



# Business Partners for Development Natural Resources Cluster

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## Measuring the 'Added Value' of Tri-Sector Partnerships

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This paper sets out a methodology for measuring the impact of a tri-sector partnership model of social management in the extractive industries. The emphasis is on measuring the 'added value' of a partnership approach, over-and-above the alternative ways in which business, government and civil society organisations could meet their social objectives. The methodology is designed to be used in conjunction with the broader framework for partnership monitoring as described in Working Paper No. 13.

### Origins

The methodology presented in this paper enables the impact of social partnerships in three areas to be measured:

- business benefits for oil, gas and mining corporations;
- community developmental impact; and
- outcomes for public sector governance.

The origins of the methodology lie in a workshop held by the Natural Resources Cluster of the Business Partners for Development (BPD) programme in May 2000 in London, and attended by members of the cluster Steering Committee. The methodology subsequently evolved with inputs from the cluster Secretariat, the consultancy company Environmental Resources Management, and through piloting of the approach with the Sarshatali coal mining project in India, the Las Cristinas goal mining project in Venezuela, and the CARE/Transredes oil pipeline partnership in Bolivia.

### Document Structure

The document is divided into seven sections and three Annexes:

- Definitions
- Purpose
- Phases
- Assumptions
- Tasks and Responsibilities
- Guidance on Application

Annex I - Impact Indicators

Annex II - Examples of Impact Tables

Annex III - Background on Methodology Development

Benefits of Partnership	Indicator of Benefit	Impact of Partnership on Indicator	Assumed most likely alternative strategy to partnership	Incremental contribution of partnership	Confidence in evidence
Corporate Reputation	Stability with local stakeholders reported	<ul style="list-style-type: none"> <li>• Charitable contributions and trust between MIVCA and the local authorities improved significantly through the process of constructing the health centre</li> <li>• BPD activities improved relations between previously adversarial trade and religious communities</li> <li>• Reduced need for security measures on site</li> </ul>	Community development programme of MIVCA likely to have been more piecemeal/less visible, possibly leading to existing stakeholder (local) and other stakeholder (national) activities, with no single focus (other than urban mining) for developing relationships with MIVCA and with local community groups	Positive corporate reputation benefits from improved community relations and evidence of innovative approach to managing social issues	High
Competitive Advantage	Competitive advantage gains for maintaining existing or winning future concessions	During a period of instability over the future of its mining operations, MIVCA was able to demonstrate to government regulators and corporate managers that it could manage its social license to operate at reasonable costs. The partnership model was also used by other firms as a demonstration of good social management to help strengthen its tender for a new mining concession in another Latin American country	Costly 'do-it-yourself' social management programmes in Las Cristinas area likely to have been conducted by local MIVCA or to have generated the same level of community dependency upon MIVCA.	The partnership model may have contributed, in part, to MIVCA's winning concession agreement for the Las Cristinas mine. The model also provides marketing opportunities and evidence of corporate social skills for new concessions	Low
Investment risk	Reduced dependency of communities on corporate as sole provider for social investment resources	<ul style="list-style-type: none"> <li>• Noticeable increase in self-confidence among local health committees</li> <li>• Increased capacity of communities to engage in negotiations and build alliances with other organisations with which there are previously no contact e.g., with the Director of Environment, Education and Recreation, Town Hall</li> <li>• Engagement of other parties and resources in the CHC partnership</li> <li>• Transfer of new management and construction skills from MIVCA to other parties</li> </ul>	Without the partnership model, the likelihood is that MIVCA's community development programme would have generated greater dependency on corporate for community development funding and other skills, leaving the community exposed to the likelihood of localising community demands during a period when funds were scarce.	The security of MIVCA's investment in the Las Cristinas area (either in time and maintenance mode or future operations) is less exposed to community dependency on the corporate for social provision, unless social skills are lost	Moderate
Cost-Effectiveness of Social Investment Programme	Leverage of additional social investment resources from other organisations	<ul style="list-style-type: none"> <li>• Organisations other than MIVCA committed resources to manage and operate the CHC</li> <li>• MIVCA: US \$ 711 million; research, advice, training CHC staff (\$8200)</li> <li>• BPD: medicines, medical training, salaries (\$31,300)</li> <li>• Health Centre: other: advice, salaries (\$1,400)</li> <li>• Community Welfare Coordinator: loans (US\$ 17,100)</li> <li>• MIVCA: medical equipment, training, food, maintenance (\$1,428,300)</li> <li>• COPECOM: water services (\$10,500)</li> <li>• Local health committee: medicines (\$2,000)</li> <li>• Local: equipment, supplies (\$14,300)</li> <li>• Local: equipment, supplies (\$1,000)</li> <li>• Other: supplies etc. (\$5,000)</li> <li>• CHC: contribution (\$1,013,100)</li> </ul>	High investment in health facilities was expected from the government during the period of the partnership but the assumption is that some funds may not have been generated during the period, from past experience these facilities are likely to have been deteriorated during the period. Similarly, no investment in improving water services or the health care operation and training was anticipated during the same period.	The leverage of social investment from other sources during period was valued at \$2,013,100.	Moderate
Corporate effectiveness or employee engagement	Cost effectiveness of employee engagement	<ul style="list-style-type: none"> <li>• In the event of the mine being developed, both future employees and the families will have access to high quality local health care at low cost, and will be positively affected by other programme measures, as well as access to health care facilities</li> </ul>	Company would normally provide quality health care and related administration or services for employees.	Reduced cost to corporate of providing health care to future (community-based) employees	Moderate

**Tri-sector partnerships: a voluntary collaboration to promote sustainable development based on the more efficient allocation of complementary resources across corporate business, civil society and government.**

**The purpose of the methodology is to facilitate measurement of the 'added value' of tri-sector partnerships in managing social issues in relation to the extractive industries.**

## Definitions

Establishing good relationships between corporations, communities, civil society organisations, government authorities and international donor agencies is not new. What is new is strengthening these relationships to the point where all parties 'pool' their knowledge, resources and skills to solve complex social problems.

A tri-sector partnership approach builds on the idea of exploring whether each sector in society has particular competencies and resources that might be complementary to one another in the context of managing social issues. *Inter alia*, these competencies include:

- **government authorities** - strategic co-ordination of social programmes through Local Development Plans; new decentralised powers; budgets for the provision of public services; a role as broker or capacity builder.
- **oil, gas and mining companies** - employment provision, procurement/supply chain management, local infrastructure, capital equipment, technical skills, logistics management, a performance-led work ethic, a capacity for advocacy, international standards, work ethics.
- **civil society organisations** - local knowledge, capacity to mobilise community participation, tools and methods to ensure relevance to local livelihoods, independent monitoring.

## Purpose

The purpose of the methodology is to facilitate the measurement of the 'added value' of tri-sector partnerships in managing social issues in relation to the extractive industries. In particular, to measure the incremental contribution of a tri-sector partnership approach to business interests, community development and public sector governance, over-and-above that which could have been achieved through alternative approaches, (eg the corporations managing social issues 'in-house' or outsourcing to consultants, Corporate Foundations or NGOs; or government authorities, international donors and NGOs implementing social programmes alone).

## Phases

The four phases in methodology are as follows:

- **scoping** - to identify the key indicators of partnership benefit relevant to each sector (corporate operation, civil society organisations and government authorities), and their most appropriate methods of measurement;
- **data collection** – to establish a baseline and to measure changes in these indicators;
- **assessment of incremental contribution** – to calculate the effect of the tri-sector partnership as measured by changes in key indicators and an assessment of the strength of the evidence for direct causation;
- **value for money assessment** – to compare the evidence of benefits with the costs involved of the partnering process.

