![NatuReS - NATURAL RESOURCES STEWARDSHIP PROGRAMME - Joint solutions for resilient economic growth]

Natural Resources Risk and Action Framework: User Manual

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List of abbreviations

BMZ   German Federal Ministry for Economic Cooperation and Development

FCDO   UK Foreign Commonwealth and Development Office

GIZ   Deutsche Gesellschaft für Internationale Zusammenarbeit

IWaSP   International Water Stewardship Programme

NatuReS   Natural Resources Stewardship Programme

NGO   Non-Governmental Organisation

NRAF   Natural Resources Risk and Action Framework

PPT   Power point presentation

WIN   Water Integrity Network

Preface

With funding support from the German Federal Ministry for Economic Cooperation and Development (BMZ), the European Union (EU) and the UK Foreign, Commonwealth and Development Office (FCDO), the GIZ's Natural Resources Stewardship Programme (NatuReS) and the Water Integrity Network (WIN) are pleased to present this manual and overview guide to the Natural Resources Risk and Action Framework (NRAF).

This guide has been developed for those involved or interested in initiating Natural Resources Stewardship partnerships. It is meant to provide them with a supporting process, the NRAF, and explains how to optimally initiate, design and accompany multi-stakeholder partnerships until they are self-sustaining.

NatuReS is a continuation of the International Water Stewardship Programme (IWaSP), which was active from 2013 to 2019 and funded by the German Federal Ministry for Economic Cooperation and Development (BMZ) and the UK Foreign, Commonwealth and Development Office (FCDO).
NatuReS is implemented by the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ), which is a trusted partner within the international community of natural resource stewardship practitioners.

The Water Integrity Network (WIN) is an NGO which supports and connects an open network of partner individuals, organizations, and governments promoting water integrity to reduce corruption, and improve water sector performance worldwide.
WIN researches the impact of corruption and poor integrity in the water sector and advocates for integrity as a crucial requirement to achieve the global development agenda. We develop and promote tools for Transparency, Accountability, Participation, and Anti-corruption (TAP-A) in specific countries and partner programmes.

NatuReS
NATURAL RESOURCES STEWARDSHIP PROGRAMME
Joint solutions for resilient economic growth

UKaid
from the British people

german
cooperation
DEUTSCHE ZUSAMMENARBEIT

Implemented by:

giz
Deutsche Gesellschaft
für Internationale
Zusammenarbeit (GIZ) GmbH

WIN
Water
Integrity
Network
Fighting corruption in water worldwide

I. How to use this manual
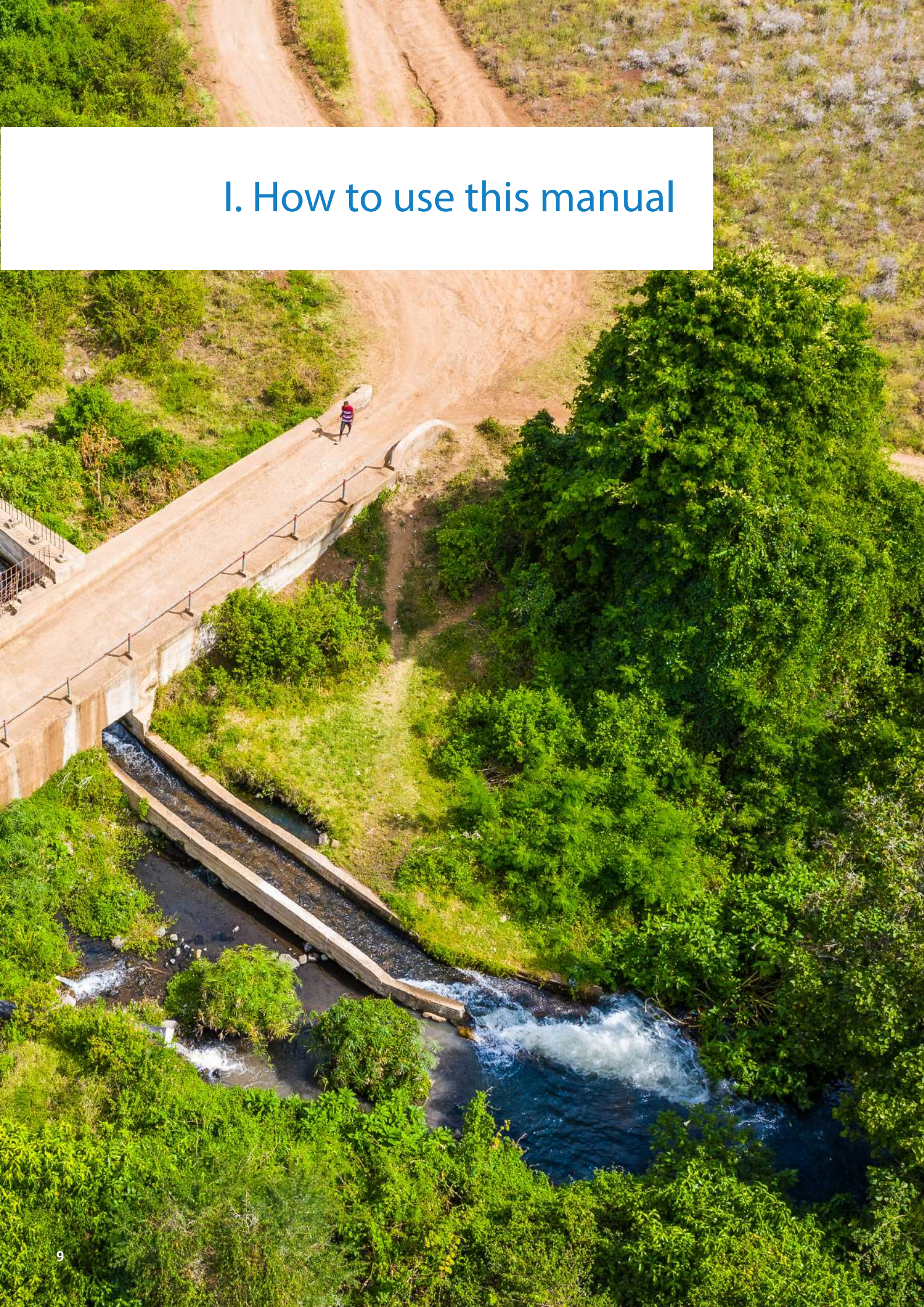
The Natural Resources Risk and Action Framework (NRAF) is a holistic approach with the aim to tackle shared natural resources risks in a participative manner. It is a series of facilitated steps, skill development measures and tailored tools, provided for a whole partnership lifecycle. This guide is for those involved or interested in initiating or strengthening natural resources stewardship partnerships. The first sections of the manual (II and III) present and explain the relevant concepts for cross-sectoral stewardship partnerships. It is advised that the user of the NRAF familiarizes her/himself with these concepts before diving into how to establish and implement partnerships.

Section IV presents a series of considerations such as criteria and roles that need to be present in order to initiate and implement a multi-stakeholder stewardship partnership.

Section V introduces the NRAF, presents its purpose and outlines its process and components. Figure 4 offers an outline of all five Phases and its elements. The section then offers a detailed breakdown of each Phase of the NRAF. This breakdown is structured as follows:
- Phase Name
    - Objective of each phase
- Elements of each phase
    - Objectives of each element
- How to achieve the elements
    - Elements
    - How-to: this is a set of actions that are required in order to achieve the element
    - Tools: each key point of the how-to is linked to a tool with templates, to help break down and proceed through the steps
- Transition key questions checklist: these are questions that are intended as a checklist to help you decide if you are ready to transition to the next phase
- Case Study
- Phase Overview: A table outlining all components of the phase and how they relate to one another

As you go through the structure of each of the five phases, it is recommended that you first familiarize yourself with the objective of each phase, its elements and the elements' objectives.

Afterwards, you can dive into the 'how to achieve the elements' section, which provides an explanation and breakdown of the steps that are required. Each key point is linked to a tool. As you go through each key point it is recommended that you refer to the tool (section VI of this manual) for practical insight into how it can be carried out. Please note that each tool contains an information sheet (info-sheet) which gives a detailed explanation of what the purpose of the tool is, as well as the various steps required to develop and use it. Each tool is also accompanied by a template to ease implementation and documentation.

As you review the tools section you will see that some tools are marked as 'must' and others as 'good to have'. These indications have been assigned based on experience. Try to fully implement the 'must have' tools so that you have success in the key points, which make up the elements, and which ultimately lead to success in each Phase. As you go through the Phases, you may also notice that some tools are repeated in different Phases, this is because such tool will have to be adapted in that Phase. Specific directions of what need to be updated are provided under the 'How-to' sub-section, please pay attention to these.

Section IV also presents a list of questions under a sub-section named 'Transition Key Questions Checklist'. This checklist is meant to help you decide if you are ready to transition to the next Phase. You are encouraged to go through each one of the questions and answer them as a yes or no. If your answer is yes, it means that you have completed that step successfully and that you can move to the next. In case your answer is a no or 'so-so' then you are encouraged to go back to the tool linked to that question and review whether you need to implement that tool or just strengthen certain aspects. You can get an overview of which questions are linked to which tool in the 'Phase Overview' of each Phase.

Each Phase contains a case study. These are all based on real examples from the International Water Stewardship Programme and aim to bring out lessons learnt. They are helpful to understand what works and what doesn't work.

An overview table summarizing all most important aspects of a Phase is available at the end of each Phase description. It can be useful to keep this at hand for easy reference.

Please note that the guidance of the framework is neither linear nor absolute, as elements of some Phases may occur simultaneously, while other Phases may have to be revisited. Being aware of and selectively following this process will increase the probability of having favourable outcomes.

II. General introduction to Natural Resources Stewardship

Natural resources, under this framework, are understood as materials that occur in nature, which have inherent value based on their use in sustaining individual livelihoods, community life and economic activities.

Natural resources' health and availability depends greatly on the actions that human beings take. Usually, several economic or development activities may occur in a geographical scope. However sometimes planning does not consider how these are interconnected and therefore how one may positively or negatively affect the other. For example, actions upstream may greatly affect the quality and availability of water that may be required for industrial use in an economic zone, and in turn actions occurring at this economic zone will also influence the quality of air and water that is available for urban purposes. Understanding the dynamics of natural resources, interconnected environment is vital in shaping urban planning and development as well as selecting the appropriate course of actions. (T.Hanson, D'Alessandro, & Francis, 2014)
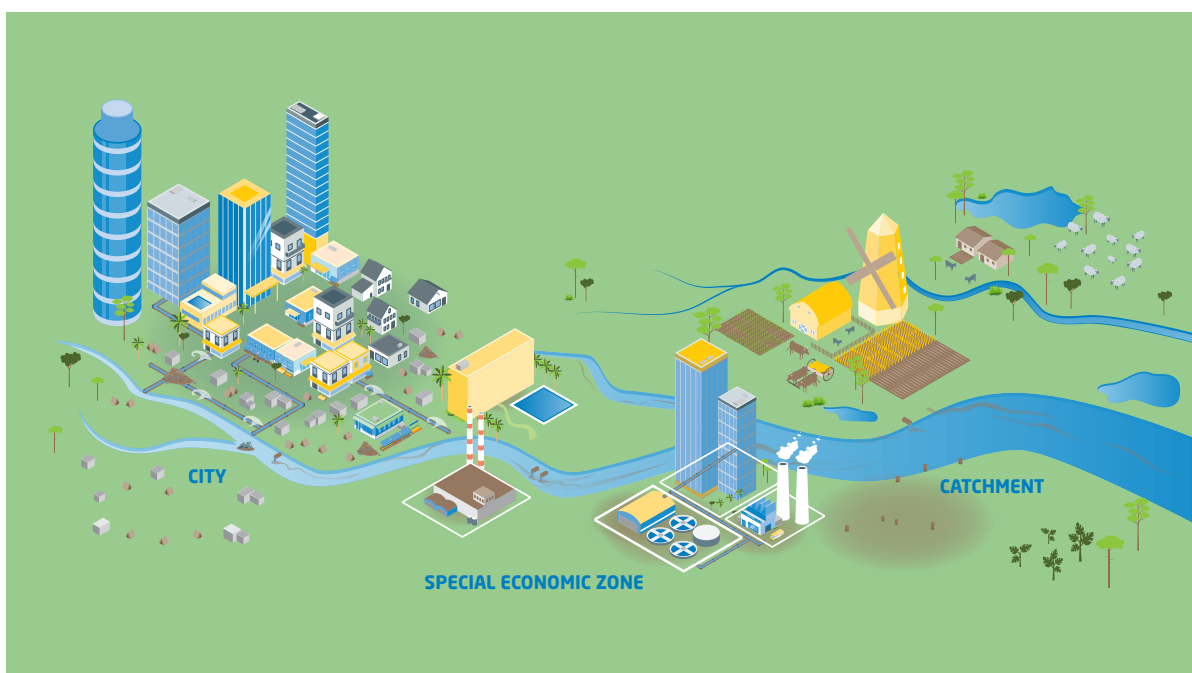
Figure 1: Interconnectedness of human development within a geographical scope

Threats and risks to natural resources stewardship

"Unsustainable production and consumption patterns and trends and inequality, when combined with increases in the use of resources that are driven by population growth, put at risk the healthy planet needed to attain sustainable development. Those trends are leading to a deterioration in planetary health at unprecedented rates, with increasingly serious consequences, in particular for poorer people and regions." (Global Environmental Outlook 6 (GEO-6))

Natural resources are essential assets for social and economic development. However, unsustainable economic and population growth, coupled with inadequate management systems, have led to an increase of threats to natural resources, which in turn has caused an increase in negative effects to communities, governments and businesses. These threats can influence catchments, cities, economic zones and impact green economic development. (Rammel, Stagl, & Wilfing, 2007)

A threat is anything that can exploit a vulnerability, intentionally or accidentally, and obtain, damage, or destroy an asset[2]. Based on this definition, NatuReS defines natural resources threats as any element that has a potential to destroy or deplete natural resources. Natural resources threats affect natural resources in such a way that they can lead to risks to future growth for businesses, communities and governments.

Figure 2 below shows examples of threats to natural resources.

Figure 2: Natural Resources Threats

Threats to natural resources pose risks to all stakeholders

A risk is understood as a function of damage and likelihood of a harmful event or condition.[3] It can be thought of as a threat combined with an organization's degree of exposure to it, its vulnerability to it, and its capacity to deal with it. NatuReS defines **natural resources risks** as elements that jeopardise the sustaining of individual livelihoods, community life or economic activities. Natural resources risks are caused by natural resources threats.

One natural resources threat may affect sectors (private, public, civil society) differently, hence posing different risks to each one. Within Natural Resources Stewardship various risks are considered, such as water and soil pollution due to waste or wastewater, water scarcity due to

Corporate natural resources risks can be classified in three categories:
- **Physical risks:** relates to the amount of available resources (scarcity) and its quality (pollution) for business operations and supply chains.
- **Reputational risk:** generally manifests itself through tensions and conflict around local resources.
- **Regulatory risk:** could manifest through licenses to operate, water rights, allocation, the price of water and waste discharge, quality standards, etc.

Table 1: Categorization of corporate natural resources risks

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2 https://www.threatanalysis.com/2010/05/03/threat-vulnerability-risk-commonly-mixed-up-terms/.
3 Adelphi, UNESCO.

extensive use or climate change, loss of ecosystems and biodiversity, climate related climate hazards (floods, droughts). Some examples of this can be

Flooding as a threat leading to risks: When flooding in main business districts occurs due to heavy precipitation, insufficient drainage infrastructure or clogged drainage channels, customers and workers will not be able to access the area. This poses a risk of reduced income to these workers (civil society) given the fact that they may not be able to fulfil their working hours. (Douglas, et al., 2008)

Floods can also damage business assets. This poses the risk of loss of income for businesses (private sector). (Asumudi-Sarkodie, Rufangura, Jayaweera, & P.C, 2015). Flooding also poses the risk of illnesses among the population, (civil society) and workers (businesses). (Caroll, Balogh, Morbey, & Araoz, 2010)

Wetland degradation as a threat leading to risks: Wetlands contain, store and purify large quantities of water, they slow down fast-flowing floodwaters, trapping valuable water to be released slowly during periods of drought (Romanowski, 2009). Wetlands are a supply of clean water all year round for domestic use, agriculture and livestock. Encroachment and degradation of wetlands due to development (e.g. urbanization, informal settlements, agriculture, and industrialization) affects their capacity to purify water, leaving communities to deal with polluted water. It also affects their ability to store water for periods of drought, threatening water supply (Nyakaana, Sengendo, & Lwasa, 2007). This may pose the risk to the mandated authority (public sector) to their ability to ensure service delivery and may also pose the risk of water scarcity to communities and businesses.

Table 2 below shows some examples of natural resources risks that can be faced by the public sector, private sector and civil society.

Risks to public sector	Risks to private sector	Risks to civil society
Challenges to ensure service delivery

Pressure from communities and private sector | Higher costs from resource scarcity

Regulatory action

Pressure from communities and wider society | Loss of income due to over-use of natural resources

Exposure to diseases from polluted water sources

Water scarcity |

Table 2: Examples of natural resources risks to different sectors

What is Natural Resources Stewardship?

NatuReS defines **natural resources stewardship** as a concept where all users of natural resources take responsibility for their impacts on shared resources and work together to ensure these resources are managed sustainably. This concept of stewardship is based on the understanding that these resource challenges cannot be resolved by individual organisations, but must be addressed using concerted, collaborative action.

GIZ-NatuReS uses its proven expertise, tools and approaches to advise and support all stakeholder groups – public, private and civil society– to collaborate more effectively in addressing risks related to life-supporting natural resources, such as water, soil or forests to pave the way for economic growth that is more socially and environmentally sustainable, while simultaneously strengthening participatory governance.

Ultimately, stewardship enables the use and treatment of natural resources in ways that are **socially equitable, environmentally sustainable, and economically beneficial.**

Collective action for Natural Resources Stewardship

The problems affecting the sustainability of natural resources are often complex and multileveled. If the root causes are to be addressed and a sustainable solution achieved, collaboration amongst different actors and across sectors is essential. The establishment of Natural Resources Stewardship partnerships is a collective action approach built on the understanding that those depending on the same natural resources can benefit if all actors work together to protect these shared resources.

Natural Resources Stewardship is based on the premise that all actors play a vital role in the sustainable use and management of natural resources, as businesses, governments nor civil society can effectively address complex, shared environmental threats on their own. Natural Resources Stewardship partnerships are coordinated engagements among interested parties to address specific shared natural resources challenges; they typically involve structured collective action, joint decision-making and joint implementation.

