoption of innovative processes, engaging farmers in UTZ label certifications and implementing systems for the commercialisation of the resulting certified coffee.

In executing these activities, the partnership also relied on support partners. For instance, *FINAGRO*, an organization specialising in the provision of credit resources to the rural sector, contributed by allowing small-scale farmers access the financial market so they could make the necessary investments in their farms. *Solidaridad*, a Dutch-based civil society organization with an emphasis on development in Latin American and Asian countries, also supported the project by establishing an effective system of follow-up and impact evaluation for processes and practices used in sustainable production.

At the time of the research (2011), the partnership project showed successful mid-term progress, such as 300 hectares cultivated to ensure food safety; 600 hectares of forest protected for the establishment of productive ecosystems; 23 groups of coffee farmers trained in community work and coffee farmers carried out activities for the maintenance of the streets. The project was planned to end and be evaluated by the end of 2012.

The Partnership Case

Conflict and conditions of poverty in the Colombian palm oil region Norte de Santander limit possibilities for small-scale growers to make the transition towards sustainable palm oil production. This hampers economic development for smallholders in the region. The required combination of environmental, social and economic aspects of the case called for a partnership between the National Association of Palm Oil Producers, Fedepalma, the private company Oleoflores, S.A., the Municipality of Tibu, the World Wildlife Fund and the Dutch Embassy in Bogotá. The partnership aims to develop and implement the Roundtable of Sustainable Palm Oil certification scheme in the context of Norte de Santander for 680 palm oil producers. It is expected that the partnership results (a) ensure an improvement in the quality of life of the palm oil producing families of Norte de Santander and (b) develop the conditions for social and environmental sustainability and (c) strengthen the relations between palm oil producing communities, municipality and producer organizations.

The Issue

Palm oil is the world's largest source of edible oils and fats because it yields more than alternatives such as sunflower seeds or soybeans. Colombia is the world's fifth largest palm oil producer with a share of 2% of world production. It's the top producer in Latin America. Aggregated production of palm oil accounted for 1.6% of Colombia's average agricultural GDP between 1996 and 2006; cultivation for palm oil represents almost 300,000 hectares and provided 101,888 jobs in 2007.

In general, palm oil production generates stable employment and a permanent source of income. In fact, salaries within the oil palm sector are double the average minimum salary, thus permitting opportunities for better housing and education for rural communities.

Palm oil cultivation in Colombia is also associated with problems related to the environment, land and territorial issues and labour rights. These problems are provoked by the internal armed conflict and resulting high level of violence in regions such as Norte de Santander. This limits the potential for development of the palm oil sector and, consequently, palm oil producing communities. Such development requires a high level of political stability and economic growth which the region lacks because of the conflict there. Simultaneously, the Colombian palm oil producers face loss of competitiveness as production costs more here than it does for the most efficient producers in the world, in Malaysia and Indonesia, particularly because of greater requirements for certifications. In particular small producers face a combination of extreme levels of poverty, conflict and competitive vulnerability. Local farmers are unable to make improvements for implementing more sustainable practices, getting their products certified or improving their living conditions.

The Response

The complexity of the issue and the need for social, economic and environmental development of palm oil producing communities motivated the Colombian palm oil company, *Oleoflores S.A*, the National Association of Palm Oil Producers, *Fedepalma*, and the *Municipality of Tibu* and the *World Wildlife Fund* (WWF) to set up a partnership project in 2010. The interest in supporting social and economic development of the conflict-affected region Norte de Santander drove the *Dutch Embassy in Bogot*á to enter the partnership with a financial contribution of 49% of the project's budget.

The overall objective of the partnership was to develop and implement a system to guarantee a permanent quality standard for Colombian palm oil, based on the Roundtable of Sustainable Palm Oil certification (RSPO). The RSPO certification allows for improvements in economic efficiency, social and environmental sustainability and strengthens relations between the community, the municipality, producer organizations and the institutions. It facilitates democratic and informed decision-making with the active participation of 680 palm oil producers in the department of Norte de Santander.

The partnership currently implements a series of activities targeting the communities of Tibu, Sardinata and Cucuta. These activities include a diagnostic test that palm oil farmers can use to check if they meet the RSPO certification, plus technical training and help to build capacity that would help them achieve such requirements. The partners also engage in the development of infrastructure to facilitate building alliances between palm oil producer and support organizations. *Oleoflores'* department for projects and co-operation is in charge of implementing and consolidating technical and financial reports for each counterpart.

Desired Outcome

At the time of the research (2011), the project was in the process of preparing its first monitoring report. The project was expected to finish in December 2013.

The project is expected to result in improving the quality of life for palm oil producing families of the region, through the implementation of the social-environmental label RSPO. This achievement could be used as a model for sustainability for the palm oil sector. It would also mean that the palm oil industry in Norte de Santander would become more competitive, through the promotion of elements that improve productivity and homogeneity of production with regard to social and environmental aspects.

Those involved in the project want to see an increase in the proportion of the 680 palm oil producers certified for RSPO standards, and more commercialised produce to drive economic development. Up to 3,035 families from surrounding communities are expected to benefit indirectly from the project. Project partners hope to achieve social development through construction of infrastructure and more members of the community taking part in local decision-making. Finally, the project aims to produce more developed action plans for RSPO certifications, and to run programmes that increase capacity with a focus on sustainable farming practices.

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