*Figure 1* summaries the key tasks and outcomes of each phase.

**A key assumption underpinning the methodology is that the impact of tri-sector partnerships can be measured retrospectively**

## Assumptions

A key assumption underpinning the methodology is that the impact of tri-sector partnerships can be measured retrospectively by evaluating the extent to which partnership has delivered:

- its **intended outcomes**, ie the original objectives agreed to by all partners (these are likely to have laid down in the signed original Memorandum of Understanding, Partnering Agreement or Charter between the partners);
- outcomes that **add value** over-and-above the most likely alternative action a partner would have taken alone to achieve their objectives for the partnership;
- other, **unexpected, outcomes** that are deemed by the partners to be either positive or negative;
- a **net positive ratio** of ‘partnership benefit’ to the ‘cost of partnering’.

Some limitations of the methodology are outlined in *Box 1*.

## Tasks and Responsibilities

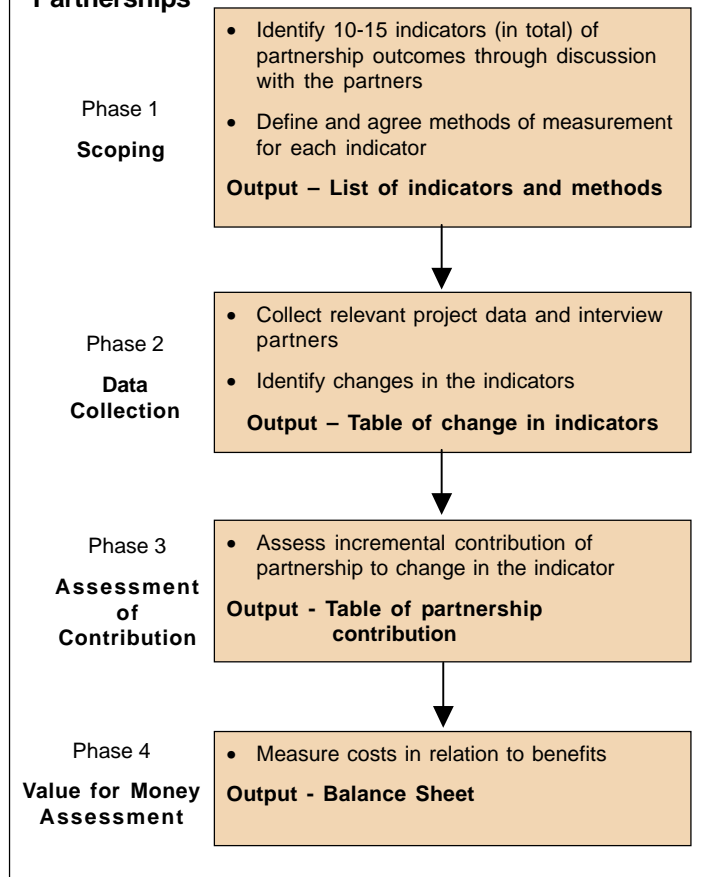
The key tasks and responsibilities of the assessor, partners and other stakeholders can be summarised as follows:

1. **data gathering** from documents, interviews, workshops and direct observation. This task is primarily for the assessor, with support from the partners to facilitate access, eg to particular documents or individuals.

The assessor and the partners are then responsible jointly for:

2. determining the **outcomes attributable to the partnership**, for business, community development and governance;

**Fig 1. Phases in Measuring the 'Added Value' Partnerships**



### Box 1 A Limitation of the Methodology

The methodology focuses on the outcomes of the tri-sector partnership as defined by each partner. It does not consider wider societal or business impacts unless these are explicitly determined as objectives of the partnership, or unless these are revealed during the assessment as significant ‘added value’ or ‘unexpected’ outcomes relating to the partnership. This limitation is to ensure that the methodology is quick and cost-effective to apply.

3. calculating the **incremental contribution** of these outcomes attributable to the partnership arrangement, as opposed to:
  - **other social management** activities taking place at the same time; and
  - the **most likely alternative to the partnership**, ie what would each partner have done to meet their objectives in the absence of the partnership; and
4. identifying the **costs** of developing and maintaining the partnership, eg facilitation costs, logistics. The assessment of whether these costs are acceptable in relation to the results achieved can only be made by the partners.

## Guidelines for Application

### 1. Scoping Phase

**Objective** - to agree with the key partners around 10 - 15 key indicators of partnership impact and how they will be measured. These indicators should cover the three categories of assessment, namely business outcomes; community development impact; and public sector governance.

The first stage of the process (see *Figure 2*) is to review the generic list of possible indicator categories and indicators. A checklist of indicators of partnership benefits/outcome has been prepared for each of the three sectors (see *Annex I*). It is highly unlikely that all categories of indicators will be relevant to any one particular partnership and the list of indicators should be shortened to exclude those that are clearly not relevant. Other, more relevant, indicators may also be considered. Note that the process of selecting the indicators is an interactive desk-based exercise and requires knowledge of the nature of the oil, gas or mining project and the socio-economic context in which it operates.

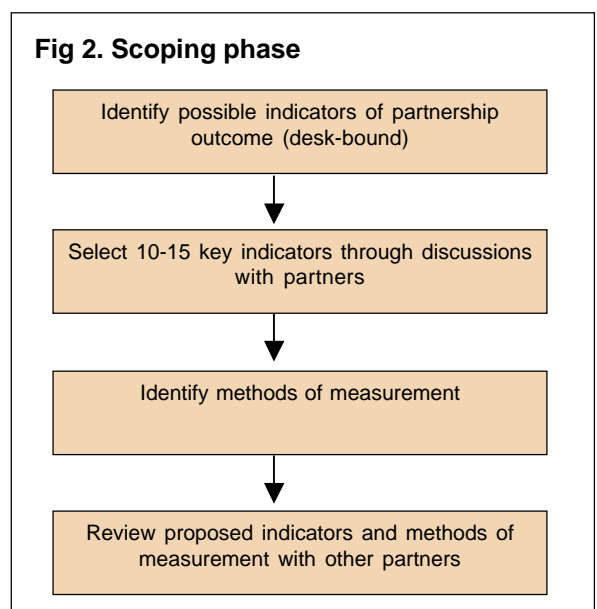
The methods of measurement and data sources for each of the key indicators should be identified in conjunction with representatives from the partner organisations and the assessor,. The ‘scale of measurement’ should be expressed precisely. Where possible the scale should be quantitative and capable of expression in financial terms e.g. cost savings or cost leverage. However, in many cases it will only be possible to apply normative scales.

The resulting set of indicators and methods of measurement are likely to reflect a combination of:

- a) the original objectives of each partner in entering the partnership (or more specifically, the underlying interest behind these objectives); and
- b) unexpected outcomes, either negative or positive

It should be noted that not only will different partners have different objectives for the partnership but, within any one partner organisation, objectives will differ for individuals and their departments. It is important that these differences are captured when setting indicators. For example, in measuring the business-case for tri-sector partnerships, while the project HSE manager

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may have been primarily interested in obtaining environmental clearance from the regulatory authorities or investors; the production manager’s primary interest may be that scheduling milestones are met and the Executive may require that the company develops a reputation that attracts high calibre staff.