Collective action is understood as joint action in order to achieve a common objective. Different sector actors may influence the scale of natural resources threats, sometimes without being aware of it. Stewardship partnerships offer the possibility for these different actors to work together in understanding and mitigating their common threats.

In order to successfully mitigate threats related to natural resources and achieve a common objective, stewardship partnerships aim to mobilize the capacities and mandates from the different actors, allowing for measures to be much more efficient.

It is of extreme importance that stewardship partnerships not only focus on outlining their natural resources' objective but also take the time to outline their governance structure, principles and processes to ensure that every stakeholder's issues and interests is captured and represented. In this sense, stewardship partnerships should include the participation of all sectors: public, private and civil society, only by doing so, a balanced, fair and sustainable impact is to be achieved by the partnership.
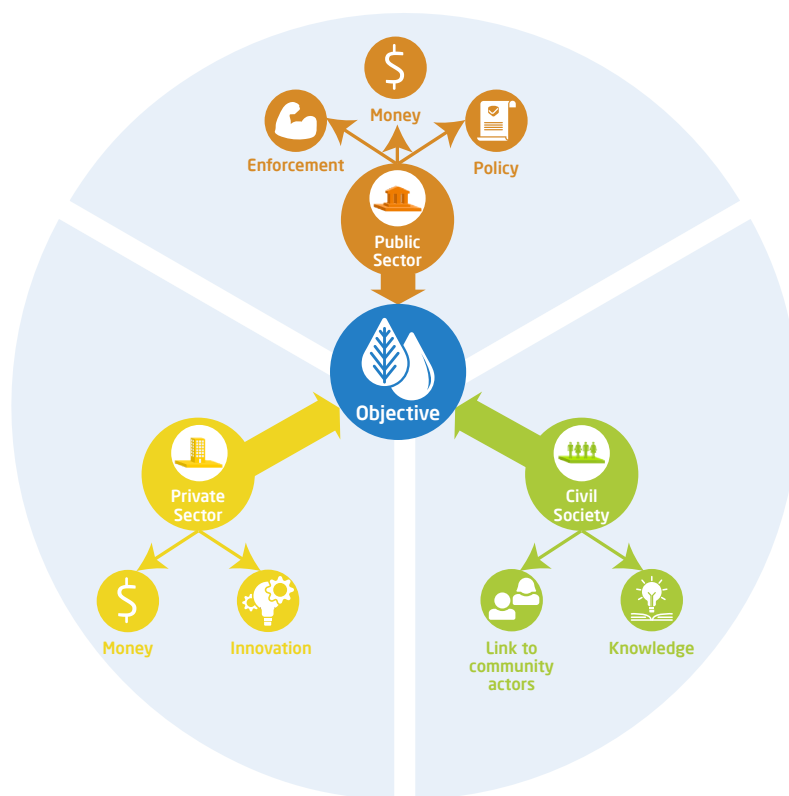
Figure 3: Mobilizing capacities for a common objective.

In which cases do stewardship partnerships make sense?

Some of the enabling conditions that should exist or be created for a Natural Resources Stewardship partnership to succeed are:

- Political will: Concern of public authorities for the environmental situation and their motivation to act.
- Public awareness: Concern of civil society for the environmental situation and their motivation to act.
- Civil society capacity: Availability of knowledge and resources to engage. However, capacities of sectors vary. Sometimes civil society in these partnerships may be disadvantaged as they don't possess all the information, knowledge and resources to contribute. This needs to be addressed through the partnership.
- Private sector interest: A key private company, or companies, realizes the environmental threats, as well as the benefits of partnering with public and civil sector.

Another point for analysis is whether there are successful precedents in the area for public- private partnerships, even in a very different sector. This can add value, but it is not an essential precedent. If people have become comfortable with the private sector and the public sector investing and planning together, this will facilitate the creation and execution of multi-stakeholder stewardship partnerships.

III. The Natural Resources Risk and Action Framework

What is it?

Stewardship approaches are emerging around the world seeking to address shared environmental threats through collective action. Tools and approaches to implement the Stewardship Approach in the field of natural resources have been already developed and implemented at a global level. The Alliance for Water Stewardship has developed the International Water Stewardship Standard, a globally-applicable framework for major water users, whereas the GIZ International Water Stewardship Programme has developed the Water Resources Stewardship Framework, which has been tested in several partnerships. Furthermore, the Water Stewardship Approach has been advanced by several international organizations such as the CEO Water Mandate, CDP and the Pacific Institute. The experience gained from these tools and initiatives has been transferred to a cross sectoral stewardship approach covering the whole spectrum of natural resources (water, soil, land, ecosystems, biodiversity etc.), which is displayed in the Natural Resources Risk and Action Framework (NRAF).

The NRAF is a holistic approach developed by NatuReS with the aim to tackle shared environmental risks in a participative manner. It is a series of facilitated steps, skill development measures and tailored tools provided for a whole Natural Resources Stewardship partnership lifecycle.

The goal of the NRAF is to guide multi-stakeholder partnerships to jointly address environmental risks.

The NRAF stands strong from implementation experience in more than 45 natural resources stewardship partnerships across the world. It guides practitioners in forming and executing high quality Natural Resources Stewardship partnerships, delivering sustainable results to manage natural resources risks for businesses, communities, and governments.

Process of the NRAF

The Natural Resources Risk and Action Framework has five Phases. Each of the framework's five Phases has three elements respectively. Additionally, each element has a "how-to" with several key points to guide practitioners' activities in the design and implementation of partnerships. A set of tools is provided to achieve these key points. These tools address various themes, such as building relationships, assessing risks and options for natural resources risk mitigation measures, as well as making the business case for stewardship.

In general, the guidance in this framework is neither linear nor absolute, as elements of some phases may occur simultaneously, while other phases may have to be revisited. However, the suggested order of Phase implementation typically offers the highest probability of favorable outcomes in Natural Resources Stewardship. The following graphic gives an overview of the NRAF.

The Natural Resources Risk and Action Framework
We provide powerful solutions and inspire joint action.

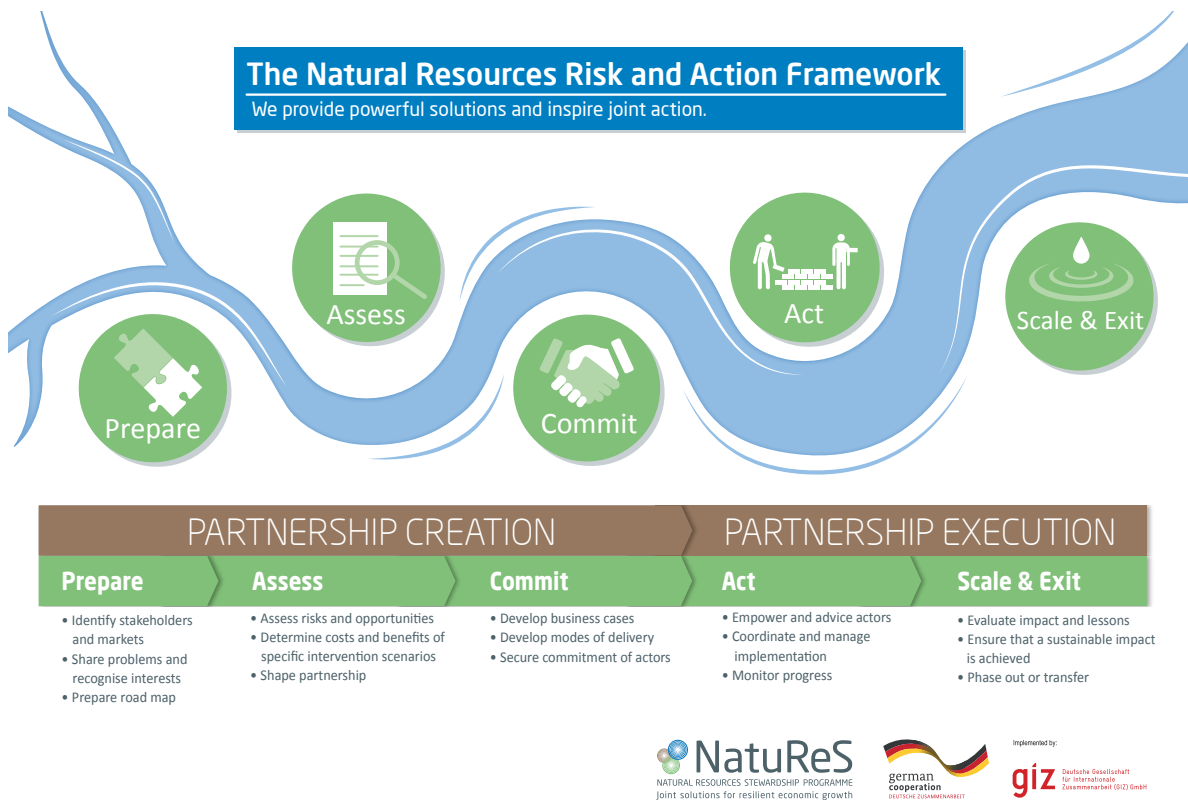| PARTNERSHIP CREATION			PARTNERSHIP EXECUTION	
Prepare	**Assess**	**Commit**	**Act**	**Scale & Exit**
• Identify stakeholders and markets • Share problems and recognise interests • Prepare road map	• Assess risks and opportunities • Determine costs and benefits of specific intervention scenarios • Shape partnership	• Develop business cases • Develop modes of delivery • Secure commitment of actors	• Empower and advice actors • Coordinate and manage implementation • Monitor progress	• Evaluate impact and lessons • Ensure that a sustainable impact is achieved • Phase out or transfer

Figure 4: The Natural Resources Risk and Action Framework

IV. Considerations to initiate and run a stewardship partnership

A stewardship partnership may be initiated by one or a more actors regardless of the sector (private, public or civil society). The actor or actors are usually interested in initiating the partnership because they are facing current or potential natural resources risks. **The initiators or initiator** usually takes the first steps to assess what are those shared threats or issues linked to his/her risks that should be addressed collectively. This assessment helps to indicate which stakeholders are to be engaged and through which interest they can be brought to the table. Although the initiator or initiators can start the process of bringing stakeholders to the table, it is important to count with someone to play the role of convener for this step.

The **convener** is meant to bring stakeholders to the partnership by initiating discussions with them to capture their issues and interests and present them the partnership as a mean to join efforts to address these issues or achieve the interests. The experience of IWaSP showed that it is very important that the convener is as neutral as possible, as this ensures stakeholders' trust. Stakeholders' trust is difficult to obtain if they are not convinced that their issues and interests will be taken into consideration fairly and hence will not be addressed. A convener can be an entity that possesses the mandate or experience to run such partnerships, or in case that it is difficult to find one, the initiators may pull resources together in order to establish a convener, such as an experienced NGO.

As the partnership progresses, it is suggested that the **convener also becomes the facilitator.** The facilitator helps driving the partnership through the whole partnership cycle or the five phases. This role consists of ensuring that the structure and processes of the partnership are established and running well. In simple words the facilitator manages the partnership.

It is to be noted that a partnership may have one or different project managers, this role differs to the facilitator in that the **project manager role** focuses on running implementation actions to address natural resource threats.

An entity may play more than one of the roles described above. When assigning these roles, it is important to assess that the qualities and resources match what is required from each role, as well as to assess if there are any elements that may represent a conflict of interest in carrying out these roles. Tool 8: Assign suitable roles and responsibilities of the Prepare phase gives more insights on how this can be done.

V. The framework and its phases

Phase 1: Prepare

Objective

Through different consultations and joint dialogue, a common objective for the partnership starts to shape up as well as the parameters for action. The initiator(s) of a partnership aim to obtain a general understanding of:

a.) The stakeholders that are to be engaged;
b.) How different stakeholders perceive or are affected by the issue;
c.) The potential scale of action or intervention, and
d.) Issues that will need to be addressed in order to reduce the risks or achieve the objective

To proceed with the identification of a common objective, first a common understanding of the challenges that affect each stakeholder needs to be shaped. Common natural resources threats may affect stakeholders in different ways and hence lead to different risks. The identification of common root causes for different risks helps in the establishment of a common objective.

The phase consists of collecting information, mapping stakeholders, understanding the challenges, scanning the markets, engaging an initial team of core partners, developing an initial partnership strategy and roadmap together, and assigning initial roles and responsibilities, among others. This phase may culminate in the signing of a letter of intent among the initiating partners.

1. Identify stakeholder and markets

In this step, stakeholders (and markets) that can affect or be affected by the issue or influence the objective are identified, and a plan for their engagement is defined. Through desk studies and pre-consultations, different expectations and concerns from the range of stakeholders are understood in order to develop tactics for engagement and communication.

2. Share problems and recognize interests

To bring different stakeholders on board, the suggestion of addressing the issue through collective action is presented in a way that is tailored to each type of interest. Additionally, discussions are initiated to identify issues and interests partners have, as well as capacities and resources that can be invested in the partnership.

3. Prepare road map

Based on consultations and input from the different stakeholders, initiators agree on a set of initial actions that will be taken to shape the partnership. This represents the initial road map.

How to achieve the elements?

1. Identify stakeholders and markets

How	Tool
Understand the major influential groups and interests that should be involved in the partnership To create local ownership of projects or partnerships, understand the needs of related stakeholders and beneficiaries. Beneficiaries might include local businesses, communities living in the partnership area, local or national government, and indirectly all stakeholders whose livelihoods depend on the outcomes of the partnership work. Basing a project design on multiple perspectives may take longer, but this approach fosters ownership of the partnership work by the local stakeholders. These stakeholders are key to maintaining the project work and can be a valuable resource when planning for long-term partnership sustainability.	*Tool 1: Stakeholder/ Institutional Analysis (must)*
To plan for private sector engagement, identify all relevant companies in the area that rely on or influence the resource of focus (water, a specific crop, wood, etc.), as well as their individual risks and catchment locations. The private sector holds a series of assets and skills that may be helpful to achieve a common objective. Additionally, through their practices and operations they may influence (positively or negatively) a natural resource. By amending their operations, they may be able to reduce risks to natural resources significantly.	*Tool 2: Market Scan Tool (must)*
Start assessing a process for balanced stakeholder engagement A balanced representation of stakeholders ensures legitimacy and credibility and avoids capture of measures and results.	*Tool 3: Determine stakeholder representation (must)*
Identify potential past unethical behaviours by any participant Ensure that stakeholders join the partnership for the right intentions -i.e. avoid greenwashing	*Tool 4: Participants due diligence investigation (good to have)*

2. Share problems and recognize interests

How	Tool
Get an overview of the risks, including an analysis of their causes, effects and affected groups One-on-one meetings are often a useful way to initiate stakeholder engagement. These meetings help the initiator team understand the issues and interests of each stakeholder. Note that this may require more than one meeting. In-depth consultations need to be held with key decision makers. Additionally, initiator(s) should get a balanced understanding of risks and interest, hence ensure that the needs of beneficiaries, communities and/ or vulnerable groups are also compiled so that these are considered as the partnership shapes up. Understanding the risks through an interconnected perspective allows you to build a case for collective action	*Tool 5: Problem Butterfly (must)*
To ensure buy-in and alignment with the overall vision, **explain which benefits your partnership provides to different stakeholders.**	*Tool 6: Value Proposition (must)*

3. Prepare the road map

How	Tool
Clarify the mandate and scope of the partnership, what it intends to do and how. This can be done by jointly mapping out the major steps/activities for the partnership to achieve its desired outcomes, including the required resources to implement them. In this step, it should also be considered how the partnership is supposed to function (its governance structure, sustainability strategy and communication elements) and map the initial actions to be taken. Ensure that all categories of stakeholders are included in designing the roadmap, this contributes to the partnership's transparency, delivery and accountability. **Activity Tip** - Hold a joint design workshop. The workshop provides an opportunity to address necessary compromises and trade-offs before implementation begins.	*Tool 7: Partnership action plan (must)*
Once outcomes and activities are agreed on, define roles and responsibilities for all partners. In this step, ensure that capacities and mandates are assigned to the right partners to perform the appropriate roles in the partnership. When assigning roles, make sure to avoid conflicts of interest and illicit practice.	*Tool 8: Assign suitable roles and responsibilities (must)*
Facilitate the start of the partnership by identifying and acknowledging the key understandings that will form the basis of a formal agreement, such as a Letter of Intent A formal agreement such as a letter of intent ensures commitment, builds trust and promotes accountability.	*Tool 9: Letter of Intent (good to have)*

Transition key questions checklist

1. Do you understand the major influential groups and interests that should be involved in the partnership in order to make the partnership a success and to balance different interests towards serving the public good?
2. Have you identified all relevant companies that rely or influence on the resource of focus (water, a specific crop, wood, etc.), their risks and catchment locations, in order to plan for their engagement?
3. Have you built enough legitimacy and credibility, and avoided conflicts and capture through balanced stakeholder engagement?
4. Have you identified potential past unethical behaviour by any participant, in order to determine proper next steps and avoid conflicts?
5. Do you have an overview of the risks, including an analysis of their causes, effects and affected groups?
6. Have you ensured the needs of beneficiaries, communities and/or vulnerable groups are addressed during project implementation?
7. Can you explain which benefits your partnership provides to different stakeholders and how it is the appropriate channel through which to address common risks?
8. Have you mapped out the initial steps/activities for the partnership to achieve its desired outcomes, including the required resources to implement them?
9. Have you put measures in place to ensure clear and continued communication among project

partners and stakeholders?

10. Have you ensured the right people are performing the correct roles in the partnership in order to offer value and avoid conflict of interest and illicit practice?

11. Have you facilitated the start of the partnership by identifying and acknowledging the key understandings that will form the basis of the future formal agreement?

Case study

Getting the interest of stakeholders to initiate a partnership *-The case of Grand Anse Watershed, Grenada*

The broken drainage outlet towards Grand Anse Beach exacerbates the frequent flooding in the area, as it is often blocked with sand and silt due to its dilapidated state. Since there is also a sewage pumping station in the same area, there is a serious health threat for the community, customers, and tourists. The overarching goal of the Grand Anse Watershed Partnership is to decrease the impacts of the frequent flooding after heavy rainfall events through the implementation of a sustainable drainage and water management system in this area.

Based on the locality and the type of implementation that is required, a small group of interested partners was needed to launch the partnership. When preparing for its establishment, a few stakeholders immediately responded well to research and background information about the current issue and the proposed solutions. They were determined to begin without having to wait until all stakeholders were convened. This was made possible through the staged approach of the partnership, with a focus on quick-win measures at the beginning (while still able to act as stand-alone examples for improved water and drainage management in a catchment area). These initial steps helped to attract other stakeholders and, hence, additionally required resources for the second, more comprehensive stage. After these initial steps, a fully-fledged multi-sectoral partnership could emerge.

Overview of Phase 1: Prepare

Element	Objective	How	Ensure to	Guiding Questions	Tools
Identify stakeholders and markets	Stakeholders (including markets) that can affect or be affected by the issue or influence the objective are identified and a plan for their engagement is defined. Through desk studies and pre-consultations, different expectations and concerns from the range of stakeholders are understood in order to develop tactics for engagement and communication	Understand the major influential groups and interests that should be involved in the partnership	Understand the needs of related stakeholders and beneficiaries	Do you understand the major influential groups and interests that should be involved in the partnership in order to make it a success and to balance different interests towards serving the public good?	Tool 1. Stakeholder/Institutional Analysis (must)
		Identify all relevant companies in the area that rely on or influence the resource of focus (water, a specific crop, wood, etc.), their risks and catchment locations		Have you identified all relevant companies that rely on or influence the resource of focus (water, a specific crop, wood, etc.) their risks and catchment locations in order to plan for their engagement?	Tool 2. Market Scan Tool (must)
		Start assessing a process for balanced stakeholder engagement	Achieve a balanced representation ensures legitimacy and credibility and avoids capture	Have you built enough legitimacy and credibility, and avoided conflicts and capture through balanced stakeholder engagement?	Tool 3. Determine stakeholder representation (must)
		Identify potential past unethical behaviour by any participant	Ensure that stakeholders are there for the right intentions -i.e. avoid greenwashing	Have you identified potential past unethical behaviour by any participant, in order to determine proper next steps and avoid conflicts?	Tool 4. Participants due diligence investigation (must)

Phase	Output	What to do	Note	Guiding questions	Tools
Share problems and recognize interests	The proposition of collective action to address the issues is presented in away that is tailored to each type of interest. Identification of issues, interests, capacities and resources is initiated through discussions.	Get an overview of the risks, including an analysis of their causes, effects and affected groups. One-on-one meetings are often a useful way to initiate stakeholder engagement. These meetings help the initiator team understand the interests and issues of each stakeholder. Note that this may require more than one meeting. In depth consultations need to be held with key decision makers.	As an initiator you should achieve a balanced understanding of risks and interest. Ensure the needs of beneficiaries, communities and/ or vulnerable groups are compiled to be addressed during partnership implementation.	Do you have an overview of the risks, including an analysis of their causes, effects and affected groups? Have you ensured the needs of beneficiaries, communities and/ or vulnerable groups are addressed during partnership implementation?	Tool 5. Problem butterfly (must)
		To ensure buy-in and alignment with overall vision, explain which benefits your partnership provides to different stakeholders.	Ensure that stakeholders are there for the right intentions -i.e. avoid greenwashing	Can you explain which benefits your partnership provides to different stakeholders?	Tool 6. Value proposition tool (must)
Prepare the road map	Set of initial actions that will be taken to shape the partnership are agreed by initiators in a road map	Clarify the mandate and scope of the partnership, what it intends to do and how. This can be done by mapping out the major steps/ activities for the partnership to achieve its desired outcomes, including the required resources to implement them. In this step think about how the partnership is supposed to function (its governance structure, sustainability strategy and communication elements) and map the initial actions to be taken.	Ensure that all stakeholders are included in the design of the roadmap and are kept in the loop regarding its implementation	Have you mapped out the initial steps/activities for the partnership to achieve its desired outcomes, including the required resources to implement them? Have you set measures in place to ensure clear and continued communication among project partners and stakeholders?	Tool 7. Partnership Action Plan (must)
		Initiate the definition of roles and responsibilities for all partners		Have you ensured the right people are performing the correct roles in the partnership in order to offer value and avoid conflict of interest and illicit practice?	Tool 8. Assign suitable roles and responsibilities (must)
		Facilitate the start of the partnership by identifying and acknowledging the key understandings that will form the basis of the future formal agreement, such as a letter of intent.		Have you facilitated the start of the partnership by identifying and acknowledging the key understandings that will form the basis of the future formal agreement?	Tool 9. Letter of Intent (good to have)

Phase 2: Assess

Objective

This Phase aims to achieve a **participatory risks and their impacts assessment to inform the development of adequate solutions.** The assessment is carried out by using reliable data, the stakeholders' knowledge, skills, experiences and collective wisdom in their own environment.

In parallel, but of extreme importance, is **to start defining the governance of the partnership, its goals, processes and operationalization.**

Elements of the Phase

1. Assess risks and opportunities

Define the context-specific topics, identify risks, their impacts, develop scenarios of impacts as well as options for actions that will address the common needs.

2. Determine costs and benefits of specific intervention scenarios or actions

In this step, the socio-environmental-economic feasibility of the planned interventions is assessed. An integrated assessment for decision-makers and stakeholders to jointly compare different measures and their effects is developed.

3. Shape the partnership

Based on your assessments, update your understanding of which partners are required and initiate actions to consolidate their involvement in the partnership. Furthermore, prepare a draft of solutions that need to be adopted to mitigate the causes and risks to natural resources use and protection.

How to achieve the elements?

1. Assess risks and opportunities

How	Tool
In order to obtain an understanding of the problem based on evidence, carry out technical and socio-economic assessments of: **• Physical and geo-hydrological conditions in the area** **• Resource use** **• Socio-economic conditions in the area** **• Mandates, policies and structures** **• Cultural aspects regarding natural resources** By jointly assessing risks and opportunities, a participatory process is designed. The analysis should focus on understanding the risks and opportunities that affect and/or benefit all stakeholders.	*Tool 10. Risks and opportunities assessment (must)*
With the results of the technical assessment, define the context-specifics, identify natural resources related risks, their impacts, the vulnerability, scenarios of impacts, as well as options for actions.	
Identify and respond to partnership-specific hazards relating to organizations un-duly dominating a policy making process, or otherwise capturing public resources or institutions for private benefit.	*Tool 11. Assessment on risk of capture (must)*

2. Determine costs and benefits of specific interventions, scenarios or actions

How	Tool
Assess the socio-environmental-economic feasibility of the planned interventions by valuing impacts of risks and proposed interventions.	*Tool 12. Cost-benefit analysis (must)*
Identify the groups affected by the risks that could in turn benefit from measures taken by the partnership.	*Tool 13. Checklist of potential beneficiaries (must)*

3. Shape the partnership

How	Tool
With the results of the assessments, expand your problem analysis, market scan and the value proposition (refer back to these actions from Phase 1). **Ensure that beneficiaries/affected groups are also represented at the table (directly or indirectly) and have sufficient understanding of the risks and their causes in order to contribute to the possible solutions.** **Tip - Ensure high-level engagement of the public sector to unlock opportunities**	*Update of Tool 2, 4, 5 & 6. Problem Butterfly, Market Scan, Value Proposition, Participants due diligence investigation (must)*

Based on a common understanding of the problematic, jointly define the goals to be achieved by the partnership and further define these by setting partnership objectives that are measurable.	*Update of Tool 7. Partnership Action Plan (must)*
Research best practices that you can adopt, adapt, or learn from and select the ones to be implemented. Together with partners, take decisions about solutions to reach the agreed goals. Conduct due diligence – when designing your project, research any previous projects or plans for your location and natural resources related challenges through partners or other organizations working in the area. It may be possible to build upon previous work and save valuable resources in the process.	

Transition key questions checklist

1. Have you identified specific environment-related risks and their main impacts in the area, as well as options for action?
2. Have you identified and responded to partnership-specific hazards relating to organizations unduly dominating a policymaking process, or otherwise capturing public resources or institutions for private benefit?
3. Have you assessed the socio-economic and environmental feasibility of the planned interventions?
4. Have you identified the groups affected by the risks that could benefit from measures and projects to reduce these risks?
5. Have you updated your understanding of which partners to bring on board based on the understanding of risks and opportunities?
6. Have you defined the goals and measurable objectives of the partnership?
7. Have you researched best practices that you can adopt, adapt, or learn from, and selected the ones to be implemented?

Case study

Importance of involving the community as you shape your partnership and action plan – *The case of the Imarisha Naivasha Water Stewardship Programme, Kenya*

The Imarisha Naivasha Water Stewardship Programme aimed to enhance the water availability for communities and businesses in the Lake Naivasha Basin and to improve the water quality by implementing soil and water conservation activities and community water projects. The partners agreed upon supporting a project in every Water Resources Users Associations (WRUA), to create awareness about water risks in the whole basin and to avoid conflicts amongst the WRUAs by favouring some of them over others.

One of the WRUAs proposed the construction of a water intake, a storage tank, and distribution lines. After designing the project and selecting the construction company, the supervising consultant wanted to prepare the construction site. While doing so, an excited group of people approached him, expressing their anger. The group consisted of representatives of the community downstream of the planned project; they had never been involved in the planning process and now faced having their water supply cut off. The partnership immediately put the planned construction on hold. It appeared that an existing conflict within the community, although part of the same WRUA, re-emerged angrily due to the planned project. Mediation processes started.

The two most important lessons and results:

– The partners changed the identification and selection procedures: WRUAs need to show evidence of a broader consultative process within the communities in the area and propose several projects in writing. The partners must do a more thorough pre-feasibility study by visiting the WRUAs and communities, interacting with more stakeholders and local leaders, and physically checking the proposed sites.

– Strengthening the WRUAs as local water resources institutions helps them get more attention in current and future partnerships. In order to increase the WRUAs capacity for conflict management, tailor- made training modules were conducted with a focus on "Good Governance" and "Communication" (including representation of communities in the catchment), elements that are crucial in conflict management within the WRUA.

Overview of Phase 2: Assess

Element	Objective	How	Ensure to	Guiding Question/ Checklist	Tools
Assess risks and opportunities	Define the context specific topics, identify risks, their impacts, scenarios of impacts as well as options for actions that will address the common needs	In order to obtain an understanding of the problem based on evidence, carry out technical and socio-economic assessments of: • physical and geo-hydrological conditions • Resources use • Socio-economic conditions • Mandates, policies available and structures • cultural aspects	In assessing risks and opportunities, a participatory process needs to be designed. The analysis should focus on understanding the risks and opportunities that affect and/or benefit all	Have you identified specific environment related risks and their main impacts in the area as well as options for action?	Tool 10. Risks and opportunities assessment (must)
		With the results of the technical assessment define the context specific topics, identify natural resources related risks, their impacts, the vulnerability, scenarios of impacts as well as options for actions.			
		Identify and respond to partnership-specific hazards relating to organizations unduly dominating a policymaking process, or otherwise capturing public resources or institutions for private benefit		Have you identified and responded to partnership-specific hazards relating to organizations unduly dominating a policymaking process, or otherwise capturing public resources or institutions for private benefit?	Tool 11. Assessment on risk of capture (must)
Determine costs and benefits of specific intervention scenarios or actions	An integrated assessment for decision makers and stakeholders to jointly compare different measures and their effects is available.	Assess the socio-environmental-economic feasibility of the planned interventions by valuing impacts of risks and proposed interventions.		Have you assessed the socio-economic and environmental feasibility of the planned interventions?	Tool 12. Cost-benefit analysis (must)
		Identify the groups affected the risks that could benefit from measures		Have you identified the groups affected by the risks that could benefit from measures and projects to reduce these risks?	Tool 13. Checklist of potential beneficiaries (must)

Shape partnership	Based on your assessments, update you understanding of which partners are required and initiate actions to consolidate their involvement in the partnership. Furthermore prepare a draft of solutions that want to be adopted to mitigate the causes and risks to natural resources use protection	With the results of the assessments expand your problem analysis, market scan and the value proposition (refer back to these actions from Phase 1). **Tip** - Ensure high-level engagement with the public sector to unlock opportunities	Ensure that beneficiaries/ affected groups are also represented at the table (directly or indirectly) and have sufficient understanding of the risks and their causes in order to contribute to the possible solutions.	Have you updated your understanding of which partners to bring on board based on the understanding of risks and opportunities?	Tool 2, 4, 5 & 6. (update) Problem Butterfly, Market Scan, Value Proposition, Participants due diligence investigation (must)
		Based on an understanding of the problematic, jointly define the goals to be achieved by the partnership and further define these by setting partnership objectives that are measurable		Have you defined the goals and measurable objectives of the partnership?	Tool 7. (update) Partnership Action Plan (must)
		Research best practices that you can adopt, adapt, or learn from, and selected the ones to be implemented and together with the partners take decisions on solutions that will help to reach the agreed goals.-		Have you researched best practices that you can adopt, adapt, or learn from, and selected the ones to be implemented?	

Phase 3: Commit

Objective

The third Phase of the NRAF facilitates the consolidation of partnership agreements. To this end, this phase **aims to ensure that structures, processes, roles and contributions (cash and in-kind) to achieve the agreed goals are clearly outlined and have been prioritized through formal agreements.**

This phase includes the elaboration of modes of delivery and the respective allocation of tasks and responsibilities, it further entails the identification of necessary skills for operation and the eventual securing of commitments from core partners and stakeholders on actions and activities.

In this phase, reflect on what success would look like and whether the partnership would be a long-standing entity (if so, how) or if it would terminate or transform.

Elements of the Phase

1. Develop business cases

Make sure the partnership is financially feasible and adds value to the partners

2. Develop modes of delivery

Be clear on the most efficient and effective way to deliver

3. Secure commitments of actors

Ensure there is a common formalized agreement on what the partnership will do and how it will function

How to achieve the elements?

1. Develop business case

How	Tool
Describe the logic of how the partnership is expected to work and to create value. Consider a balance of different funding sources when preparing for and maintaining projects. Make sure as well to design long-term financial viability of the partnership beyond initial funding.	*Tool 14. Business concept (must)*
Explain the financial feasibility of the partnership, ordering and analysing all project costs and revenues **TIP:** Ensure financial stability of the initiative by reviewing multiple financing options	*Tool 15. Business case (good to have)*

2. Develop modes of delivery

How	Tool
Agree on optimal vehicle structure to reach the goals of the partnership, including its legal entity (e.g. partnership, foundation, cooperative). The optimal structure of vehicle is the channel through which the business case is implemented. It explains how the project is going to be implemented and shows the project design as in who is doing what, in what way to achieve what, and by when.	*Tool 16. Develop optimal structure of vehicle (must)*
Identify the right skills needed to deliver the goals of the partnership, assess who within the partners has them, and which capacities need to be sourced or built. **TIP:** Create task force teams of different skills to ensure a balance of approaches and hence achieve reaching a common goal	*Tool 17. Identify skills needed (must)*
Update your project action plan with the information agreed in your business concept, business case and structure of vehicle. Ensure that beneficiaries/ affected groups are also represented at the table (directly or indirectly) and have sufficient understanding of the project action plan and agree with it. For the update you can consider the following questions: • **Have you aligned all your activities to match with availability of resources & time?** • **Are you able to visualize your activities and how they relate with each other without causing conflict?** • **Have you identified how you will measure success?** • **Have you built a monitoring component in during the commit Phase?** • **Is there capacity/resources available for baseline development- and data collection?**	*Update Tool 7. Partnership Action Plan (must)*

3. Secure commitment of actors

How	Tool
Clarify what success looks like. Establish when and how to terminate, hand over, or transform the partnership. Make provision for the withdrawal of participants and avoid partners dependency on the structure of the partnership and rather think of a sustainable structure that binds to corresponding mandates	*Tool 18. Develop Sustainability strategy (must)*
Make use of diverse techniques to foster agreements, avoiding argument and dispute. Make sure negotiations are neutral and focus on the common objective.	*Tool 19. Negotiation practices (good to have)*
Confirm the commitment of partnership participants by acknowledging the key understandings and commitments and including them in a written formal agreement Ensure that your funding is flexible should a political or economic shift prevent the implementation of the original project. For example, can the funding apply to more than one task, activity, or partner?	*Tool 20. Memorandum of Understanding (must)*

Transition key questions checklist

1. Can you describe the logic of how the partnership is expected to work and to create value?
2. Can you explain the financial feasibility of the partnership, ordering and analysing all project costs and revenues?
3. Have you agreed on an optimal vehicle structure to reach the goals of the partnership, including its legal entity (e.g. partnership, foundation, cooperative)?
4. Have you identified the right skills needed to deliver the goals of the partnership, assess who within the partners has them, and which capacities need to be sourced or built?
5. Does your project action plan reflect the discussed business concept, business case and structure of vehicle?
6. Have you established when and how to terminate, hand over, or transform the partnership, and have you made provision for the withdrawal of participants?
7. Do you have enough capacity to reach compromises or agreements with diverse stakeholders, avoiding argument and dispute?
8. Did the partnership participants sign a Memorandum of Understanding (MoU)?

Case study

Thoroughness in stakeholder engagement in the Assess Phase lead to much easier agreements in the Commit Phase – *The case of Improvement of Access to Water and Sanitation in Buliisa, Uganda*

Thoroughness in the stakeholder engagement activities in the Assess Phase led to much easier agreements in the Commit Phase of this partnership on improving water supply and sanitation in two sub-counties in the Buliisa District, Uganda. These activities were intended to support the Integrated Water Resources Management structures for sustainable use and management of water resources in the Sambye Watershed.

The comprehensive results of the assess Phase were successfully shared during a participatory stakeholder consultation process, forming the basis of discussion with respect to commitments. Having this data and information was crucial in ensuring success of the interventions. On this basis, a list of possible interventions was compiled – including a ranking of their respective importance – followed by a declaration of available resources by each partner. This declaration did not only include monetary resources/pledges, but other non-monetary contributions that would help perform the interventions. Subsequently, the roles and responsibilities were clarified in a participatory process, taking into account the interventions and the skills/resources of each partner, and agreed in a common implementation plan that was signed by all partners.

In general, it can be said that over the course of the partnership, a constant reflection of – and return to – the assess Phase was important to remain on course with the visions and in order to measure successes.