Before the list of indicators is finalised it should be reviewed by other project partners to bring their perspective to the analysis. Where possible, community stakeholders should also be consulted.

## 2. Data Collection Phase

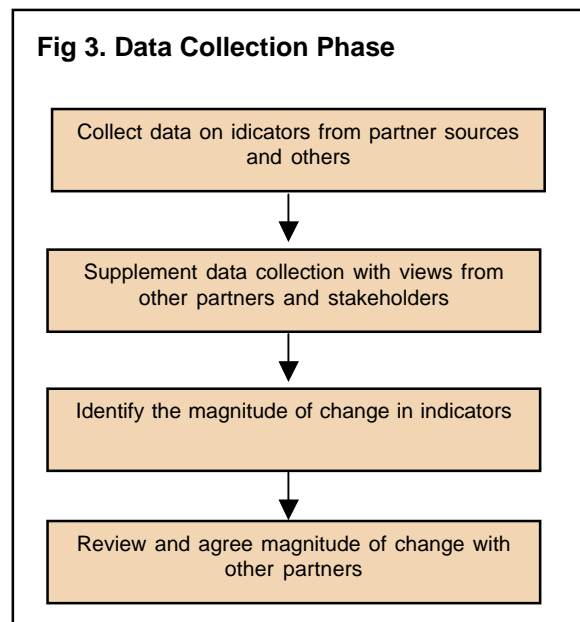
**Objective** - identify what changes have occurred in each of the key indicators

The first step is to draw up a Data Collection Plan to steer effort towards the most relevant personnel, and to think through the best sources of information (eg documents, interviews, workshops, observations, key informants). Data is needed not only on changes in indicators during the partnership’s life, but also on the baseline conditions prior to the partnership.

Data collected from the most relevant partner will need to be supplemented through interviews with other partners, as well as representative stakeholders such as communities affected by partnership activities. The practical reality is that, due to time pressures, in many cases interviews will need to address all areas of partnership impact (ie business benefits, community development and public sector governance) in a single meeting. The assessor needs to prepare accordingly.

The deliverable at this stage is a summary table identifying the magnitude of the change in each indicator. The use of a pre-defined table and agreed indicators fosters discipline in the data collection and analysis process. Given the complexities of tri-sector partnerships, there is a real risk of developing increasingly deep descriptions of the partnership activities at the expense of measuring its results.

Figure 3 summarises the steps in this phase of the process.



The deliverable at this stage is a summary table identifying the magnitude of the change in each indicator.

## 3. Assessment of Contribution

**Objective** - evaluate the incremental contribution of the partnership to the change in the key indicators, and the reliability of evidence.

In order to evaluate the overall contribution of the partnership, an analysis should first be made of (a) external contributing factors; and (b) each partner’s most likely alternative to achieving their objectives for the partnership.

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### External Contributing Factors

External factors should include all relevant significant changes in the wider socio-political and economic environment that could be affecting the activities and outcomes of the partnership.

This might include:

- changes in political leadership;
- changes in the actual or anticipated return on project investment;
- delays to the project and related social investment programmes;
- changes in the local economy, such as the effects of privatisation;
- the effects of external disputes and political violence;
- the effects of social programmes with the same objectives as those of the partnership, but implemented by non-partners, be that government authorities, donors or NGOs; and
- the effects of community groups' efforts to manage their own development.

### Most Likely Alternative

A common mistake in evaluating the added value of partnership arrangements, is to attribute all that is accomplished by the partners to the presence of the partnership. Not only are there likely to be external contributing factors (see above), but more importantly, each partner is likely to have had an alternative plan of action to achieve their objectives for the partnership, had the partners not come together. For example, instead of implementing a health care programme through a tri-sector partnership arrangement, the company, communities, NGO or government authorities may have attempted to undertake some of this work alone, though with different cost implications and different results.

Care should be taken in identifying the 'most likely alternatives'. Although an organisation – company, government authority or NGO – may claim to have had in place plans to achieve some or all the results generated by the partnership, whether these plans would have been implemented in practice, in the same timeframe, or to the same level of quality or sustainability as by the partnership, is sometimes doubtful (see *Box 2*).

### Calculating the Incremental Contribution

Once the value (in monetary figures where possible) of external factors and the most likely alternatives have been identified, the incremental contribution of the partnership is calculated as the difference between the aggregate of the latter and the value of the partnerships attributable outcomes. This calculation can be represented as follows:

#### Box 2 A Commentary on the Added Value of Tri-Sector Partnerships

Extracting the difference between (a) the outcomes of the partnership and (b) the anticipated outcomes of the 'most likely alternatives', is critical. One of the great advantages of the tri-sector partnership approach is that it brings to remote regions the performance and catalytic advantages of private corporations, thereby stimulating or facilitating government strategic plans that might otherwise have remained merely theoretical, to be implemented.

Similarly, the presence of the company and its plans for social investment provide an entry point for NGOs and international donors, enabling them to realise their strategic objectives for reaching new target communities.

On the other side of the equation, partnering with government authorities, NGOs and donors, enables a company to leverage additional resources and to share the risks of social investment – contributions without which might have slowed the progress of social programmes or reduced their impact.

**A common mistake when evaluating the 'added value' of partnership arrangements, is to attribute all that is accomplished by the partners to the presence of the partnership.**

$$\text{Added Value of Partnership} = \sum \text{Value of Partnership Outcomes} - (\text{External Factors} + \text{Most Likely Alternatives})$$

**The incremental contribution of the partnership is calculated as the value difference between (a) the aggregate of 'external factors' and 'most likely alternatives', and (b) the partnership's attributable outcomes.**

*Confidence Limits*

The final step in this phase of the methodology is to provide an indication of the level of confidence in the reliability of the evidence used to make the calculation. The confidence limit can be simply characterised as 'high', 'moderate' or 'low'. The factors to take into account in making what is essentially an informed subjective judgement include:

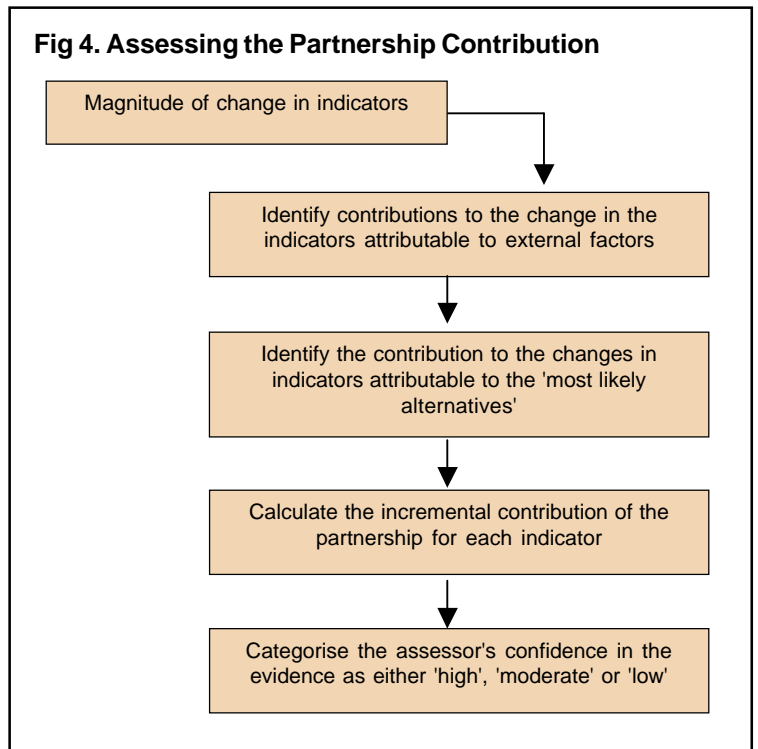
- the extent to which there is traceable data to support monetary values;
- whether published reports or personal quotes have been gathered to support subjective judgements;
- whether there is consistency in the different sources of information (including interviews);
- the degree of consensus on the impacts from both the partners and external stakeholders.

The key steps in this phase are summarised in *Figure 4*. Examples of the deliverables are given in *Annex II*. The three tables in Annex II are drawn from an evaluation of partnership arrangements convened to

provide health care to a population of 12,000 people living in proximity to a proposed gold mine project in Venezuela. At the time of the partnership (1999-2001) the project site was in a "care and maintenance" mode, with expenditure minimised, consistent with securing the mineral assets and providing for certain social needs in the surrounding communities prior to a decision to commence with the project.

The full case-study of this partnership is available through the BPD web-site:

[www.bpd-naturalresources.org](http://www.bpd-naturalresources.org).



**4. Measuring Costs in Relation to Benefits**

**Objective** - consider the 'value for money' of the tri-sector partnership - achieved by comparing the total costs of the partnering process to each of the individual partners, and comparing these costs with the monetary and other benefits.

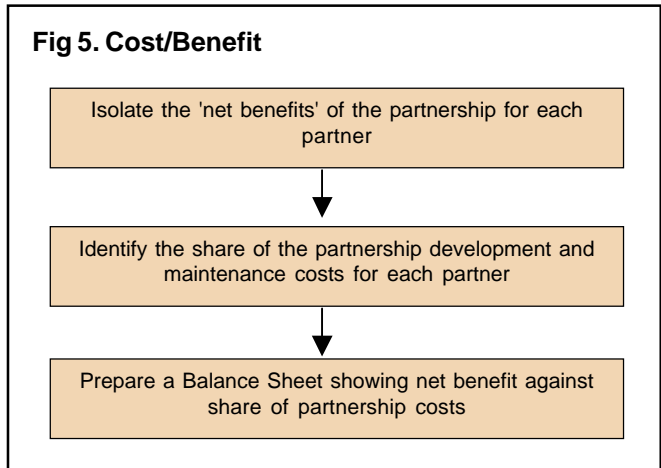
The overall costs of resourcing, developing and maintaining the tri-sector partnership arrangements for each partner need to be calculated. This will include:

- direct costs in providing equipment, funds, lodgings, etc;
- indirect costs, such as staff time and related opportunities foregone;

- costs relating to the third-party brokering or maintenance of the partnership, eg travel costs and fees of interpreters and facilitators (or the share thereof).

**A balance sheet provides an exposition of the “up-front” costs together with the incremental benefits**

These partnership costs are then set against the added value of the partnership already calculated. The results of this value-for-money assessment can be compiled as tabulated balance sheet, thereby enabling the costs and the incremental benefits to be directly compared. Wherever possible, values should be expressed in monetary or quantitative terms. This process will provide the partners with the information on which they can assess whether the results represent ‘value for money’.



An example of a balance sheet is given in *Table 1*, taken from the perspective of the operating company. The steps in this phase are summarised in *Figure 5*.

**Table 1 Costs and Incremental Benefits of the Health Care Partnership to MINCA (the Operating Company)**

Partnership Costs	(\$)	Added Value/Incremental Benefits	(\$)
Management costs		Reputation	
Workshops, lodging and food for engineers, project management consultants and external visitors	71,430	Positive reputation gains from improved relations' with surrounding communities and other regional stakeholders	Intangible
		Marketing and competitive advantage gains through success	Intangible
Construction costs		Reduced Risk	
(construction materials, equipment, furnishings, air conditioning, generator, staff time)	357,000	Licence to operate secured in the context of institutional uncertainty (less social liability)	Intangible
		Savings on lobbying expenditure	est \$30,000
		Social Investment Effectiveness	
		Leverage of additional investment from other organisations	2,079,538
Share of partnership Facilitation costs	98,000	More cost-effective health care for future community-based employees	Intangible
<b>Total cost to MINCA</b>	<b>526,430</b>	<b>Total incremental benefit to MINCA</b>	<b>&gt;2,109,538</b>
<b>Total Costs less Total Incremental Benefits = \$1,583,108</b>			

## Annex I Checklists of Impact Indicators

Table Ia Indicators for Measuring the Business Outcomes of Tri-Sector Partnerships

Categories	Sub-categories	Indicators of Partnership Outcomes for Oil, Gas and Mining Corporations
<b>Project/Operations Level</b>		
<b>Overall efficiency of production</b>	General	<ul style="list-style-type: none"> <li>▪ Scheduling targets/milestones met (or anticipated to be met)</li> <li>▪ Budget targets met (or anticipated to be met)</li> <li>▪ Quality and cost of suppliers, eg maintenance services</li> <li>▪ Management of political and social risks</li> <li>▪ Costs of security and criminal activity (eg reduced third-party deferment)</li> <li>▪ Costs of insurance</li> <li>▪ Accessibility of sites</li> <li>▪ Staff morale</li> <li>▪ Disaster management (pollution, natural disasters, violence)</li> <li>▪ Effectiveness of staff training</li> <li>▪ Quality of grievance mechanisms to contain social and political risks</li> </ul>
	Exploration/ Feasibility	<ul style="list-style-type: none"> <li>▪ Attainment of permits</li> <li>▪ Speed and quality of procurement of human and physical resources</li> <li>▪ Management of community expectations during periods of uncertainty and delay in investment decisions</li> <li>▪ Dependency of community on company for social provision</li> <li>▪ Foundations laid for long-term stakeholder engagement</li> <li>▪ Impact on communities accurately identified and measured (eg scoping in EIA/SIA, impact prediction)</li> <li>▪ Equitability and transparency in distribution of economic, social costs and benefits (ie 'packaging' of positive and negative social impacts)</li> </ul>
	Construction	<ul style="list-style-type: none"> <li>▪ Sensitivity of construction workers to cultural norms</li> <li>▪ Levels of employees sourced locally</li> </ul>
	Operations	<ul style="list-style-type: none"> <li>▪ Production targets met or exceeded, eg reduced 3<sup>rd</sup> party deferment (impact of social unrest/tensions on production)</li> <li>▪ Distribution of social benefits beyond project 'footprint' (ie beyond project affected people (PAPs))</li> <li>▪ Availability of partners to sustain social investment activities when projects experience delays, temporary 'down-sizing' or suspended operations due to market pressures;</li> </ul>
	Closure	<ul style="list-style-type: none"> <li>▪ Community dependency on company for public service provision, economic opportunities and environmental management after closure</li> <li>▪ Rsk to global corporate reputation of economic (and political) vacuum following closure</li> </ul>
<b>Effectiveness of Social Investment</b>	General	<ul style="list-style-type: none"> <li>▪ Cultural sensitivity of social investment programmes</li> <li>▪ Effective and early resolution of disputes with communities</li> <li>▪ Consistency and frequency of 'messages' to communities that help to manage expectations</li> <li>▪ Durability (shock-resistance) of 'social license to operate'</li> </ul>
	Employment	<ul style="list-style-type: none"> <li>▪ Local sourcing/procurement of labour, products and services</li> <li>▪ Opportunities for the most affected households to gain long-term employment with project</li> <li>▪ Level of skills and/or transferability of skills of local employees</li> <li>▪ Integration of project skills with skills needed for social or economic programmes of government and donors</li> </ul>
	Impact Mitigation	<ul style="list-style-type: none"> <li>▪ Accuracy of scoping and impact predication</li> <li>▪ Relevance of impact mitigation studies to household livelihoods</li> <li>▪ Transferability of relationships built during consultation for ESIA's into long-term stakeholder relationships</li> <li>▪ Quality and sustainability of social impact mitigation (eg trust built; expectations managed; responsive and meaningful consultation; on-going and culturally relevant communications established and maintained; participation of affected parties in scoping, design, implementation and maintenance of impact mitigation measures; grievances resolved; organisational capacity of local institutions adequate to sustain mitigation.</li> <li>▪ 'Time-to-benefit' of interventions for affected households</li> <li>▪ Effectiveness of social impact mitigation (including resettlement and management of inward migration) through alignment/integration with government, NGO and donor programmes and institutional structures, eg linking income restoration to government training programme, or NGOs advising on 'best practice' in micro-finance</li> </ul>