Overview of Phase 3: Commit

Element	Objective	How	Ensure to	Guiding Question/ Checklist	Tools
Develop business cases	Make sure the partnership is financially feasible and adds value to the partners	Describe the logic of how the partnership is expected to work and to create value		Can you describe the logic of how the partnership is expected to work and to create value?	Tool 14. Business concept (must)
		Explain the financial feasibility of the partnership, ordering and analysing all project costs and revenues **TIP:** Ensure financial stability of the initiative by reviewing multiple financing options	Consider a balance of different funding sources when preparing for and maintaining projects. Design long-term financial viability of the partnership beyond initial funding	Can you explain the financial feasibility of the partnership, ordering and analysing all project costs and revenues?	Tool 15. Business case (good to have)
Develop modes of delivery	Be clear on the most efficient and effective way to deliver	Agree on optimal vehicle structure to reach the goals of the partnership, including its legal entity (e.g. partnership, foundation, cooperative).		Have you agreed on optimal vehicle structure to reach the goals of the partnership, including its legal entity (e.g. partnership, foundation, cooperative)?	Tool 16. Develop optimal structure of vehicle (must)
		Identify the right skills needed to deliver the goals of the partnership, assess who within the partners has them, and which capacities need to be sourced or built. **TIP :** Create task force teams of different skills to ensure a balance of approached and hence achieve reaching a common goal		Have you identified the right skills needed to deliver the goals of the partnership, assess who within the partners has them, and which capacities need to be sourced or built?	Tool 17. Identify skills needed (must)

	Update your project action plan with the information agreed in your business concept, business case and structure of vehicle.	Ensure that beneficiaries/affected groups are also represented at the table (directly or indirectly) and have sufficient understanding of the project action plan and agree with it.	Does your project action plan reflect the discussed business concept, business case and structure of vehicle?	Tool 7. (Update) Partnership Action Plan (must)
Secure commitment of actors	Ensure there is a common formalized agreement on what the partnership will do and how it will function	Clarify what success looks like. Establish when and how to terminate, hand over, or transform the partnership. Make provision for the withdrawal of participants	Avoid partners dependency on the structure of the partnership and rather think of a sustainable structure that binds to corresponding mandates	Have you established when and how to terminate, hand over, or transform the partnership, and have you made provision for the withdrawal of participants?	Tool 18. Develop Sustainability strategy (must)
		Make use of diverse techniques to foster agreements, avoiding argument and dispute	Make sure negotiations are neutral and focus on the common objective.	Do you have enough capacity to reach compromises or agreements with diverse stakeholders, avoiding argument and dispute?	Tool 19. Negotiation practices (good to have)
		Confirm the commitment of partnership participants by acknowledging the key understandings and commitments and including them in a written formal agreement		Did the partnership participants sign a Memorandum of Understanding (MoU)?	Tool 20. Memorandum of Understanding (must)

Phase 4: Act

Objective

This phase aims to ensure that **measures are implemented as agreed and that capacity of partners is being built in the process**. It involves coordination and management of activities, monitoring of progress and impacts.

In this Phase it is important to ensure that reporting/ accountability mechanisms agreed in the partnership are being properly applied, for this there needs to be tracking of progress and have it properly communicated to partners.

1. Empower and advice actors

Identify gaps in governance, coordination and implementation skills and plan for measures to fill these. In this step, a system and process to monitor progress of both the partnership cooperation system and project(s) implementation is developed.

2. Coordinate and manage implementation

Roles, processes and activities under implementation are clear, additionally successes and issues with implementation are identified and measures derived appropriately.

3. Monitor progress

Track progress and report to partners in order to create transparency and support trust building.

How to achieve the elements?

1. Empower and advice actors

How	Tool
Identify experts who can help build capabilities and who can advise on selected subjects within the implementation. Ensure all aspects necessary for sustainability of measures are taken into consideration and you receive support for these as well.	*Tool 21. Identify experts (must)*
Seek to find ways of filling identified skill gaps. Carry out training, workshops and coaching sessions to build capabilities. Make sure all capacities (including community beneficiaries) are enhanced as to avoid capture of the partnership.	*Tool 22. Capacity building for running and maintaining activities (good to have)*

2. Coordinate and manage implementation

How	Tool
Ensure that the expectations of all stakeholders are clear and manage them properly. Keep a regular, effective and efficient communication with stakeholders and ensure that all are considered and adequately involved. Ensure the needs of beneficiaries, communities and/or vulnerable groups are addressed during project implementation.	*Tool 23. Communication strategy (good to have)*
Focus on project management. Proximity matters – if possible employ or designate a dedicated local project manager. If you encounter barriers, focus on the outcomes for your project or partnership and re-assess your options for delivery. Compare the time, cost, and eventual outcome of alternative options. If some flexibility can be applied, possibly with an acceptable trade-off of time or cost, your project may still achieve its goals.	*Reference to the whole toolkit*

3. Monitor progress

How	Tool
Keep track about the progress of the activities. Adapt your Project Action Plan developed in the previous Phases to be used as a Partnership Monitoring Plan and include remediation measures in your plan when applicable. You may then summarize the progress and communicate it to the stakeholders using the Partnership Reporting Progress template. Partners should maintain flexibility for the project to change or expand during the execution of the partnership. Governance agreements should allow for this growth and transition by including opportunities for scaling up and exiting the partnership. Partners must recognize that the partnership is more than the sum of its parts.	*Tool 7. Update Partnership Action Plan (must)*

Transition key questions checklist

1. Have you identified experts who can help build capabilities and who can advise on selected subjects within the implementation?
2. Have you carried out training, workshops and coaching sessions to build the required capabilities?
3. Are the expectations of all stakeholders clear and properly managed? Do you keep a regular, effective and efficient communication with them? Are all stakeholders considered and adequately involved?
4. Do you have access to materials and tools to strategically align, identify, conceptualize, plan and implement the partnership activities and strategy?
5. Have you adapted your original Project Action Plan to serve as a planning - as well as progress - monitoring and implementation tool?

Case study

Maintain some flexibility in the execution of the partnership – *A case from the Metsimaholo Local Municipality, South Africa[4]*

Sasol, the Metsimaholo local Municipality, the Department of Water and Sanitation and the IWaSP GIZ programme established a water security partnership aimed at reducing water losses in the municipal area. The original project sought to work directly with communities training Ward committee members to conduct water conservation and water demand management training in the community. Due to political instability and issues with the appointment of the Ward committee members the project initially came to a stop and was redesigned. The focus was then shifted to implementing water demand management measures in schools. Schools provided a favourable environment, large audience and great potential for scalability.

The revised project successfully impacted over 28,704 learners and 1,029 educators in 30 schools. The ultimate goals of reducing non-revenue water through raising awareness was achieved through the evaluation of the schools, awareness campaign and training of care takers for prompt intervention against leakages. The project achieved its ultimate vision of increasing water security through both technical and social interventions. The flexibility in the method of execution meant that the community still benefited from non-revenue water reductions and increased water security. Although the methods of implementation shifted, the outcome was successful.

Main lesson: Partnerships and projects grow or change over time, often becoming more complex than the original partners anticipated. Therefore partners should maintain flexibility for the project to change or expand during the execution of the partnership. Governance agreements should allow for this growth and transition by including opportunities for scaling up and exiting the partnership. Partners must recognise that the partnership is more than the sum of its parts.
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4 Source: Water Action Hub 3.0 - https://wateractionhub.org/lessons-learned/26/d/maintain-some-flexibility-in-the-execution-of-the-pa/

Overview of Phase 4: Act

Element	Objective	How	Ensure to	Guiding Question/ Checklist	Tools
Empower and advise actors	(1) Identify gaps in governance, coordination and implementation skills and plan for measures to fill these. (2) A system and process to monitor progress of both the partnership cooperation system and project(s) implementation is developed.	Identify experts who can help build capabilities and who can advise on selected subjects within the implementation	Ensure all aspects necessary for sustainability of measures are taken into consideration. Make sure all capacities (including community beneficiaries) are enhanced as to avoid capture of the partnership.	Have you identified experts who can help build capabilities and who can advise on selected subjects within the implementation?	Tool 21. Identify experts (must)
		Seek to find ways of filling identified skill gaps. Carry out training, workshops and coaching sessions to build capabilities.		Have you carried out training, workshops and coaching sessions to build the required capabilities?	Tool 22. Capacity building for running and maintaining activities (good to have)
Coordinate and manage implementation	(1) Roles, processes and activities under implementation are clear (2) Successes and issues with implementation are identified and measures derived appropriately	Ensure that the expectations of all stakeholders are clear and manage them properly. Keep a regular, effective and efficient communication with stakeholders and ensure that all are considered and adequately involved	Ensure the needs of beneficiaries, communities and/or vulnerable groups are addressed during project implementation	Are the expectations of all stakeholders clear and properly managed? Do you keep a regular, effective and efficient communication with them? Are all stakeholders considered and adequately involved?	Tool 23. Communication strategy (good to have)
		Focus on project management	Proximity matters – employ a dedicated local project manager	Do you have access to materials and tools to strategically align, identify, conceptualize, plan and implement the partnership activities and strategy?	Reference to the overall toolkit

Element	Objective	How	Ensure to	Guiding Question/ Checklist	Tools
Monitor progress	Track progress and report to partners in order to create transparency and support trust building	Keep track about the progress of the activities. Adapt your Project Action Plan developed in the previous Phases to be used as a Partnership Monitoring Plan and include remediation measures when applicable. You may then summarize the progress and communicate it to the stakeholders using the Partnership Reporting Progress template.	Ensure that all stakeholders are kept in the loop in regards to the implementation of the Project Action Plan. Based on progress status ensure that you plan for the necessary remediation measures and report back on this to the bigger stakeholder group	Have you adapted your original Project Action Plan to serve as a planning - as well as progress - monitoring and implementation tool?	Tool 7. Update Partnership Action Plan (must)

Phase 5: Scale & Exit

Objective

This Phase includes assessing the impacts and lessons of your partnership. Based on this, you re-assess your sustainability strategy, and correct measures and/or the timeline if need be.

The last element of this Phase (Phase out or transfer) is optional as it depends on the structure that was established for your partnership: During this last step some partners may exit and some measures and roles may be handed over. Whichever transition the partnership pursues, the aim here is to ensure that measures and results are sustainable.

Even if it is the last Phase, the processes, key questions and tools of this Phase have to be conducted regularly throughout the partnership to ensure sustainability. Even phasing out has to be discussed and planned for from the start. Scaling up, replicating, or transforming the initiative into a new project will require the involved actors to revisit and thoroughly apply the elements in the Prepare, Assess, and Commit Phase of the NRAF, leading to a new Act Phase.

Elements of the Phase

1. Evaluate impact and lessons
Obtain an understanding of the results and approach of the partnership

2. Ensure that a sustainable impact is achieved
Review the sustainability strategy and determine if measures or the timeline of the partnership's transition actions need to be updated in order to ensure that a sustainable impact is achieved

3. Phase out or transfer
Ensure a proper hand-over is in place and/or mark the closure of the partnership

How to achieve the elements?

1. Evaluate impact and lessons

How	Tool
Review progress and get feedback from all the different partners to confirm that the expectations were met and if not identify where not.	*Tool 24. Feedback session (must)*
Identify positive and negative results/ impacts that have derived from the partnership to learn from these and make amendments if possible. Ensure that positive and negative impacts and lessons from the process are understood in order to determine which measures should be taken into consideration for the partnership's transitioning.	*Tool 25. List of lessons learnt (must)*

2. Ensure that a sustainable impact is achieved

How	Tool
Based on the evaluation of impact and lessons, decide if measures or the timeline should be amended by reviewing your theory of change	*Tool 7. Partnership Action Plan (update)*
Explore possibilities for up-scaling. Scaling up, replicating, or transforming the initiative into a new project will require the involved actors to revisit and thoroughly apply the elements in the Prepare, Assess, and Commit Phase of the NRAF, leading to a new Act Phase.	*Tool 26. Decision-making matrix for scale-up (good to have)*
Based on the review of your theory if change (if applicable), **review your sustainability strategy and add the actions that are deemed necessary**	*Tool 18. Develop Sustainability strategy (update)*

3. Phase out or transfer

How	Tool
If transferring a role to another entity, ensure that all relevant documentation and skills are transferred.	*Tool 27. Final handover (must)*

Transition key questions checklist

1. Have you evaluated results and impacts of the partnership?
2. Did you get feedback from all the different partners to confirm that the expectations were met and if not identify where not?
3. Have you identified the groups that have so far benefitted from the partnership measures and projects to reduce environmental risks?
4. Have you recorded all the lessons learnt (what went well, what could go better, where the changes and improvements needed identified) and disseminated them?
5. Have you reviewed your Project Action Plan to ensure it is based on the monitoring results and lessons learnt?
6. Have you explored possibilities for up-scaling of the existing partnership (e.g. new catchments, new partners, and new countries)?
7. Have you reviewed your Sustainability strategy?
8. Have you marked the official end of the partnership or project component?
9. Have you ensured that selected people/entity keep all the necessary documentation, tools and templates?

Case Study

Ensuring the sustainability of the objective – *The case of Mlalakua River Restoration Project (MRRP) in Dar es Salaam, Tanzania*

The overall objective of the Mlalakua River Restoration Project (MRRP) was to restore the health of the Mlalakua River and to prevent further pollution on a sustained basis. This could only be achieved through the collective engagement of all relevant stakeholders, restoring the river's natural functions, and building systems to ensure sustainable management of solid and liquid waste to prevent further pollution. From the start, it was clear that experiences drawn from this initiative would be used to inspire and to inform actions aimed at improving the conditions of other rivers and streams in Dar es Salaam. This case reflects a success in the Exit and Scale Phase of the WRAF. To assess impacts and lessons learnt in the MRRP, partners dedicated the last two steering committee meetings to ensure final commitments from each partner – i.e. what will they do to keep carrying out relevant activities after the project is closed – and to gather lessons learnt, which led to the publication of a jointly-written brochure on shared experiences.

The project was officially closed and handed over to the public sector and partners during the final learning event on 18 March 2016, held at the Ministry of Water and Irrigation (MOWI) and chaired by the Permanent Secretary of the MOWI. This was the occasion to present the partnership approach and the lessons learnt to a wide number of stakeholders, including community members, local government authorities, CSOs, water resources management authorities, and development partners.

In terms of scaling up, the Mlalakua partnership experience inspired at least three initiatives replicating the spirit of the project, i.e. the Cleanest Mtaa Competition, the Neighbourhood Solid Waste Practice, and a decentralized faecal sludge treatment plant. It was also the starting point of broader discussions on Dar es Salaam industrial waste water management.

Overview of Phase 5: Scale & Exit

Element	Objective	How	Ensure to	Guiding Question/ Checklist	Tools
Evaluate impact and lessons	Obtain an understanding of the results and approach of the partnership	Review progress and get feedback from all the different partners to confirm that the expectations were met and if not identify where not	Ensure that positive and negative impacts and lessons from the process are understood in order to determine which measures should be taken into consideration for the partnership's transitioning.	Did you get feedback from all the different partners to confirm that the expectations were met and if not identify where not?	Tool 24. Feedback session (must)
		Identify positive and negative results/ impacts that have derived from the partnership to learn from these and make amendments if possible		Have you evaluated results and impacts of the partnership? Have you recorded all the lessons learnt (what went well, what could go better, where the changes and improvements needed identified) and disseminated them?	Tool 25. List of lessons learnt (must)

Phase	Objective	Action	Checklist question	Tool
Ensure that a sustainable impact is achieved	Review the sustainability strategy and determine if measures or the timeline of the partnership's actions need to be updated in order to ensure that a sustainable impact is achieved	Based on the evaluation of impact and lessons, decide if measures or the timeline should be amended by reviewing your theory of change	Have you reviewed your Project Action Plan to ensure it is based on the monitoring results and lessons learnt?	Tool 7. Partnership Action Plan (update)
		Explore possibilities for up-scaling.	Have you explored possibilities for up-scaling of the existing partnership (e.g. new catchments, new partners, and new countries)?	Tool 26. Decision-making matrix for scale-up (good to have)
		Scaling up, replicating, or transforming the initiative into a new project will require the involved actors to revisit and thoroughly apply the elements in the Prepare, Assess, and Commit Phase of the NRAF, leading to a new Act Phase		
		Based on the review of your theory of change (if applicable), review your sustainability strategy and add the actions that are deemed necessary	Have you reviewed your sustainability strategy?	Tool 18. Develop Sustainability strategy (update)
Phase out or transfer	Ensure a proper hand-over is in place and/or mark the closure of the partnership	If transferring a role to another entity, ensure that all relevant documentation and skills are transferred.	Have you ensured that selected people/entity keep all the necessary documentation, tools and templates?	Tool 27. Final handover (must)

VI. Tools

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Phase 1: Prepare

Tools

Tool 1. Stakeholder/Institutional analysis
Tool 2. Market scan tool
Tool 3. Determine stakeholder representation
Tool 4. Participants due diligence investigation
Tool 5. Problem butterfly
Tool 6. Value proposition
Tool 7. Partnership Action Plan
Tool 8. Assign suitable roles and responsibilities
Tool 9. Letter of Intent

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Tools

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Tool 11. Assessment on risk of capture
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Tool 13. Checklist of potential beneficiaries
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Tool 5. Problem butterfly
Tool 6. Value Proposition
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Tool 14. Business concept
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Tool 21. Identify experts
Tool 22. Capacity building for running and maintaining activities
Tool 23. Communication strategy
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Phase 5: Exit

Tools

Tool 24. Feedback session
Tool 25. List of lessons learnt
Tool 7. Partnership Action Plan
Tool 26. Decision-making matrix for scale-up
Tool 18. Develop sustainability strategy
Tool 27. Final handover

Phase 1: Prepare

Tools

Tool 1. Stakeholder/Institutional analysis
Tool 2. Market scan tool
Tool 3. Determine stakeholder representation
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Tool 5. Problem butterfly
Tool 6. Value proposition
Tool 7. Partnership Action Plan
Tool 8. Assign suitable roles and responsibilities
Tool 9. Letter of Intent

Phase 1:
Prepare

Tool 1: Stakeholder/ Institutional Analysis

Expected result: Identify key players and all other partners to be considered to make the partnership a success.

For more information see: CEO Water Mandate. 2015. Guide for Managing Integrity in Water Stewardship Initiatives: A Framework for Improving Effectiveness and Transparency. Oakland, CA: Pacific Institute. http://ceowatermandate.org/files/integrity.pdf

Description

A Stakeholder Analysis is the process of identifying the key stakeholders among all institutions and individuals that could potentially affect or be affected by the proposed initiative and planning for their engagement.

Why do this step?

A Stakeholder Analysis enables partnership practitioners to understand the major influential groups and interests that should be involved in the design and implementation of the initiative in order to balance different interests toward serving the public good and building credibility and legitimacy. This helps:

- Identify all relevant actors who can influence the partnership or are influenced by the partnership
- Understand stakeholders' different expectations and concerns in order to plan tactics for engagement and communications
- Prioritize stakeholders in order to optimize resource allocation and fulfilment of partnership objectives

Suggested to-do list

1. Identify Stakeholders

Identify the key stakeholders among all institutions and individuals that could potentially affect or be affected by the proposed initiative. Utilize the suggested relevance criteria below to identify stakeholders. These criteria can be amended depending on their applicability to a local context.