Categories	Sub-categories	Indicators of Partnership Outcomes for Oil, Gas and Mining Corporations
	Community Development (ie beyond direct social impact mitigation)	<ul style="list-style-type: none"> <li>▪ Quality and sustainability of community development programmes (eg trust built; expectations managed; responsive and meaningful consultation established; on-going and culturally relevant communications established; participation of affected parties in scoping, design, implementation and maintenance of development projects; grievances resolved; organisational capacity of local institutions adequate to sustain projects).</li> <li>▪ Cost burden of social programmes</li> <li>▪ Risk burden of social programmes</li> <li>▪ Rate of return on social investment (eg faster 'time-to-sustainability', or more cost-effective projects)</li> <li>▪ 'Shock-resistance' of community development projects (eg to natural disasters or economic events)</li> <li>▪ Medium- to long-term community dependency (on company)</li> <li>▪ Efficiency (eg less replication and less gaps) in the roles and responsibilities of company, government agencies and civil society organisations in relation to public service provision</li> <li>▪ Efficiency in apportioning of costs (human and capital) for public service provision between company, government and civil society</li> <li>▪ Geographic and population 'reach' of company's community development programmes, eg through alignment with government and donor programmes</li> <li>▪ Impact of existing government, NGO or donors' community development programmes coincident to project area, eg increased participation of communities in government local health programmes</li> </ul>
	Development	<ul style="list-style-type: none"> <li>▪ Transparency in tax and royalty revenue flows</li> <li>▪ Visibility of company's contributions to the creation of long-term, sustainable, non-extractive industry dependent economic opportunities in region of operations</li> <li>▪ Leverage of all oil and mining companies operating in the same region (or country) in relation to tax revenues and contributions to regional development</li> </ul>
	<b>Compliance</b> (legal, contractual and policy requirements for social performance)	<ul style="list-style-type: none"> <li>▪ Cost of meeting various legal, contractual and policy compliances minimised</li> <li>▪ Compliance with regulatory authorities' and investors' social requirements</li> <li>▪ Informed environmental and social impact assessments</li> <li>▪ Informed on-going political and social risk assessment</li> <li>▪ Evidence of compliance with corporate policies on community participation and external stakeholder relations</li> <li>▪ Capability of senior staff to meet social investment targets embodied in 'performance contracts', 'score cards' etc</li> <li>▪ Compliance with social reporting requirements.</li> </ul>
	<b>Enhancing local reputation and competitiveness</b>	<ul style="list-style-type: none"> <li>▪ Transferability of license and permits (ie absence of social tensions)</li> <li>▪ Visibility and equity of regional benefits from tax and royalty revenue streams</li> <li>▪ Competitive advantage in bidding for concession tenders (ie absence of social tensions)</li> <li>▪ Meeting corporate (Group level) criteria for internal investment ie the 'right to growth'</li> <li>▪ Co-ordination between social/community and public affairs units within company in terms of utilising stakeholder relations</li> </ul>
<b>Corporate (Group) Level</b>		
	<b>Increased Shareholder Value</b>	<ul style="list-style-type: none"> <li>▪ Informed country/regional risk assessment, eg scenario planning</li> <li>▪ Demonstrable capability of portfolio of business units/operations to manage social impacts and risks, and communication of this competitive edge to financial analysts</li> <li>▪ Risks of public exposure on sensitive social issues (human rights, labour conditions, indigenous peoples, biodiversity, bribery, corruption)</li> <li>▪ Public credibility of social reporting and audits</li> <li>▪ Risks to marketing, sales and share price associated with perceived poor management of social impacts</li> <li>▪ Global competitive advantage from showing leadership in management of social issues</li> <li>▪ Cross-operational learning (eg partnership structure and processes providing replicable 'models' for good practice).</li> </ul>
	<b>Marketing and Sales</b>	<ul style="list-style-type: none"> <li>▪ Success stories of partnerships upon which to draw for advertising and marketing strategies</li> <li>▪ Sponsorship alliances with international NGOs</li> </ul>
	<b>Staff recruitment and retention</b>	<ul style="list-style-type: none"> <li>▪ Attractiveness to graduates</li> <li>▪ Moral of existing staff</li> </ul>