Type of analysis	Key questions
Decision point	Which stakeholders have a direct influence over, or are required to participate in, any decisions that will be needed to address your natural resources-related challenges?
Opportunity	Which stakeholders are in a position to directly or indirectly support addressing your natural resources-related challenges?
Expertise	Which stakeholders can contribute knowledge and advice to improve problem characterization, or expand or refine the understanding of solutions?
Impacts	Which stakeholders will experience benefits (or costs) associated with addressing your identified natural resources-related challenges?
Expectations	Which stakeholders have an interest in the collective action process or its outcomes, even if they might not otherwise have a specific role to play in problem solving or a connection to the distribution of costs and benefits?
Conflict	Which stakeholders currently (or will potentially) experience conflicts with you or other potential parties in the process in a manner that may influence the available options to address your identified natural resources-related challenges?

The table below provides an example of the key information to be gathered (see attached excel "Stakeholder Analysis - Template"):

	Explanation of information needed	Stakeholder 1
Stakeholder name/group	*Name of the organization or person*	NN
Type	• *Government authority* • *Local business* • *Global NGO* • *Local NGO* • *Local community* • *Parastatal* • *Other.*	Local business
Description	• *Core partners (internal stakeholders)* • *Non-core partners (internal stakeholders)* • *Target groups (external stakeholders)*	Core partner
Priority	*How important is this stakeholder group when considering the success of the partnership?* 1. *Key stakeholder: actor can impact the partnership extensively* 2. *Primary stakeholder: actor can advance or slow down the partnership* 3. *Secondary stakeholder: actor needs to understand the basics of the partnership* 4. *Stakeholder´s role is not identified*	1
Size	*How many people are impacted? How many people work at the company premises? How many people work in the department?*	25

	Explanation of information needed	Stakeholder 1
Expectations	*What does this actor expect from the partner-ship/other partners?*	Reach objectives in schedule. Regular meetings. Engagement of the government officials.
Concerns	*What kind of concerns does the actor have to-wards the partnership/other partners?*	Government officials do not do their share. Potential reputational risks if the partnership is not reaching its goals.
Contact (representative)	*Name and contact information or a representative*	
Other comments	*Other useful information, e.g. regarding contact person, personal relationships, possible risks*	N.N is very eager to see some re-sults with his own eyes. N.N´s super-visor is not very supportive towards the partnership, he does not under-stand the benefits for the company.

2. Disseminate and validate results

Partnership participants share their assessment with mapped stakeholders once the initial mapping and prioritization is completed via a workshop format, if possible.

Stakeholders can then add nuance to the analysis, contest their perceived relevance and identify additional stakeholders that were not captured in the initial analysis. This way, the stakeholders themselves become a meaningful and integral part of the stakeholder analysis process.

3. Continuous reassessment

During development and implementation, partnership participants engage with stakeholders to identify new actors arising from changing basin circumstances or evolving partnership scope and objectives.

Stakeholder analyses should be updated to reflect the ever-changing landscape of stakeholders.

Stakeholder analysis cannot generate the in-depth information needed to assess the adequacy of whether an organization or individual should be a partnership participant. In cases where a potential participant is identified through the analysis processes, a follow-up due diligence investigation should be undertaken.

Resources needed

The time needed for a thorough stakeholder analysis is around 1 month. During this time a desk study will be conducted identifying primary, secondary and tertiary stakeholders. The desk study serves as the basis for the analysis. However, if time allows, it is advisable to conduct interviews with the primary stakeholders to get a better idea of the different interests, power relations and possible conflicts. Hiring an external consultant can ensure increased objectivity.

Tool 1.1 Stakeholder Mapping

Expected result: A visualisation of the relevant partnership stakeholders and their relationships

Note: This tool is an adaptation from the GIZ 'Managing Change with Capacity Works', Springer-Gabler, 2015

Description

This tool will help identify and visualise the relevant project actors and their relationships. A Stakeholder Map is a snapshot of the situation at a particular point in time. Actors and their relationships change over time, as does the situation. Alternative terms are "Actor Analysis" and refers to the map of actors internal, as well as potential actors outside the stewardship partnership.

Why do this step?

A Stakeholder Map is used in situations in which it is important to obtain a picture of the actors involved, monitoring the relationships among actors over time. The map of actors is a key starting point for many other planning and consultancy steps and may be useful at various points throughout the life of the partnership or during the different NRAF phases. Using this tool will provide the groundwork for using other tools.

Suggested to-do list

1. Understand the issue

Actors who hold at least a potential stake in the changes to be brought about by the partnreship, for example, are also referred to as stakeholders. The material resource, social position and knowledge of these actors make them particularly influential in determining the design, planning and implementation of the partnership initiatives and projects. Depending on the issue at stake, actors will be either more or less relevant and influential. Drawing a map of actors for a specific issue means visualising all actors according to their roles.

Actors who are able to use their skills, knowledge or position of power to significantly influence a project are termed key actors. They are usually involved in making decisions within a project. Actors without whose support and participation the targeted results of a project cannot be achieved, or who may even be able to veto the project, are termed veto players. Veto players can be key, primary or secondary actors. The stronger and more influential an actor is, the more this actor will tend to see himself or herself as the sole actor, and may seek to speak on behalf of or exclude other actors. In other words, in the process of negotiating participation, actors position themselves not only through their relationship to the issues at stake, their institutional power or their resources, but also with respect to the power they have to influence the participation of other actors.

You produce a map of actors by identifying and visualising the (type of) relationships between the actors involved in a cooperation system. The map provides an overview of the entire range of actors

involved in the system, allowing you to draw conclusions and formulate hypotheses on the actors' influence on issues addressed in the project and its change objectives, and concerning the actors' mutual relationships, power constellations and dependencies. The roles played by the different actors (primary, secondary, key actors) depend on the specific issues to be addressed. The map offers insights into actual and potential alliances and conflicts. Discussing the map of actors can help you to formulate strategic options and hypotheses concerning specific actors.

The map of actors usually also exposes information gaps and participation deficits (blank spots). It shows the actors and relationships between actors you know too little or nothing at all about, where you need to obtain further information, and which actors you need to involve in the project. The map of actors also corrects premature assumptions concerning individual actors and the relationships between them. Seen in the context of other actors, supposedly important actors become less significant, and apparently insignificant actors take center stage.

To prepare an accurate map of actors you need to:

Define and demarcate the scope
Start by clearly formulating the key issue in order to circumscribe the area to be mapped and clearly determine the number of actors to be included.

Define the point in time and intervals
The actors form a dynamic system of mutual interdependencies. This web of relationships can change very quickly. It is therefore important that you note the point in time at which the analysis of these relationships was carried out.

Separate the perspectives
Each actor has his or her own perspective. A map of actors therefore only ever represents the perspective of the individuals or groups involved in preparing it.

Key questions for the map of actors:

- What do you want to achieve using the map of actors? What specific issue do you wish to address?
- When do you draw up the map of actors and when do you update it?
- Whom do you wish to involve in drawing up the map of actors?
- Were maps of actors drawn up for an earlier phase of the project? You may wish to use them for comparison purposes.

2. How to proceed

Step 1: Formulate the key issue

By producing a map of actors, what issue do you wish to address at a specific stage of a (future) project? The answer will assist you in steering. It is a good idea to write down this issue on a flip chart so that it is visible while you are working through it.

Step 2: Identify the actors

First of all, identify all the actors relevant to the project or a specific issue. Then assign each of them to one of three groups, namely key actors, primary actors and secondary actors.

To create a map that will yield useful information, remember to include all the main actors, without overloading it with too many visualised items.

Step 3: Select the form of representation

You can visualise the map of actors in two forms, as an onion or as a rainbow.

Both options allow scope for assigning the actors to one of the following three sectors: the state (public sector), civil society or the private sector (you may need to differentiate between other sectors or specific cases).
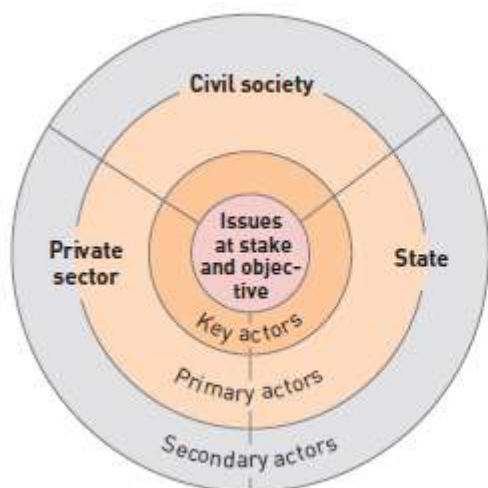
Figure 1 - Map of actors: the onion
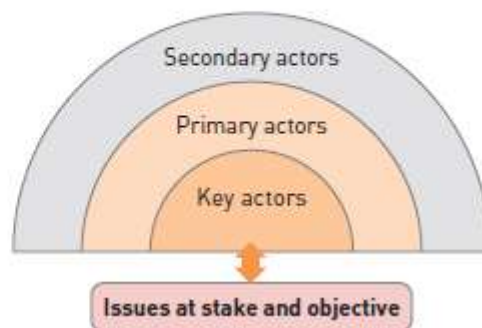
Figure 2 - Map of actors: the rainbow

Step 4: Put in the actors

We recommend that you use the same symbol, for example a circle, to represent key actors and primary actors (both of which directly infleunce the project). The size of the circle represents the actor's influence with respect to the issues at stake and the change objective. Use the letter 'V' to indicate if an actor is a veto player and a rectangle to represent a secondary actor (actors that are not directly involved but may nevertheless exert influence).

⬤	Key or primary actor with little influence
◯	Key or primary actor with little influence
Ⓥ	Veto player
▭	Veto player

Figure 3 - Symbols for actors

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You can now position the individual actors accordingly against the selected background (onion or rainbow). It is helpful if you position actors between whom a close relationship exists close to each other. The distance between actors will then indicate how close their relationship is.

Step 5: Represent the relationships between actors

In this step, you show the relationships between the actors. We recommend that you use a different symbol to represent the different type and quality of relationship.

———	Solid lines symbolise close relationships in terms of information exchange, frequency of contact, overlap of interests, coordination, mutual trust, etc.
- - - ? - - -	Dotted lines symbolise weak or informal relationships. The question mark is added where the nature of the relationship is not yet clear.
═══════	Double lines symbolise alliances and cooperation partnerships that are formalised contractually or institutionally.
———▶	Arrows symbolise the dominance of one actor over another.
——⚡——	Lines crossed by a bolt of lightning symbolise relationships marked by tension, conflicting interests or other forms of conflict.
——‖——	Cross lines symbolise relationships that have been interrupted or damaged.

Figure 4 - Symbols for visualising the relationships between actors

Depending on whether you have used the onion or the rainbow, your map of actors will look lke one of the two examples shown below:
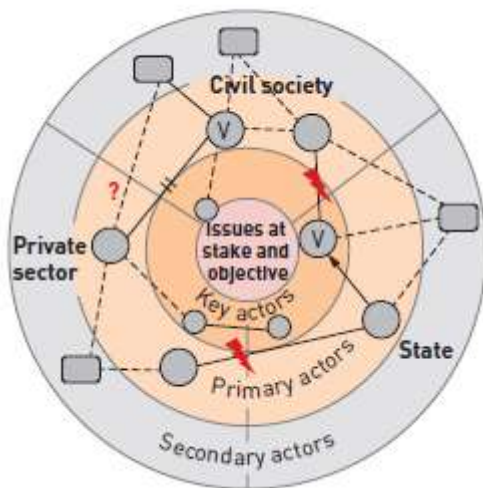
Figure 5 - Example of map of actors
in the onion format
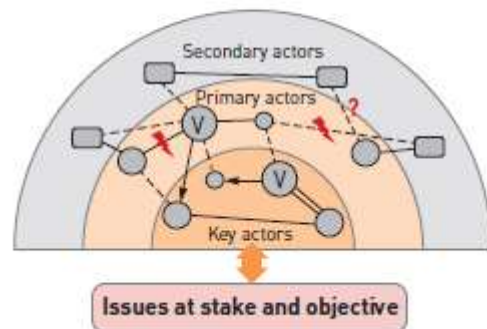
Figure 6 - Example of map of actors
in the rainbow format

Step 6: Evaluate the outcome
In this latest step, you jointly evaluate the outcome. Is your map of actors an accurate reflection of the current reality? Have you taken into account all relevant actors? What is the first thing that strikes you? Are any important elements missing? We recommend that you use a flip chart to document the key outcomes of your joint discussions. This should include working hypotheses and possible options for action, presented in relation to the issue defined at the outset.

This tool includes a template in excel.

Tool 2: Market Scan

Expected result: a one pager on each of the relevant companies with natural resources intensive business, including their risks and locations, and planning for their engagement.

Description

A Market Scan is the process of identifying potential partners with natural resource intensive businesses and partners facing natural resource related risks with regard to stewardship activities in order to enlarge the engagement of your partnership with corporate partners.

Natural resource intensive industry sectors are highly dependent on water, soil, biodiversity or other natural resources in parallel are also highly vulnerable to multiple related risks. Examples of vulnerability are:

- High quality water needed as a key input to production
- High quality of soil needed for production
- Intact ecosystems as basis for operations
- Lots of water needed mainly for cooling or in-plant processes
- Production of high volumes of wastewater or waste
- Discharging wastewater or waste of high environmental significance
- Agricultural practices impacting the soil quality
- Long and complex supply chains with a strong environmental footprint

Why do this step?

Having a good understanding of what companies are present in your area of operation and which ones have natural resource intensive operations and/or are facing natural resources risks will be an important asset when discussing potential engagement with governments and municipalities. Having this information will identify potentially vulnerable communities that need to be involved. It will also provide you with an overview on how the market can be explored once your partnership is already set up in the country. Some concrete benefits that may be attractive for the public sector and that you can present them are:

- Information on private sector natural resource users and potential risks can inform policies, strategies and actions
- It can be converted into an advocacy tool to initiate dialogue with private sector companies
- It can be converted into an advocacy tool to raise awareness of the importance of natural resources management with peer ministries and government leadership

Suggested to-do list

1. Define goal and priorities

Clearly communicate and discuss the goal, expectations and priorities with the team and with the person that will carry out the market scan (e.g. a consultant). Collect all relevant contacts and available information and share those with the person carrying out the market scan.
You may want to include the public sector in this discussion and include their needs and priorities from the start.

The table below provides an example of the key information to be shared and discussed:

Goal	The objective of a Market Scan is to identify potential partners with natural resource intensive businesses and risks with regard to stewardship activities in order to enlarge the stewardship engagement with corporate partners.
Expected results & priorities	Good overview of at least 20 different companies with the focus on the biggest and most natural resource intensive ones or companies facing related risks. For each company consultant will do due diligence based on public data and existing contacts (see tool on Participants due diligence investigation). The overview will provide clear information regarding companies that will be used for creating links to public sector and communities.
Deliverables	• Completed Excel Market Scan tool (see below) • 10 companies one-pagers (see below)

2. Prepare the tool

The consultant or person carrying out the market scan adapts the accompanying excel table (see attached excel "Market Scan – excel") to the particular context of the partnership and presents it to the partnership coordinator for approval.

The market scan table should provide clear information on:
- Company Name
- Industry
- Brief description of the business
- HQ location
- Location in the country
- Business focus in the country
- Revenue/GDP contribution
- Presence in other countries
- Is their business here natural resources intensive? (yes/no)
- Water or other natural resource use (figure)
- River catchment/River Basin
- Level of sustainability involvement (very high/high/medium/low)
- Prior engagements with your institution (yes/no and Describe)
- Ongoing initiatives & natural resources partnerships (describe)
- Sustainability investments (global/ local and How much in $)

- Number of employees
- Any comments regarding their strategic goals/plans (public data and from available contacts)
- Potential natural resources risks and opportunities (describe, rating, where possible include the potential financial impacts and information on mitigation)
- Relevant contacts (name/position/e-mail/phone number)
- GPS coordinates (link to google maps)
- Other comments & information
- Useful links

For some of the points above the consultant needs to create different evaluation categories and clarify measurements. For example:

Level of sustainability engagement	
Very high	Companies that are globally renowned for their environmental programmes (for example listed in Dow Jones Sustainability Index, or high ranking in other sustainability indexes e.g. CDP)
High	Companies having a CSR report or dedicated CSR-site on their websites
Medium	Companies whose corporate website shows the company is engaged in multiple CSR-programs
Low	Companies with no information available on CSR-programs or if the programs mentioned are relatively small

Prior engagements, on-going Initiatives and information from media will serve as a due diligence and determine whether the company is a good fit for the strategy of the partnership.

3. Execute the market scan

Create a list of all the different data sources that might be helpful. For example:
- Annual reports
- Sustainability reports
- Industry reports
- Associations and their reports
- Different sustainability indexes (CDP, Dow Jones)
- Existing contacts
- Reports from different organizations
- Solicit public sector support for data collection – what sources do they have that could be useful? Abstraction licences? Tax information? Companies register?

Keep in mind the priorities agreed in step 1. Accordingly, you will follow a research process similar to the following:
1. Research what companies are there within the prioritized sectors (e.g. agriculture, mining, beverages)
2. Research other sectors – see which sectors are typically natural resource intensive
3. Research on other big companies. They might have strong CSR and/or sustainability approaches and might be willing to participate in your partnership
4. Look into the local companies – starting from the big players (check country reports and local industry reports, Export and different ratings)

5. Start filling the information on the excel file. First, focus on the information that is publicly available. Start populating all the different columns, if you get stuck move on to the next company and revisit the columns with missing information later.

Eventually, approach companies directly, but keep in mind this would be for survey/research purpose, not for engaging or "selling" your partnership yet.

4. Select companies

After the market scan has been done, the consultant or person carrying out the market scan will select the 10 most suitable for further engagement and discuss those with the partnership coordinator.

Some criteria to select the companies are:
- High use of natural resources & related risks
- At least medium sustainability involvement
- Natural resources stewardship operations/improvement is/will be a part of their strategy
- Water basin/area shared with more stakeholders
- Indication of potential interest in natural resources stewardship
- Clear business case

The consultant/person responsible will then prepare more detailed overviews (see attached template "Market Scan – company overview") to help the coordinator prepare for a future meeting with the company.

Based on the data gathered and available the partnership coordinator decides which companies to approach first. Some questions that might help on this decision are:
- Which companies are clear on their natural resources risks or for what companies are there clear related risks?
- Which companies already have natural resources stewardship awareness?
- What are the basins/areas where more big companies with such risks are?
- What are the companies where you have already some good connections or where you know someone who knows decision makers at this company?
- What are the new companies where you need to make the engagement from scratch but where the partnership might be very suitable and successful?

Template 2: Company Overview

This company overview is a sum up of all the important and relevant information about the potential partner (private sector but could be also public sector). It serves as a preparation for engagement and helps you to build credibility and trust by showing that you have done your research and are familiar with their business, natural resources related risk and initiatives.

To populate the company overview use the information in the "Market Scan – excel". You might have to look up additional information online. You can enhance it with any other relevant information you are aware of. For private sector overview, do desk research and enhance it by all the relevant information available based on discussions with others (colleagues, 3rd parties etc.)

Use it as a preparation for meetings. You can also use it for informing colleagues or new team members.

NAME & LOGO (Logo of the company – mother company & local company for example)	
Business information	(Origin, HQ, industry, key sector, place of operations in your country, size of operation, natural resource intensive or not, basin/area they operate in, water use data)
Priorities, strategy, stewardship	(What is their current focus, what is their vision, is stewardship something they already actively do, do they have plans to engage, what is the message of their annual & sustainability report on global and local level?)
Main risks, issues and opportunities	(What are the main current challenges they are facing, what works well in regards to natural resources and what does not, do they have any regulatory or physical issues related to such resources, are they facing reputational risks of any kind on global and local level, what is the way forward for them, how could they benefit from natural resources stewardship). Seeing their risks and opportunities will also determine link to public sector and communities (Regulatory, Physical, and Reputational risk).
Prior and current engagements	(Are they currently involved in stewardship initiatives, do they report on sustainability and natural resource risks, are they participating in different indexes and initiatives e.g. CDP, GIZ). Seeing their engagements will provide overview of stakeholders they are already engaging with or plan to engage with
Contacts and other comments	(Any useful contacts, their details including their position, any other information that might be helpful for the engagement)

Tool 3: Determine Stakeholder Representation

Expected result: Build legitimacy and credibility, and avoid conflicts and capture through balanced stakeholder engagement.

For more information see: CEO Water Mandate. 2015. Guide for Managing Integrity in Water Stewardship Initiatives: A Framework for Improving Effectiveness and Transparency. Oakland, CA: Pacific Institute. http:// ceowatermandate.org/files/integrity.pdf

Description

A broad overview of the importance of participatory planning processes to the integrity of a natural resources stewardship partnership, introduction to key principles and commonly used approaches, and useful reference material. Activities suggested include: collectively defining the scope, objectives and public interest benefits of the partnership.

Why do this step?

Determining stakeholder representation is key to guaranteeing effective stakeholder engagement and therefore ensuring the needs, knowledge, perspectives, and interests of those impacted by the partnership are represented. Poor stakeholder engagement can negatively impact the partnership in several ways: among other things, it can lead to inappropriate or uninformed design, undermine durable outcomes, and contribute to stakeholder conflict. Further, where affected stakeholders are not involved adequately, the partnership cannot be assured to act in the public interest, and the lack of gatekeeping may increase capture risks.

Conversely, the active involvement of stakeholders provides important knowledge about the partnership context, which is required to mitigate integrity risks. Good participatory processes pass a sense of ownership to those involved (or affected), and thereby establish the credibility and legitimacy of the partnership and contribute to sustainability and transparency. In addition, proper stakeholder engagement ensures that affected stakeholders are adequately informed about the initiative, its progress, and possible obstacles, which constitutes the basis for accountability of the partnership.

Those affected by the partnership and those influential to its successful outcome will need to be represented and engaged in appropriate ways. To further support partnership managers and facilitators with additional guidance around possible forms of communication and approaches for engagement, this section introduces selected publications that may be helpful in designing a partnership -specific stakeholder engagement strategy.

Suggested to-do list

1. Plan for the participation of stakeholders in your project

Participation can be seen as a continuous scale ranging from a low level of stakeholder participation to a high level of participation, depending on how interested the stakeholders are and also on how much you want to involve them. There are the four general levels:

Inform: To provide the stakeholder with information to understand the problem, alternatives and/or solution.

Consult: To obtain stakeholder feedback on analysis, alternatives and/or decisions. It involves acknowledging concerns and providing feedback on their input.

Collaborate/Partnership: To work as a partner with the stakeholder on some aspect of the project.

Empower/Control: A process of capacitating the stakeholder so that they are able to make informed decisions and to take responsibility for final decision-making.

In the table below, write which stakeholders you need to inform, to consult, with which you want to collaborate, and which are controlling the process (Refer to Tool 1: Stakeholder Analysis). Example:

Stakeholder	Interests	How to involve them?
NN Local Business	Reach its business objectives in schedule. Key a good relationship with the community and government officials.	Collaborate with them in improving their business practices to make them more environmental and socially friendly.
...	...	...

Selected guidance documents

The CEO Water Mandate's Guide to Water-Related Collective Action (2013) targets private sector stakeholders with an interest in corporate natural resources stewardship. The document provides guidance on preparing for a collective action (e.g. what needs to be clarified and researched), as well as principles and structural elements for managing collective action, which can inform a partnership stakeholder engagement strategy.

ADVANTAGES	ADAPTATION

• Guidance for stakeholder engagement specified to the conditions of partnerships • Case examples and lessons learned are documented as a practical reference	• Needs to be partly adapted for communication with types of stakeholders other than the private sector • Specific interventions need to be established based on generic guidance and case examples

The International Council on Mining & Metals has provided a practical guidance to identify stakeholders, clarify their concerns and aspirations, delineate engagement objectives and initiate iterative consultation, as well as to communicate intentions, evaluate progress and maintain engagement. Although the document is not solely focused on the more formalized partnerships that are the subject of these guidelines, the guidance for stakeholder engagement provides practical steps relevant to participatory planning processes.

ADVANTAGES	ADAPTATION NEEDS
• Guidance specified to the conditions of partnerships that involve mining companies, with lots of relevant information for stakeholder mapping and context analysis • Step-wise guidance for stakeholder engagement at certain phases of partnerships • Abundant references to additional literature	• Only parts of the guide ("external engagement") are relevant for natural resources stewardship partnerships • Not all aspects of stakeholder engagement that are relevant for natural resources stewardship partnerships are addressed in detail

The AA1000 Stakeholder engagement Standard (AccountAbility 2011) provides advice on:

1. how to establish the necessary commitment to stakeholder engagement, and how to ensure it is fully integrated in strategy and operations

2. how to define the purpose, scope and stakeholders of the engagement

3. what a quality stakeholder engagement process looks like

The AA1000 Standard supports the implementation of criteria for quality stakeholder engagement by organizations, which equally apply to natural resources stewardship partnerships.

ADVANTAGES	ADAPTATION NEEDS
• Comprehensive, practical guidance for the design of stakeholder engagement strategies that contribute to enhance accountability of organizations and initiatives • Helpful, process-oriented elaboration of what constitutes good stakeholder engagement	• Needs to be adapted from a primary focus on individual organization's efforts to engage stakeholders to the context of natural resources stewardship partnerships • Specific requirements are needed to ensure stakeholder engagement contributes to the sustainable environmental management needed

Over recent decades, participatory approaches to forestry have been evolving in many parts of the

world. The participatory and multi-stakeholder aspects of national forest programs have similar challenges as natural resources-related collective action because stakeholders often have competing interests regarding both water and forest resources. The National Forest Programme and the Food and Agricultural Organization of the United Nations (O'Hara, 2009) provide guidance on relevant tools and methodologies for stakeholder engagement processes, as well as a training manual on enhancing stakeholder participation.

ADVANTAGES	ADAPTATION NEEDS
• Tangible tools for stakeholder engagement suggested • Similar requirements for multi-stakeholder initiatives in forestry and water, both of which be considered as commons	• Needs to be adapted to collective action at the basin level • Role of corporate stakeholders not specifically addressed

References

CEO Water Mandate (2013) *Guide to Water-Related Collective Action* URL: http://ceowatermandate. org/wp-content/ uploads/2013/09/guide-to-water-related-ca-web-091213.pdf

International Council on Mining and Metals (ICMM) (2015) *A Practical Guide to Catchment-Based Water Management for the Mining and Metal Industry* URL: www.icmm.com/document/8329

AccountAbility (2011) *AA1000 Stakeholder engagement Standard 2011* (AA1000SES) URL: www. accountability.org.uk

Peter O'Hara (2009) *Enhancing Stakeholder Participation in National Forest Programmes: Tools for Practitioners.* Rome: National Forest Programme Facility, Food and Agricultural Organization of the United Nations URL: www.fao.org/publications/en

Resources needed

The time needed to determine stakeholder representation is around 1 month. This tool builds on the finding of the stakeholder analysis. If meetings and interviews with stakeholder haven't already taken place during the analysis, they should be conducted latest at this stage. While the initial determination might not take long, it is important to note that this too is a working document, meaning that it needs regular revising – e.g. changing mandates of government institutions, new private sector companies moving into a certain area.

Template 3: Determine Stakeholder Representation

List the key stakeholders for your project, their interests, how do you plan to involve them and their contact information (including the name of the representative from each group). Refer to the info sheet for further explanations, guiding questions and examples.

Stakeholders	Interests	How to involve them?	Contact (representative)
...	...	...	...
...	...	...	...
...	...	...	...
...	...	...	...
...	...	...	...
...	...	...	...
...	...	...	...
...	...	...	...

Tool 4: Participants Due Diligence Investigation

Expected result: identify potential past unethical behaviour by any participant, in order to determine appropriate next steps and avoid conflicts

For more information, see: CEO Water Mandate. 2015. Guide for Managing Integrity in Water Stewardship Initiatives: A Framework for Improving Effectiveness and Transparency. Oakland, CA: Pacific Institute. http://ceowatermandate.org/files/integrity.pdf

Description

Due diligence refers to the care a reasonable and prudent party should take before entering into an agreement or transaction with another party – whether they are NGOs, government, or private companies. It involves a systematic collection and analysis of information on how a particular organization is managed or conducts its business.

Why do this step?

A due diligence investigation reveals whether a potential participant in a partnership commits to professional and ethical business practices. It also uncovers the risks and opportunities that come along with involving this participant. A due diligence assessment will be useful for the partnership initiators while scoping prospective participants in order to assess whether that organization is fit to assume a role in the partnership.

By conducting due diligence investigations, partnerships can reduce the chance of future conflicts of interest or unpleasant surprises linked to the behavior or the track record of participants, which may affect the credibility of the initiative and the reputation of other participants. For example, it could harm the other participants or the partnership as a whole if one participant is engaged in illegal practices or simply has no capacity to live up to expectations. However, in reality many partnerships must include participants with an imperfect track record: indeed, many partnerships exist because of historical legal action or because stakeholders lack capacity. Due diligence for partnerships is therefore more about having important information upfront and knowing your partnership participants, rather than preventing participation. Besides the immediate results, conducting due diligence can also help to establish a common understanding of expected standards of professional conduct among participants. Moreover, it can initiate capacity development by responding to shortfalls (e.g., participants implementing new policies and processes).

Suggested to-do list

1. Define methodology

According to the level of effort invested, due-diligence investigation are classified as:
- Simple investigation: Applied to all potential participants
- In-depth investigation:
  - To be used following the outcome of a simple due diligence that highlights potential areas of conflict
  - To be used if a partnership is intended to address sensitive areas (such as regulations)
  - To be used if a potential participant will play a key role (e.g. partnership facilitator).

2. Define data sources

To streamline data collection processes, the due diligence investigation can be linked to the stakeholder analysis exercise and context and political economy analyses that should be carried out at the outset of a partnership.

Investigation should include different sources of information (see box on potential data sources below).

Potential data sources for due diligence
- Publicly available information on the potential participant (depending on size of company or organization: website, local and/or international newspapers, information provided upon request).
- Information from the anti-corruption and procurement agencies or from local or provincial governments (black- or whitelists for public procurement), competition agency (cases of collusion), environmental protection agencies, watchdog NGOs.
- Cross-checking with local corporate registries, telephone, business, professional, and Chamber of Commerce directories, and NGO networks; in some countries CSO performance reports exist and may be a useful information source.
- Announced visit to the company, organization, or government agency.
- Interviews or informal consultations with trusted individuals who have a track record of working in the area, on related topics, or with the partnership participants.
- Follow-up on local references provided by the participants regarding their suitability as partners.

3. Conduct initial investigation

Partnership initiators select who will conduct the investigation based upon the goals, objectives, and potential-make-up of the partnership. Questions to ask include:
- Who is best positioned to carry out the due diligence?
- Would an external party be helpful to work through potential conflicts of interest?

Options for how to conduct such an investigation include a local consultant, external independent organization or individual, key members of the partnership who utilize a simple checklist of verified information.

Where a partnership might be operating in a high-risk context, partnership initiators might consider conducting further background checks with local experts to verify outcomes.

A due diligence process usually includes an analysis of the relevant organizations':
- Image
- Social responsibility
- Environmental accountability
- Financial soundness
- Policy compatibility
- Capability to engage
- Interest and incentives.

The table below lays out additional issues for consideration. In this regard, it is important to vet whether the interests and natural resources use of a potential participant can be aligned with the principles of sustainable natural resources management. Information gathered in the due diligence can also be used when developing the partnership's finance and audit protocols.

Background information	*Find out more about participant status, purpose, and governance. Consider checking:* • *Governance documents (articles of incorporation, bylaws, NGO registration)* • *Annual reports, brochures, etc.* • *Ownership structure (who is behind the institution?)* • *Curriculum vitae of trustees or directors and senior staff* • *Board of Trustees/Directors meeting minutes* • *Political affiliations* • *Previous or pending legal cases, fraud, or accusations of improper conduct or corrupt practice* *What is the legal status of the organization? What is its core purpose? To whom is it accountable, who is it of use to, and who does it actually represent?*
Public image and reputation	*What is the public perception of the organization?* • *Do the public and stakeholders know about the organization? What do they associate the organization with?* • *Are there any particularly negative or positive perceptions? If so, what are they?*
Social responsibility	*How socially responsible is the organization?* • *What is the corporate social responsibility (CSR) portfolio? Does it reflect good practices in social responsibility?* • *Is practice in line with public policy? How is this demonstrated?* • *Does the organization pay appropriate tax, or is it engaged in tax avoidance?*
Environmental performance	*What are the environmental credentials of the organization?* • *Does the organization have an environmental policy and register of environmental issues?* • *Is the organization compliant with environmental law in the country of operation? Internationally?* • *Have there been major environmental issues in the past? What has been the organization's response?* • *Does the organization disclose environmental performance?*

Policy compatibility	*Does the organization have policies relating to the following areas? Are they adequate, and are they followed? How is this demonstrated?* • *Protection of children and vulnerable people* • *Anti-corruption, including whistle-blowing safeguards* • *Health, safety, and Environment* • *Equal opportunities* • *Conflicts of Interest* • *Ethics* • *HIV and AIDS in the workplace* • *IT security*
Financial position	*Consider checking the sustainability and financial viability of the participant:* • *Most recent annual reports, financial statements, and regulatory reports (audited, if available)* • *Budget for upcoming financial year and current and projected income forecasts* • *Finance manual and expenditure procedures*
Capacity and conduct	*Will the organization be able to deliver on agreements and roles set out in the partnership? Consider checking:* • *Organizational structure chart* • *Curriculum vitae of key staff and reporting/accountability lines* • *Human resources policy* • *Staff performance management policy* • *Internal performance processes (KPI framework, etc.)* • *Existing partnership agreements and performance against these (MoUs, etc.)*
Intent and incentives	*Why is the organization relevant to the partnership? What is its rationale for engagement?* • *What are the benefits sought by the organization through its involvement with the partnership? Are they in line or can be aligned with sustainable natural resources management?* • *How will those benefits be measured and tracked?* • *Are there any other potential benefits or stakes at risk that motivate the organization's involvement?* •*Are there any conflicts of interest (such as positioning for contracts, access to decision makers), and how will they be managed?*

4. Reach and document conclusions

Discuss initial findings among partnership initiators resulting in a joint decision about who to invite to participate in the partnership.

Where the investigation finds critical issues, partnership initiators may choose to hold a bilateral meeting with the individual/organization to assess whether and how the identified problems or sensitive issues might be addressed.

Exclusion of potential participants should be based on an in-depth investigation.

In circumstances where a number of sensitive or controversial issues might arise, an efficient and constructive way to collate and weigh due diligence information gathered is likely a meeting or workshop setting.

In the workshop, potential partnership participants introduce their organizations, and findings of the initial investigation are presented.

The workshop format allows the group to discuss and come to consensus about any controversial issues.

Intelligent workshop design and facilitation will be necessary to handle sensitive issues.

See box below on important considerations to take into account.

Interpreting and acting on due diligence investigations
A proportional approach to diligence has to reflect the nature and context of the partnership and respond to the concerns of participants and affected stakeholders. For example, local organizations should not be excluded from a partnership simply on the basis of low capacity or lack of financial sustainability. Rather, their status should be understood so that the partnership can plan additional support wherever necessary. Similarly, a company that has been convicted for serious breaches of environmental law in the past does not necessarily have to be excluded from taking part in the partnership.

What is important is the disclosure of critical issues, and open discussion and agreement on whether the risks posed to the partnership are acceptable and manageable by the participants. Ultimately it will be for the partnership participants themselves to interpret and respond to information generated by due diligence checks. To enhance transparency and provide the opportunity for meaningful communication, it is recommended that the partnership documents the interpretation and decisions resulting from due diligence investigations. Critical results of the investigation such as conflicts of interest should be addressed explicitly, and partnership participants should structure the partnership governance and management of roles and responsibilities accordingly.

5. Follow up

Continued due diligence reporting and monitoring should be carried out to adapt to new issues as they emerge.

In particular, a conflict of interest register should be kept up to date and should be acted upon. The results of due diligence can also be made public to increase the credibility and legitimacy of the partnership.

Resources needed

The time needed is around 1 week and will in most cases be limited to a desk study, reviewing online documents, news coverage and reports on the partner's behavior.

Template 4: Participants Due Diligence Investigation

List in the table below the information collected during the due diligence investigation for each of the stakeholders. Refer to the info sheet for further explanations and guiding questions.

Due diligence report for "Stakeholder name"	
Background information	
Public image and reputation	
Social responsibility	
Environmental performance	
Policy compatibility	
Financial position	
Capacity and conduct	
Intent and incentives	

Document in the table below the conclusions reached, the agreed followed up actions and the results from these once they are implemented.