**Table 1b Indicators for Measuring the Community Developmental Impact of Tri-Sector Partnerships\***

Categories	Sub-categories	Community Development Indicators
Environment (where households exist)	Natural Resources	<ul style="list-style-type: none"> <li>▪ Community level assets, forest and non-forest products, aquatic resources etc</li> <li>▪ Use made of the commons: grazing, fuel</li> <li>▪ Tree ownership</li> <li>▪ Availability of land</li> </ul>
	Infrastructure	<ul style="list-style-type: none"> <li>▪ Adequacy of transportation (access/seasonal reliability/sustainability)</li> <li>▪ Adequacy of water supply and sanitation</li> <li>▪ Adequacy of electricity supplies</li> <li>▪ Adequacy of telecommunications</li> </ul>
	Economy	<ul style="list-style-type: none"> <li>▪ Sustainability of income sources</li> <li>▪ Access to markets and employment</li> <li>▪ Division between on-farm and off-farm activities</li> <li>▪ Reliability and affordability of agricultural inputs (eg fertilisers) and infrastructure (eg irrigation)</li> </ul>
	Culture	<ul style="list-style-type: none"> <li>▪ Ethnic/cultural groupings</li> <li>▪ Propensity to social vices: drunkenness, witchcraft, violence</li> </ul>
	Social Differentiation	<ul style="list-style-type: none"> <li>▪ Participation in community decision-making</li> <li>▪ Wealth ranking</li> <li>▪ Vulnerability to conflict</li> </ul>
	Institutions	<ul style="list-style-type: none"> <li>▪ Effectiveness of community administrative structures</li> <li>▪ Evidence of community institutions taking initiative for development</li> <li>▪ Evidence of community institutions able to 'tap into the organs of the state'</li> </ul>
	Political Environment	<ul style="list-style-type: none"> <li>▪ Intra-community disputes</li> <li>▪ Efficiency of community decision-making</li> </ul>
Household Livelihoods	Nutritional Security	<ul style="list-style-type: none"> <li>▪ Weight-for-age</li> <li>▪ Height-for-age</li> <li>▪ Type of mother and infant/child feeding practices</li> </ul>
	Food Security	<ul style="list-style-type: none"> <li>▪ Percentage of population consuming minimum standards of required nutritional intake</li> <li>▪ Number of meals consumed per days</li> <li>▪ Percentage of safety-net funded from domestic sources</li> </ul>
	Health Security	<ul style="list-style-type: none"> <li>▪ Recent illness patterns</li> <li>▪ Health service utilisation (distance/time/affordability)</li> <li>▪ Obstetric care services utilisation</li> <li>▪ Utilisation rate of pre-natal services</li> <li>▪ Average personal water consumption/use</li> <li>▪ Access to affordable potable water</li> <li>▪ Access to affordable sanitation facilities</li> </ul>
	Economic Security	<ul style="list-style-type: none"> <li>▪ Value of household productive assets</li> <li>▪ Value of household liquid assets</li> <li>▪ Business management skills</li> <li>▪ Applicability of vocational/technical skills to available employment opportunities</li> <li>▪ Household income earned by women</li> <li>▪ Percentage of small loans given to women</li> <li>▪ Production levels, crops, livestock</li> <li>▪ Dependency on 'middle men'</li> </ul>
	Educational Security	<ul style="list-style-type: none"> <li>▪ Primary school enrolment</li> <li>▪ Educational achievement of young adolescents</li> <li>▪ Adult literacy</li> <li>▪ Quality of educational services</li> </ul>
	Environmental Security	<ul style="list-style-type: none"> <li>▪ Access to quality land</li> <li>▪ Soil and biodiversity conservation practices</li> <li>▪ Access to and management of livelihood critical renewable natural resources</li> <li>▪ Rate of local deforestation</li> </ul>
	Habitat Security	<ul style="list-style-type: none"> <li>▪ Percentage of families with adequate housing</li> <li>▪ Percentage of families with adequate waste disposal</li> <li>▪ Crime rates</li> </ul>
	Social Network Security	<ul style="list-style-type: none"> <li>▪ Level of active household participation in community organisations</li> <li>▪ Level of democratisation of community organisations</li> <li>▪ Mutual support of kin and friends in neighbourhood/community</li> <li>▪ Access to organisations/services that offer any type of social services</li> <li>▪ Community influence on local or regional government social programmes</li> <li>▪ Participation of local people in the management of "common goods"</li> </ul>
	Personal Empowerment	<ul style="list-style-type: none"> <li>▪ Life skills enhancement (financial management, negotiating skills, time management)</li> <li>▪ Capability skills (interpersonal, systemic and judgmental skills)</li> </ul>

\* compiled with the assistance of A. Roderick, Programme Manager, CARE International UK

**Table 1c Indicators for Measuring the Impact of Tri-Sector Partnerships on Public Sector Governance\***

Categories	Sub-categories	Indicators of Partnership Impact/Outcomes on Good Governance
<b>'Visibility' of Public Office in Discharging its Civic Duties for Social Development</b>	Effectiveness of social programmes	<ul style="list-style-type: none"> <li>• Timely implementation of stated development policies, plans and programmes</li> <li>• Reach of government programmes (total populations and particular groups)</li> <li>• Long-term sustainability of government social programmes</li> <li>• Leverage of additional resources from non-government sectors</li> <li>• Linkage between donor-supported Poverty Reduction Strategies Papers and the social programmes actually implemented</li> <li>• Degree of interaction/negotiation between communities and local government service providers</li> <li>• Accessibility by the 'poor' to government services, eg health care, primary education, public radio, telecommunications, water supply, transportation</li> </ul>
	Transparency and Accountability	<ul style="list-style-type: none"> <li>▪ Government participation/monitoring of community land and asset compensation evaluations (eg resettlement, Health and Safety breaches )</li> <li>▪ Civil society participation in the design of government's social and poverty reduction programmes, including Local Development Plans (eg evidence of government responsiveness)</li> <li>▪ Physical presence of government extension staff in areas of poverty</li> <li>▪ Linkage between political mandates (secured during free and fair elections) and delivery of social programmes</li> <li>▪ Evidence that resource rents from extractive industry are reaching both (a) project-affected people, and (b) populations in wider region of operation</li> <li>▪ Published figures on relationship between resource rents and public spending</li> <li>▪ Civil society informed of changes in rules and policies governing access to social programmes</li> <li>▪ Business provided with platform to express views over changes in laws or policies</li> </ul>
<b>Capacity of Public Office to Manage Resources</b>	Effectiveness Resource Management	<ul style="list-style-type: none"> <li>▪ Capacity of regional and local government to manage large scale injections of capital from resource redistribution</li> <li>▪ Bureaucratic delays to resource rent redistribution, eg staff management time with bureaucrats</li> <li>▪ Extent of corruption, in particular extortion for contracts or the release of disbursements</li> <li>▪ Loss of government civil servant capacity to extractive industries</li> <li>▪ Turnover of government staff that lowers the quality of the government's personnel</li> <li>▪ Incentives (political, reputational, staff promotion, financial, etc) to ensure resource rents reach affected communities</li> <li>▪ Civil service free from political influences</li> </ul>
	Effectiveness of Regulations	<ul style="list-style-type: none"> <li>▪ Evidence of regulators embracing 'development additionality' in concession tendering</li> <li>▪ Government-related transaction costs of setting up new businesses</li> <li>▪ Effective and fair regulatory framework for resource rent redistribution</li> <li>▪ Efficiency of customs</li> <li>▪ Implementation of tariff and non-tariff trade regulations</li> <li>▪ Degree of burden on business of social and environmental regulations</li> <li>▪ Effect of de-regulation policies</li> <li>▪ Effects of government wage/price controls</li> <li>▪ Government intervention in capital flows</li> <li>▪ Government intervention in the banking system</li> <li>▪ Effect of regulation/restrictions on business/equity ownership by non-residents</li> <li>▪ Effect of foreign currency regulations on business development</li> <li>▪ Effect of tax system on willingness of extractive industry corporations to partner with government on public service provision</li> </ul>
<b>Effectiveness of Laws and Institutions Designed to Protect the Public Interest</b>	Rule of Law	<ul style="list-style-type: none"> <li>▪ Frequency and cost of crime</li> <li>▪ Frequency of kidnapping (eg foreigners)</li> <li>▪ Willingness to enforce private and public contracts</li> <li>▪ Levels of corruption in the banking system</li> <li>▪ Extent of 'black' market</li> <li>▪ Enforcement of property and infrastructure rights (including access to 'common' resources)</li> <li>▪ Predictability of judiciary, local courts</li> <li>▪ Government support for 'customary' dispute and punishment systems</li> <li>▪ Protection of intellectual property rights</li> </ul>
	Assurance of Political Stability	<ul style="list-style-type: none"> <li>▪ Fair and free elections</li> <li>▪ Orderly change in government following national elections</li> <li>▪ Legal system transparent, accessible and perceived as fair</li> <li>▪ Civil liberties enhanced: freedom of speech, assembly and demonstration</li> <li>▪ Extent of press freedom</li> <li>▪ Extent of local demonstrations, road blocks, violence, riots, insurgency/rebellion, military coup, political terrorism, political assassination, civil war</li> <li>▪ Evidence of reductions in ethnic tensions/divisions</li> <li>▪ Presence of local government representatives as arbitrators of intra-community disputes</li> <li>▪ Risk of unconstitutional government changes</li> </ul>
	Levels of Corruption	<ul style="list-style-type: none"> <li>▪ Effectiveness of anti-corruption initiatives in government</li> <li>▪ Corruption in the political system as a "threat to foreign investment"</li> <li>▪ Frequency of 'additional payments' to 'get things done'</li> <li>▪ Irregular, additional payments connected with import and export permits, business licences, exchange controls, tax assessments, police protection, loans applications, etc</li> </ul>