Due diligence investigation summary of "Stakeholder name"	
Critical issues	
Conclusion	
Follow up actions agreed	
When were the follow up actions implemented	
What are the results and conclusions from the follow up actions	

Tool 5: Problem Butterfly

Expected result: get an overview of your risks, including an analysis of their causes, effects and affected groups.

Description

A problem butterfly is an interactive brainstorming tool that allows you to jointly analyze your problems, unraveling their causes, effects and affected groups.

Why do this step?

By visualizing the problem you are trying to solve, you get a clearer view of its direct and indirect effects, each of which affects stakeholders differently. Thus, by identifying the effects the problem has, you are at the same time identifying potential beneficiaries of solutions. This may also allow you to come up with additional interventions to reduce the causes or limit the effects of your problem.

Suggested to-do list

Use the excel file or the template attached.

1. Specify your problem

Name the main problem you are trying to solve. In general, most projects focus on one main problem, next to other subordinate problems.

> Typical main problems in relation to natural resources are:
> * Water scarcity
> * Soil erosion
> * Pollution
> * Limited access to water services
> * Poor water quality
> * High flood risk
> * Wetland degradation

2. Identify the causes of your problem

List the causes of the problem.

There are three commonly mentioned drivers behind natural resources related problems: economic growth, climate change and urbanization. This is a non-exclusive list to help you to think of causes for your problem. These drivers, and/or others you may think of, can help you come up with more specific causes. Understanding the causal relations can help you identify and optimize project

interventions. For example: economic growth causes increased water use of industries, which in turn results in water scarcity (problem).

3. Identify the effects of your problem

List the effects the problem has in your specific area.

For example: Water scarcity affects the water intake of factories or the irrigation capacity of farmers.

Make these effects as specific as possible, for instance by naming the specific factory.

4. Identify your affected groups

Some effects affect people directly, others indirectly. Linking "people" to the "effect" is an important first step, as those who suffer from negative effects now are potential beneficiaries in the future. Therefore, this is a first step to identify your future beneficiaries.

At this stage, the problem butterfly helps you to think out of the box and identify all possible groups affected by the natural resources problem at hand.

Note that some effects apply to more than one affected group.

Resources needed

The time needed is around 1 week. You can choose to include partners in the exercise of filling in this tool, as part of an inclusive approach. The tool can however also be used as a preliminary assessment, based upon which certain stakeholders can be approached to take part in the partnership.

This tool includes a template in excel.

Template 5: Problem Butterfly

Fill the diagram bellow with the problem you are trying to solve (in red), the causes of the problem (in purple), drivers to the left and more specific causes to the right), the effects of the problem (in blue) and the affected groups (in green). Check the info sheet for more information, guidelines and examples.

b) Causes			a) Problem	c) Effect	d) Affected groups
	Deforestation			Siltation of the nearby lake	Fishermen, farmers
Economic growth	Unsustainable farming practices		Soil erosion	Loss of productive land	(Smallholder) farmers
	Land misuse			Loss of scenery	Tourism industry
Urbanization	Increase of impervious surfaces for rainwater seepage			Pollution/Eutrophication of the lake	Fishermen
Climate change	Increased likelihood of droughts and floods				
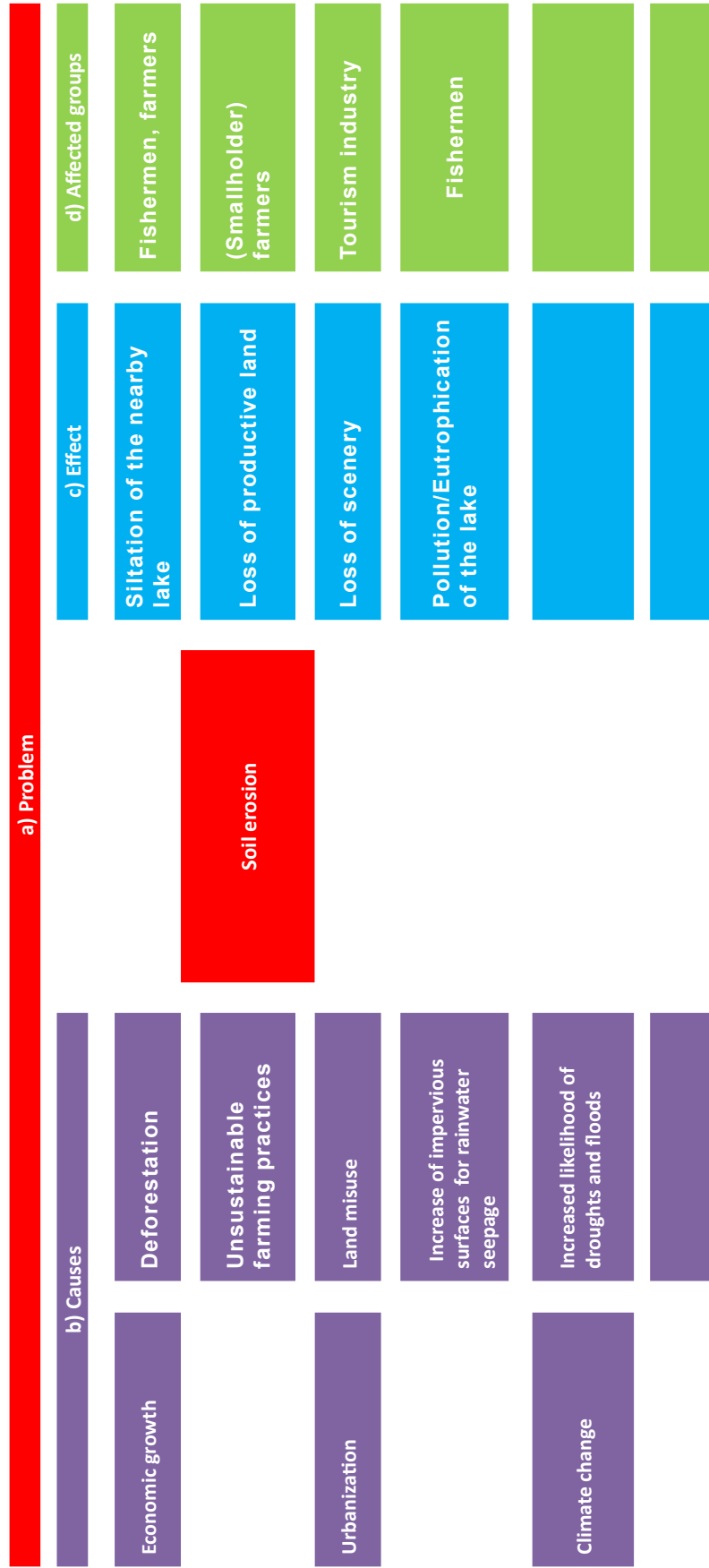
Tool 6: Value Proposition

Expected result: a positioning statement that explains which benefits your partner-ship provides to different stakeholders and how it performs uniquely well.

Description

The value proposition is a positioning statement, showing partners how their issues could be addressed through the partnership, and which outcomes could be expected. It is helpful in the preparation of bilateral meetings with partners, collecting and structuring the adequate arguments to invite them to join the partnership. It should be expressed in a concise and convincing way. Therefore, the value proposition must be tailored to each specific stakeholder. It is a live document that should be updated once additional/updated/new information is available and more details about each stakeholder are known. The value proposition can be used with all stakeholder types (public, private, civil society). It is also a helpful tool to communicate the partnership, its aims and achievements externally.

Why do this step?

Proposing the value of joining the partnership to potential partners based on their issues and desired outcomes helps in preparing initial bilateral stakeholder meetings or in bringing partners back on board after a period of inactivity. It helps to demonstrate the value of the partnership while managing partners` expectations.

Suggested to-do list

1. Identify what are the stakeholder's issues

Based on the results of the market scan, identify which are the stakeholders' issues and what is the root cause of these issues. Make an effort to challenge stakeholders' perceptions regarding natural resources risks and their causes.

Add any quantitative information available. For example, how much revenue does an industry lose due to the issue? How many residents are approx. affected by the issue? The next table presents examples for different types of stakeholders:

	What is the issue?
Kow (dairy industry)	Water scarcity leads to hygiene problems when processing Kow`s milk. If products do not comply with hygiene regulations, they cannot be sold. This might lead to losses of XX USD per month.  Laws and regulation changes for water use have an impact on the company`s business activities related to energy, water and waste management, with a potential financial impact of XX USD per month. Kow`s suppliers of milk are mainly local smallholder farmers. Droughts are regularly leading to crop failure and hence a shortage of milk to be processed and sold. This results in potential losses of XX USD on an annual average basis.
Extractum Ltd. (mining industry)	Water scarcity represents a main business risk for Extractum Ltd. due to the high need for water during mining processes. The reduced business operations result in a potential loss of XX USD annually. Extractum Ltd. needs to enclose its mines, as tensions around water security for communities in the area surrounding the mines are arising. Also, forests have often been cleared for mining purposes, upsetting local communities. Reputational risks are a big issue internationally, although Extractum Ltd. has already a Water Management Policy in place, e.g. treating wastewater, monitoring water quality and re-using water.
Environmental Agency	There are regulations in place regarding the extraction of water or the discharge of industrial wastewater. However, authorities struggle with ensuring the enforcement of regulations due to a lack of capacity and human resources. Also, there is a lack of political will to enforce regulations out of fear to lose industries, and with them employment opportunities, to less regulated regions/ areas.
City Council	On one side, water scarcity and pollution represent a major risk for the health of residents. Demonstrations have taken place accusing the City Council of inaction. On the other side, the industries extracting/polluting the water also offer employment opportunities and tax revenue to the city. Finally, the city does not have enough resources to solve the environmental challenges on its own.
Community Activist Group	Community members are increasingly getting sick due to the limited availability of safe drinking water. The situation is particularly dire for the approx. XX inhabitants of informal settlements in town. The City Council is inactive and big companies using large quantities of water do not listen to residents` concerns. A forum for communities to express their demands is lacking.

2. Indicate the benefits of the partnership and the suggested solutions

Indicate the benefits of the partnership, the suggested solutions, how they will be implemented and what is the foreseen timeline. Keep the following points in mind:

- Gain clarity on the key value drivers of each stakeholder and identify what are success factors for them.
- Identify the tools, solutions, appropriate partner representatives, capabilities and what else is needed to reach the envisaged outcomes.
- Show the stakeholders how they can benefit from the partnership and why joining in would make sense for them.
- Create an initial concept note including the timeline, roles and responsibilities, for stakeholders to get a clearer picture of what they might be signing up for.

Add any quantitative information available. For example, how long is the partnership initially foreseen to last?

The next table presents examples for different types of stakehoders:

3. Highlight the outcomes

Highlight the envisaged outcomes as results of selected measures. Keep the following points in mind:

- Define key outcomes of the partnership alongside three dimensions - economic, social and environmental
- Define hypotheses for achieving those outcomes

Add any quantitative information available. For example, how high are savings going to be once a solution is in place? How many people will benefit?

The next table presents examples for different types of companies:

Resources needed

Assuming that you already have some information on each stakeholder, its perceived risks and opportunities, you can calculate 1.5 days per value proposition, per stakeholder. By this time, you should already have done the stakeholder analysis and determined the degree of each stakeholder`s representation – all of which will support the creation of tailor-made, convincing value propositions.

If you do not have this documentation yet and still want to come up with a value proposition, calculate at least one more day to acquaint yourself with the respective stakeholder, its value chain, sites, positions, risks and opportunities.

How will the issues be solved and which are the benefits of the partner-ship?	
Examples of general arguments for the private sector	Given the risk exposure and natural resources-related impacts already experienced by the private sector, there is a clear and urgent need for companies to develop effective management responses to sustain business activities and ensure resilience in the face of natural resources challenges. • The partnership sets out to forge powerful alliances of private companies, public authorities and civil society organizations, thereby leveraging local insight and global expertise, as well as resources. • The partnership enables collective action to achieve better management of natural resources, which serve as a basis of production for most companies. • The partnership establishes a platform, offers a clear process in tackling a common problem, and serves as a transparency and accountability mechanism. This is especially beneficial in getting easy and regular access to the public sector. • The partnership will ensure the project management, stakeholder engagement and input for the implementation of solution XX. • The partnership organizes regular stakeholder meetings to ensure alignment and constant progress monitoring.
Kow (dairy industry)	Partnership benefits: • Jointly develop sustainable water supply solutions to guarantee for stable milk supply from farmers in the long-term and improving water access at the production site, thereby safeguarding basis for production • Direct and regular access to regulatory agencies (e.g. Environmental Agency) and authorities (e.g. the City Council or the Ministry of Water and Environment), leveraging resources and knowhow in implementing solutions to tackle water scarcity
Extractum Ltd (mining industry)	Partnership benefits: • Leverage resources for the improvement of water security in the area (e.g. through the construction of a water treatment plant, improved drainage and sumps run-off capacity, improving water supply systems, measures to prevent the leakages and foster pollution control, etc.) • Cooperation with authorities and communities for enhanced regulatory clarity and conflict prevention • Reputational benefits through the involvement in a partnership tackling environmental risks in the area
Community Activist Group	Partnership benefits: • Increased access to decision-makers and businesses to make community voice heard • Inclusion in city planning processes from early stages on • Clear monitoring and accountability mechanisms to prevent empty promises

City Council	Partnership benefits:
	• Leveraging resources (financial and in-kind) of different sectors to tackle environmental challenges
	• Improved cooperation with private sector leads to more targeted interventions and increase of business attractivity of the city
	• Support from communities through regular exchange and better access to communities for environmental awareness creation, preventing conflicts and demonstrations

| **What is the envisaged outcome?**	
Agriculture industry	• Intensification & diversification of farm production leads to increased farm outputs and income • Improved water management (better irrigation technology, water control technology and infrastructure) • Secured license to operate thanks to the decreased water stress
Extractum Ltd (mining industry)	• Lowered regulatory and reputational risks due to the water treatment plants and implemented water standards resulting in XX USD annual savings • Easier and more efficient mining processes thanks to improved ground water quality (e.g. XX hl saved and efficiency improved by XX%) • Secured license to operate thanks to the lowered water stress through increased use of recycled water • Stronger relationships with local communities and governments thanks to being considered a responsible user, more business opportunities and support from the state
Kow (dairy industry)	• Improved water management and hence improved hygiene when processing the milk products • Improved supply chain security and secured regular milk deliveries as input for products • Stronger relationships with local smallholder farmers and governments thanks to being a responsible user • Secured license to operate thanks to the decreased water stress • Increased profits thanks to limited business operation disruptions, resulting in XX USD annually
Environmental Agency	• Enhanced regulatory compliance with environmental laws due to cooperation with businesses • Better alignment with city policies and increased accountability for enforcement of regulations at city-level

City Council	• Improved water supply for XX residents, lowering public pressure and preventing diseases • Increased attractivity of the city and increased tax revenue from new businesses and residents moving in
Community activist group	• Improved water supply for XX residents, lowering public pressure and preventing diseases • Increased visibility and decision-making power, as well as accountability from businesses and authorities

Template 6: Value Proposition

Filling in this template with your arguments per stakeholder (private sector, public sector & civil society) can help you in structuring your thought process and prepare for a (bilateral) meeting with the respective stakeholder.
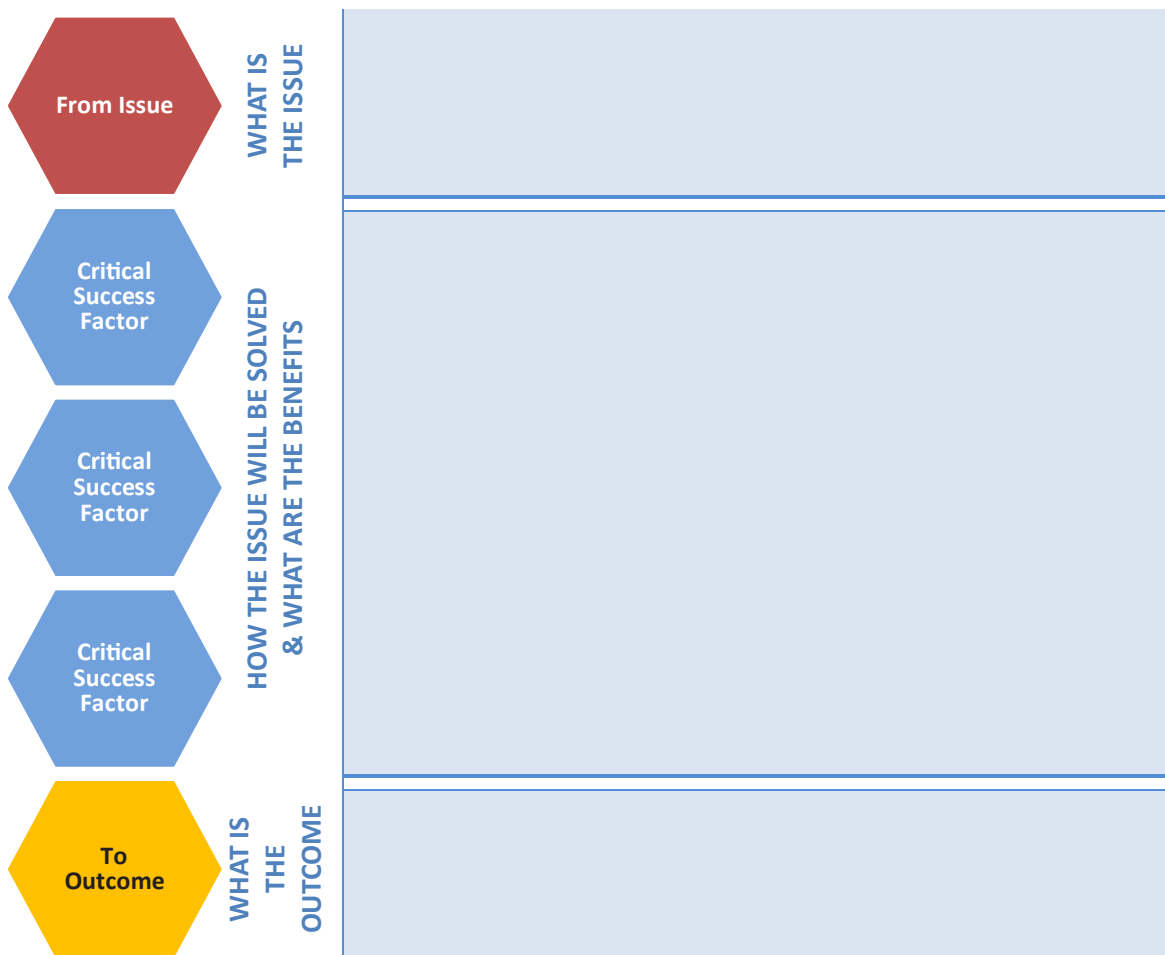
Tool 7: Partnership Action Plan

Expected result: A plan of the major steps/activities for the partnership to achieve its desired outcomes, including the required resources to implement them.