Adapted from: Kaufmann, D., A. Kraay and P. Zoido-Lobaton (1999) Governance Matters, Washington DC: World Bank

## Annex II Examples of Impact Tables

**Table IIa Business Outcomes of the Tri-sector Health Partnership, Las Cristinas, Venezuela (Dec 1999 - Jan 2001)**

Benefits of Partnership	Indicator of Benefit	Impact of Partnership on Indicator	Assumed most-likely alternative strategy to partnership	Incremental contribution of partnership	Confidence in evidence
<b>Corporate Reputation</b>	Relationship with local stakeholders improved	<ul style="list-style-type: none"> <li>Channels of communication and trust between MINCA and the local stakeholders improved significantly through the process of constructing the health centre</li> <li>BPD workshops improved relations between previously adversarial Creole and indigenous communities</li> <li>Reduced need for security measures on site</li> </ul>	Community development programme of MINCA likely to have been more piece-meal (eg modest donations to existing state-run clinics plus other small scale development activities), with no single focus (other than artisan mining) for developing collaborative working relationships with local communities and reducing hostilities between community groups.	Positive corporate reputation benefits from improved community relations and evidence of innovative approach to managing social issues	High
<b>Competitive Advantage</b>	Competitive advantage gains for maintaining existing (or winning future) concessions	During a period of uncertainty over the future of its mining operations, MINCA was able to demonstrate to government regulators and corporate managers that it could maintain its social licence to operate at reasonable cost. The partnership model was also used by Placer Dome as demonstration of good social management to help strengthen its tender for a new mining concession in another Latin American country.	Cost of alternative social investment programme in Las Cristinas area likely to have been comparable, but less likely to have generated the same lower levels of community dependency upon MINCA.	The partnership model may have contributed, in part, to extensions to MINCA's existing concession agreement for the Las Cristinas mine. The model also provides marketing opportunities and evidence to enhance future bids for new concessions	Low
<b>Investment risk</b>	Reduced dependency of communities on company as sole provider for social investment resources.	<ul style="list-style-type: none"> <li>Noticeable increase in self-confidence among key local stakeholders</li> <li>Improved capacity of communities to engage in negotiations and build alliances with other organisations with which there was previously no contact e.g. with the Director of Environment, Bolivar State and Foundation Tierra Viva</li> <li>Involvement of other parties and resources in the CHC partnership</li> <li>Transfer of new management and construction skills from MINCA to other parties</li> </ul>	Without the partnership model, the likelihood is that MINCA's community development programme would have generated greater dependency on company for community development funding and related skills, leaving the company exposed to the liabilities of escalating community demands during a period when funds were scarce.	The security of MINCA's investment in the Las Cristinas area (either in 'care and maintenance' mode or future operations) is less exposed to community dependency on the company for social provision, ie less social liabilities.	Moderate
<b>Cost-Effectiveness of Social Investment Programme</b>	Leverage of additional social investment resources from 'other' organisations	<p>Organisations other than MINCA committed resources to manage and maintain the CHC:</p> <ul style="list-style-type: none"> <li>MDS, DS &amp; TH: medicines, materials, salaries, training CHC staff (\$9,200)</li> <li>ISP: medicines, materials, training, salaries (\$397,500)</li> <li>Mayor's Office: including salaries (\$125,400)</li> <li>Community: volunteer construction hours (equ - \$77,138)</li> <li>HMRP: medical equipment, training, technical assistance (\$1,428,500)</li> <li>CVG-GOSH: water services (\$10,500)</li> </ul> <p>Additional contributions:</p> <ul style="list-style-type: none"> <li>ABB: trucks, engineering, supplies (\$8,200)</li> <li>Edeica: engineering services (\$14,200)</li> <li>BDC: construction (\$4,000)</li> <li>Others: equipment etc. (\$4,900)</li> </ul> <p>Collective contribution = \$2,079,538</p>	Little investment in health facilities was expected from the government during the period of the partnership (while the assumption is that some items may include existing government budget allocations, from past experience these allocations are unlikely to have been disbursed during this period). Similarly, no investment in improving water services or health care education and training was anticipated during the same period.	The leverage of social investment from other sources during period was valued at \$2,079,538.	Moderate
	Cost effectiveness of health care for future mine employees	<ul style="list-style-type: none"> <li>In the event of the mine being developed, both future employees and their families will have access to high quality local health care at low cost, and will be positively affected by other preventative measures, eg improvements in potable water supplies</li> </ul>	Company would normally provide quality health care and related administration on mine site for employees.	Reduced cost to company of providing of health care to future (community-based) employees	Moderate

**Table IIb Community Development Impact of the Tri-sector Health Partnership, Las Cristinas, Venezuela (Dec 1999 – Jan 2001)**

Benefits of Partnership	Indicator of Benefit	Impact of partnership on indicator	Assumed most-likely alternative strategy to partnership	Incremental contribution of partnership	Confidence in evidence
<b>Access to Health Services</b>	Improved access to essential local health services for the wider community	<ul style="list-style-type: none"> <li>Access to preventative health care facilities, technical medical equipment, health care information and education, and village worker training outreach health care, improved for population of 12,000</li> <li>Opportunity cost of health problems (loss of time for farming, caring for children, trading, etc) lowered for communities due to improvements in preventative diseases and emergency treatment</li> <li>Upgraded health centre facility, with positive implications for management autonomy and size of budget</li> </ul>	No locally accessible blood lab, no dentistry, no x-ray facility, no surgery. Without the CHC, approximately 5,000 people/year would have to incur additional cost and time to travel to hospital in Tumeremo for treatment	<ul style="list-style-type: none"> <li>Improved local accessibility to quality health care - estimated at \$52,122 per year (based on \$9.52/day/person travel costs)</li> <li>Reduced livelihood losses from improvements in curing preventable diseases.</li> <li>Potentially increased medical budget for CHC due to government agreement to upgrade designation of CHC from <i>Rural II</i> to <i>Urban I</i>.</li> </ul>	High
<b>Time to Benefit</b>	Faster time-to-benefit of social investment programme	Functioning CHC completed in 11 months.	With regard to health care, MINCA is expected to have contributed modest donations to existing state-run clinics. Though these improvements would have been rapid, they would not have been comparable in terms of quality to the types of medical services provided by the CHC.	High quality health centre constructed and functioning in 11 months, accessible to population of 12,000.	Moderate
<b>Sustainability of Health Care Provision</b>	Long-term maintenance of CHC without presence of MINCA	Process of CHC construction generated new local capacities of community leaders and local government: <ul style="list-style-type: none"> <li>group decision-making, organisation &amp; management skills;</li> <li>capacity of communities to raise funds without MINCA (as demonstrated by the securing of funds for a community information centre).</li> <li>new relations and partnerships are being explored (e.g. with Director of Environment, Bolivar State authorities and the NGO Foundation Tierra Viva)</li> </ul>	Less extensive training and capacity-building opportunities for community leaders (eg unlikely to have included BPD training and partnership building experience, or hands-on experiences of EC in constructing the CHC), and health care likely to have remained state-managed.	Improved community organisational and leadership capacity to sustain CHC management in long-term without presence of MINCA	Moderate
<b>Improved infrastructure</b>	Improvements in potable water supply  Improvements in road access to CHC	CVG/community improved maintenance regime of existing water supplies, with rolling programme to increase supplies to communities  Proposed paving of CHC access road and repair	No community involvement in monitoring improvements in water service provision was anticipated during the period prior to the process of agreeing the first CHC MoU  Unlikely that road would have been paved and repaired during the time period.	Improvements in reliability of potable water supplies to local communities  Improved road infrastructure access to CHC	High  Low
<b>Capacity building / community participation</b>	Community participation in their own development and evidence of collaborative problem solving	<ul style="list-style-type: none"> <li>High levels of voluntary participation (4,000hrs in meetings/co-ordination and 30,000hrs in construction of the CHC)</li> <li>Improved dialogue skills through participation in community EC (negotiations, advocacy and joint decision-making)</li> <li>Community EC fostered joint decision-making between Creole and indigenous communities</li> <li>Creation of new relations and joint working relationships with CVG through community water management committees</li> </ul>	Less extensive opportunities for learning negotiation and decision-making skills between competing community groups, and between these groups and regional government (although artisan mining initiative of MINCA continued during this period).	Sense of community empowerment improved considerably, not only for managing CHC, but also for initiating and securing funding for new community development programmes	High

**Table IIc Public Sector Governance Impact of the Tri-sector Health Partnership, Las Cristinas, Venezuela (Dec 1999 - Jan 2001)**

Benefits of Partnership	Indicator of Benefit	Impact of partnership on indicator	Assumed most-likely alternative strategy to partnership	Incremental contribution of partnership	Confidence in evidence
<b>Improved Visibility of Public Authorities</b>	Overt participation of government agencies in successful community development project	Notwithstanding relatively the small investments through the CHC partnership, central and regional government agencies have been associated favourably with a tangible improvements in community health provision in the Las Cristinas area	Visibility of government authorities participating in improvements to health services likely to be negligible during same period.	Improved reputation of government agencies with local communities, in particular: Local Municipality (Mayors Office); Instituto de Salud Publica (government health institute); Ministry of Health; Tumeremo Hospital (regional health authority)	Moderate
<b>Increased Agency Interaction</b>	Increased interaction between government agencies	CHC Partnership provided a platform for joint action around issues of common concern to a number of different government actors: <ul style="list-style-type: none"> <li>on <i>health issues</i> - Local Municipality (Mayors Office); Instituto de Salud Publica (government health institute); Ministry of Health; Tumeremo Hospital (regional health authority)</li> <li><i>artisan mining issues</i> - MEM, MARN and CVC on key issues including small scale mining).</li> </ul>	Genuine collaboration between authority over health provision for Las Cristinas area unlikely.	Collaboration between government agencies to provide health services	Low
<b>Responsiveness of Government to Local Need</b>	Communities more satisfied with government public programmes	<ul style="list-style-type: none"> <li>Through CHC EC and sub-committees, increased interaction and transparency between local government and community groups to address local needs for health and water supply</li> <li>Direct and continued community participation through Community Water Committees in CVG water supply/maintenance programme.</li> </ul>	No anticipated direct involvement of communities in either health care provision or water supply/maintenance programme	Permanent forum (ie the community EC) created for on-going exchanges between government health agencies and community groups	Moderate
<b>Cost-Effectiveness of Public Spending</b>	Resource leverage	<p>Contributions of resources, materials and labour from other sectors for the improvement of public service delivery:</p> <ul style="list-style-type: none"> <li>MINCA: construction and facilitation (\$456,000)</li> <li>Mayor's Office: proportion of salaries (\$125,400)</li> <li>Community: volunteer construction hours (\$77,138)</li> <li>HMRF: medical equipment, training, technical assistance (\$1,428,500)</li> <li>ABB: trucks, engineering, supplies (\$8,200)</li> <li>Edeica: engineering services (\$14,200)</li> <li>BDC: construction (\$4,000)</li> <li>Others: equipment etc. (\$4,900)</li> </ul> <p>Total contributions from other sectors: \$2,090,910</p>	<ul style="list-style-type: none"> <li>MINCA: most likely contributions to existing state-run clinic (\$150,000)</li> <li>Mayor's Office: \$0</li> <li>Community: \$0</li> <li>HMRF: \$0</li> <li>ABB: \$0</li> <li>Edeica: \$0</li> <li>BDC: \$0</li> <li>Others: \$0</li> </ul> <p>Total contributions from other sectors: \$150,000</p>	Contribution of resources for improved public service delivery of health care over and above what government would have delivered during same period - \$1,940,910	High
	Decreased need for clinical treatment of preventable diseases	Through CHC, rolling provision of education and training programmes on preventative medicine to 12,000 population, including malaria prevention (likely to decrease government expenses on clinical treatment of preventable diseases by 30-50%).	Government likely to continue current expenditure on clinical treatment of preventative diseases (e.g. annual cost of \$141,900 for malaria treatment in Sifontes district (3300 people @ \$43/person/yr)	Reductions on malaria expenditure of at least \$42,300, based on 30% reduction in disease	Low
	Lower water maintenance costs	Reduced need for high maintenance due to greater community participation (e.g. CVG-GOSH water service delivery and maintenance visits reduced).	Reliable figures not available	Maintenance savings	Moderate

## ANNEX III Methodology Development

This Annex provides background on the development of the methodology, with reference to the May 2000 workshop held by the BPD Natural Resources Cluster in London.

### *Models*

The May workshop explored three models for measuring the impact of tri-sector partnerships:

- *Input-Output model* - based on an analysis of the cause and effect linkages between tri-sector partnerships activities and (a) business, (a) community development and (c) public office governance.
- *Comparative model* - contrasting the effectiveness of tri-sector partnerships against other options for delivering social investment/management programmes;
- *“Shadow” or “business as usual” model* – measures how the partnership adds value over-and-above that which would have taken place had the partners not agreed to work together.

It was agreed that no ‘one’ methodology would suffice. The resulting methodology is thus based upon a combination of all three models.

### *‘Test’ Criteria*

The workshop agreed a number of criteria that the methodology should be designed to meet. These were: affordable; repeatable; replicable; comparable; independent; and non intrusive. The extent to which the methodology meets these criteria is considered in *Box III*.

### **Box III Extent to Which Methodology Meets the ‘Test’ Criteria**

- **affordable** - the methodology can be applied during a 10 day field visit. The first Phase of the methodology could be carried out without direct contact if necessary, and Phases 2 and 3 could be covered during single interviews.
- **repeatable** - the methodology provides a standard approach that could be consistently applied by different individuals. One caveat for this is that these individuals should have strong interviewing skills.
- **replicable** - the methodology provides a framework that should be applicable in a wide range of circumstances.
- **comparable** - consistent application of the methodology should, in theory, enable comparison. However this will depend on the indicators chosen. In addition, it may well be necessary to compare qualitative conclusions, since in many cases it may not be possible to place a monetary value on changes in the indicators.
- **independent** - Phase 3 of the methodology is designed to isolate the specific cause and effect of the partnership. Participants are encouraged to eliminate changes prompted by other factors or that would have occurred as a result of measures already in place. While this is limited by the nature of the study, this process will, to the extent that it is possible, identify the incremental contribution of the partnership.
- **non intrusive** - the methodology is designed to optimise contact with the partnership parties, with secondary data-sources and key-informants used where practicable.