Description

The Partnership Action Plan (PAP) is a document summarizing the main activities planned by the partnership. It is a visual overview of activities under the partnership. For all the activities, the plan states exactly what actions need to be carried out, how, by whom, when and at what costs.

Note: At this stage the PAP is still quite preliminary, without too much detail. It can offer some guidance to the formulation of the letter of intent, in the sense that the PAP will mainly focus on who is going to work on which objectives, without going into the exact timelines, financial and staff contributions.

Why do this step?

The Partnership Action Plan facilitates the future implementation of activities and creates a mutual understanding of the partnership plans among participants. It is important that all participants have a common understanding of the envisaged processes. Thus, the PAP is vital for partnership participants to keep track of the direction in which they are heading and as a written reminder of why they are heading this way. The main purpose of the PAP is to align resources with objectives.

Suggested to-do list

1. Define the information to be included in the PAP

Based on the results of the market scan (see corresponding Tool 2: Market Scan), identify what the stakeholders' issues and root cause of those issues are. Make an effort to challenge their thinking regarding natural resources risks & issues.

Add any quantitative information available. For example, how much money is lost due to the issues?

The next table presents examples for different types of companies:

Phase 1: Prepare

Phase	What should be included in the PAP during this phase	Key Guiding Questions
All phases	• Name of the partnership • Partners from private, public sector and civil society	• Who are the key formation partners? • Has an initial stakeholder map been developed?
Prepare phase	• Typical detail that would be contained in the Letter of Intent • Initiating partners • Overall partnership Goal, also known as Impact • Overall time frame of the partnership • Overall estimate of budget to initiate the partnership	• What should be achieved by the partnership to be successful? • What are the envisaged areas of intervention? • What is the timeframe required to achieve the partnership goal and objectives? • Which risks/effects will be mitigated (reduced?) • What is the initial budget (cash or in-kind) required for the partnership establishment?
Assess phase	• Key objectives, also known as Outcomes. This is stated as outcome statements • Outcome indicators • High level risks and assumptions for each outcome • Partner responsibility for outcomes and support roles • Initial funding • Funding allocation, timelines • Assumptions and Risks associated with indicators	• What are the objectives that would need to be achieved to help the partnership achieve the overall partnership goal? • How will we know if the objectives have been achieved? • What are the risks and assumptions for outcome achievement? What has to be in place for outcomes to be achieved? Who (partner) is responsible for each action/deliverable/milestone? • What initial funding is required to fund risk assessments/needs assessments/Concept development? (By whom, how much, by when?)
Commit phase	• Output areas underneath each of the outcomes • Planned activities that relate to each of the output areas	• What are the different areas within each of the outcomes that would in total ensure that the outcome is achieved?

Phase	What should be included in the PAP during this phase	Key Guiding Questions
	• Timelines for outputs and activities • Start inserting monitoring columns in preparation of the Act phase. • Update funding column and responsibilities • Output indicators further refined • Overall targets • Budgets • Baselines • Measurement of indicator achievement • Measures to address risks if assumptions do not hold) • Commitment and agreement by all partners (signing of PAP)	• Which are the activities required? • What budget is required for the activities • Who, within the partnership, is responsible for the different activities? • By when will activities be implemented (shorter term with milestones) and by when will outputs be achieved? • How are the Stewardship KPI intended to be measured? • How will you know if the partnership objective has been achieved? • How much funding is required to fund initiatives/projects? By whom, when? • How will achievement of indicators be measured? • What is the starting point for the measure (baseline) • How will baselines be determined? • How are indicators deconstructed? • What are the risks: Should assumptions not be upheld and what mitigation actions are required?
Act phase	• Output indicators • Overall targets • Budgets • Baselines • How achievement of indicators will be measured • Update funding column and responsibilities/ • Contributions by respective funding sources • Update the risk assessment (actual)	• How will data be recorded and collected? • By whom? • Who is responsible for reporting and monitoring? • How is reporting communicated to the partners? • How much funding is required to fund initiatives/projects? By whom, when? • What is the progress vs. actual planning?

Phase	What should be included in the PAP during this phase	Key Guiding Questions
		• Was there a delay in progress Why? (refer back to risks and assumptions)
Scale and Exit phase	• Review and evaluation of results • Evaluation of the status of the partnership at the exit stage (external evaluation) uses the PAP to guide the evaluation	• Have indicators been achieved and if not, why? • Which indicator achievements (targets) are still in progress? • Is a review or evaluation required? • If an external evaluation is required, by whom (Terms of Reference)

2. Complete the PAP templates for NRAF Phases 1 – 5, depending on the phase of establishment of your partnership

In the excel file provided as template, you can find some examples of objectives and activities. Modify the table to include the objectives and activities of your partnership and complete the rest of the information in the different columns. Consult partners before assigning responsibilities to them.

3. Facilitate the development of the partnership overall goal and outcomes for the NRAF phases 1-5

Discuss the PAP with all partners. An effective way of communicating the plan and getting their approval is likely a meeting or workshop setting.

In the workshop, partnership participants are invited to give their opinions and suggestion on the plan, which is finally modified to accommodate agreed modifications.

4. Review and adapt the PAP

Regularly review and adapt the PAP in all phases to keep it updated with new data, context changes and to incorporate relevant emerging agreements among participants.

Resources needed

This is the quintessential working document of the partnership. Setting it up initially will take you quite some time – you preferably will convene a workshop with your main partners. After progressing through the partnership phases, you have to make sure to update this tool regularly.

This tool includes a template in excel.

Tool 7.1 Prepare phase PAP actions

Phase 1 Prepare		
Name of Partnership		
What is needed to include in the PAP		**Guiding Questions**
Overall partnership objective		• What should be achieved by the partnership to be successful? • Partnership Goal
Specific objectives within partnership (outcomes)		• How will the overall objective be achieved? • Value Proposition
Envisaged time frame **Start:** **End:**		• Starting date of phase • Commitment until (date) • Letter of Intent (LoI)
Environmental challenge to be addressed		• What are the key challenges identified? • Problem Butterfly
Initiating partners		

Phase 1:
Prepare

Tool 8: Assign Suitable Roles and Responsibilities

Expected result: The right people are performing the correct roles in a partnership, and no person or organization is given a role that might lead to conflicts of interests or illicit practice.

For more information, see: CEO Water Mandate. 2015. Guide for Managing Integrity in Water Stewardship Initiatives: A Framework for Improving Effectiveness and Transparency. Oakland, CA: Pacific Institute. http://ceowatermandate.org/files/integrity.pdf

Description

Assigning suitable roles and responsibilities involves:
- Identifying the right people for the right roles
- Ensuring all key responsibilities are assigned
- Avoiding failure of key functions
- Ensuring all participants have a role and there are no "free riders" who can damage the reputation of the partnership

Why do this step?

Identifying the right people for the right roles within a partnership enhances project efficiency and enables trust-based relationships among participants. Effectively managing roles also helps to avoid failures that could lead to inappropriate practice by individual participants, thus protecting the partnership from integrity risks. For example, a company with a keen interest in securing its own water supply vis-à-vis a partnership will likely not be a credible "neutral party." In addition to aligning participants' roles with their capabilities, effective delegation of roles ensures that all participants play a meaningful role and that one participant does not unduly dominate the development and implementation of the partnership.

Effective partnerships typically require fulfillment of a broad array of functions to achieve success. At the same time, partnership participants bring with them a wide variety of expertise and resources, as well as areas in which they have limited experience and capability. As such, well-defined roles and responsibilities among partnership participants that build on their core competencies or are reflective of their main interests are critical to project success. Though some organizations may initially join a partnership without a clear understanding of their role in it, this arrangement should be temporary and the partnership should look to clearly delineate responsibilities and expectations for all participants.

Suggested to-do list

1. Identify key functions and responsibilities

Identify priority responsibilities; the responsibilities are clustered around potential roles.

The table below provides examples of responsibilities and specifies characteristics that are typically required to fulfill them.

ROLES	RESPONSIBILITIES	KEY CHARACTERISTICS	QUESTIONS TO ASK
Initiator	• Attract attention to the need for collective action • Formulate initial objectives • Act as a catalyst to problem solving • Provide resources to jump-start the process	• Keenly aware of catchment dynamics and challenges • Self-starting; action-oriented	• Does this individual or organization have knowledge of local catchment issues (challenges and opportunities)? • Does this individual or organization have the resources and vision for action?
Convener	• Act as the lead party responsible for deciding to undertake partnership coordination and oversight • Initial pairing of participants with specific roles	• Familiarity with key catchment actors • Credibility among diverse array of actors	• Does this individual or organization have the trust of local actors?
Project Manager and/or Coordinator	• Provide primary day-to-day logistic and managerial support • Monitor partnership development and progress in achieving partnership goals	• Strong project management skills • Able to devote significant time on a daily basis • Knowledge of relevant languages	• Does this individual or organization have the resources and capacity to manage? • Is this individual or organization willing to continuously oversee the partnership?
Neutral Party or Facilitator	• Facilitate discussions and relationships among interested parties • Ensure oversight and monitor compliance with agreements	• Strong facilitation skills • Has trust of all partnership participants and stakeholders • No vested interest that could bias the initiative	• Does this individual or organization have the trust of participants? • Does this individual or organization have any vested interest?

Partnership Spokesperson	• Identify effective communication channels • Develop a communication plan to reach external stakeholders • Ensure relevant information is available for all participants and external stakeholders	• Strong communication skills • Has trust of all participants	• Can this individual or organization effectively communicate the objectives and on goings of the partnership?
Experts	• Provide the technical and analytical capabilities required	• Strong research and analytical skills	• What kinds of external expertise are needed for the partnership (hydrology, political economy, etc.)?
Funders or Development Professionals	• Responsible for ensuring financial resources for the initiative • Might provide financial resources needed to support convening and implementation	• Access to significant financial resources • Able to find necessary funds for the partnership • Commitment to public interest	• What is the funding model for the partnership? Who is able to either provide the funds or has the ability to attract necessary funding? • Do these people or organizations have the public interest in mind? • Are they willing to provide funding without steering the partnership only in their own interest?
Partnership Ambassador	• Identify anchorage points for the partnership • Feed information into existing institutions • Facilitate uptake of the initiative after its completion	• Familiarity with key actors and political dynamics • Strong communication skills	• When is a partnership ambassador needed to engage and/or embed the initiative with local institutions? • Does this individual or organization have the required political leverage to effectively anchor the partnership outcomes in the sector?

Community Engagement Officers	• Outreach to affected stakeholders, especially those who are typically under- represented	• Familiarity with key basin actors • Credibility among local communities • Ability to communicate with local communities	• Do these individuals have the knowledge, trust, and skills to engage with local community members?
Participants / Implementers	• Assist project manager(s) in operations	• Technical capacity to implement vision	• N/A
Watchdog	• Oversee the partnership operations or implementation of specific agreements • Ensure that the public interest is guarded	• Degree of independence from the partnership • Strong understanding of local context and sustainable natural resources management	• Does this individual or organization have the resources and skills to provide independent oversight? • Does the partnership provide the avenues for the watchdog to perform the assigned functions?

2. Assign roles among existing partnership participants

Partnership participants collaboratively assess their capabilities to establish how each participant can provide value while minimizing risks.

Previously conducted stakeholder mapping and due diligence investigation (see corresponding tools) may provide additional information to support this process of assigning responsibilities to participants and establishing their roles.

3. Identify and reconcile unfilled roles

If there are no suitable candidates to cover a key responsibility, three options exist to fill this gap:
- Develop capacities within the group of partnership participants
- Seek new participants with capability and experience to fulfill this function(s)
- Bring in external support (e.g. consultants)

4. Continually re-assess and adjust roles and responsibilities

Revisit roles and responsibilities throughout the partnership's life cycle.

Reassessment reminds participants who is responsible for what and enables the team to make adjustments and clarifications to ensure key roles are fulfilled effectively.

At the same time roles can be assigned to new partnership participants.

Resources needed

This tool builds on the stakeholder representation tool. Assuming that at this stage you already have considerable data on the interests and capacity of a stakeholder, calculate around 2-3 hours per stakeholder for a thorough analysis.

The more tools you have already used, i.e. the more information you have, the less time you will need for this exercise.

Template 8: Assign Suitable Roles and Responsibilities

List in the table below the roles and responsibilities of the different partnership participants. Refer to the info sheet for further explanations and guiding questions.

PARTICIPANT	ROLE	RESPONSIBILITIES	COMMENTS

Tool 9: Letter of Intent

Expected result: The right people are performing the correct roles in a partnership, and no person or organization is given a role that might lead to conflicts of interests or illicit practice.

Description

The letter of intent is a document outlining the general objectives of the planned partnership. Signed by the key stakeholders, it is a first sign of commitment of all the parties involved. The result is that all key partners know what will be expected from them and what they can expect from other stakeholders. At a later stage, the committing phase, the partners will sign a Memorandum of Understanding, which is more detailed, but to which the letter of intent serves as a basis.

Why do this step?

The letter of intent is valuable as it shows the different partners that everyone is in principle committed to working together. Also, as it outlines the main objectives of the planned partnership, partnership focal points will be able to share this with their leadership, whose leadership is eventually needed for action in the framework of the partnership.

Suggested to-do list

1. Perform a due diligence investigation

Organizations need to do their due diligence investigation with envisioned partners, to be sure that in principle they are allowed to cooperate. This involves internal compliance and/or legal departments. See corresponding tool.

2. Agree on content

Partners need to agree on what they want to work on and who will be involved.

3. Draft the letter of intent

Draft the content of the letter of intent. Send it to partners for review and feedback as many times as needed to get to a final agreed version.

4. Sign the letter of intent

The letter of intent is approved and signed by each party.

Resources needed

You need a good idea of what the partnership will be working on; as well as clear communication between the partners, so that everyone's needs, interests and concerns are reflected. Keep in mind that the letter of intent might also be used to get buy-in from senior management of the organizations.

The time needed to the signing of the LoI is a few months. It's not so much working on the LoI itself, but on the tools that will inform the content of the LoI, as well as for all the parties to get the go-ahead from their compliance departments.

Template 9: Letter of Intent for the proposed Natural Resources Stewardship Partnership

Letter of Intent (LoI)

Between
Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH
Postfach 5180
Dag Hammarskjöld Weg 1-5
65726 Eschborn

and
We Need Water Security Now, Please LLC S.A. GmbH
Somewhere Near a River or Lake or the Sea
In Country XX, The World
(Represented by: Person, Position)

and
We Govern Water Resources
Somewhere Near a River or Lake or the Sea
In Country XX, The World
(Represented by: Person, Position)

and
We Represent People Using Water
Somewhere Near a River or Lake or the Sea
In Country XX, The World
(Represented by: Person, Position)

Together called 'the partners'
In the
Proposed Name of the Partnership

I. Purpose of this document

The purpose of this LoI is to set out the partners' objectives and to define anticipated next steps for establishing the Proposed Natural Resources Stewardship Partnership (ABBREVIATION) to reduce natural resources risks for the private sector, public sector, and communities in Someplace Near a River, Country. This LoI is not legally binding.

II. Background

1. Purpose of the Partnership

i. Local & National Natural Resources Security Problems
For example: Fresh water and healthy soils are a crucial resource in Someplace Near a River, but local problems and climate change are increasingly threatening the supply of natural resources and jeopardize the availability of sufficient fresh water and healthy soils for citizens and businesses. Moreover, the risks of this and that complicate the situation, demanding it be addressed by all users of natural resources.

ii. Need for Action
Therefore, multi-sector action is needed, for this, this, and this reason, as this is how it makes a difference. Given that all users share the risks of one and two, addressing their causes together makes sense in this way.

2. Definitions

i. Parties:
Given the situation of mounting natural resources risks that need to be addressed, the initiating party/parties have invited local businesses, government bodies, civilian groups, and International Cooperation Partners to join them in addressing their natural resources risks.

- The We Need Water Security is a privately held company using water resources in its business model. It depends on the stable supply of clean water to make its products. It is active in many different places, delivering a unique type of service to such and such people.

- The We Respresent People Using Water is a civilian interest group with a focus on beneficiaries and their needs. They are involved in xx communities, and focus on sanitation issues and access to clean water for children in schools.

- The Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) is a federal enterprise supporting the German government in achieving its objectives in the field of international cooperation for sustainable development. GIZ aims for:

  - Sustainable impacts. We strive to work most strategically and effectively for the highest and most sustainable impacts on water security.

  - Shared benefits. The outcomes of our partnerships benefit society, including its vulnerable members while enabling businesses to create value through sustainable operations.

  - High integrity. We aspire to the highest integrity standards, ensuring transparency, accountability, inclusiveness.

  - Local capacity. We always work to build the ownership and capacity of local actors to develop their own appropriate and lasting solutions.

  - Good governance. We support the development and implementation of public policy with the mandated authorities and while encouraging multi-stakeholder

engagement in natural resources management.

- Tailored innovation. We encourage innovative partnership approaches and tools tailored to local needs, to help overcome traditional barriers to action in the water and natural resources sector.
- Open learning. We openly share our lessons, practices and tools, to benefit and learn from others.

ii. Terms
1. 'Water Security'—The capacity of a population to safeguard sustainable access to adequate quantities of acceptable quality water for sustaining livelihoods, human well-being, and socio-economic development, for ensuring protection against water-borne pollution and water-related disasters, and for preserving ecosystems in a climate of peace and political stability (Working definition, UN-Water, 2013).
2. 'Natural Resources Stewardship'—The use of natural resources in a way that is socially equitable, environmentally sustainable, and economically beneficial, achieved through a stakeholder-inclusive process that involves site- and basin based actions. Natural resources stewardship involves organizations taking shared responsibility to pursue meaningful individual and collective actions that benefit people and nature (based on Alliance for Water Stewardship, 2022).

III. Objectives Of the 'Name of Natural Resources Stewardship Partnership'

The partners are aiming to establish a 'Name of the Natural Resources Stewardship Partnership' to reduce natural resources risks in Place near a River. The Partnership Aims to:
(1) Identify short term no regret measures to improve natural resources security for the local area.
(2) Collectively secure sustainable water and natural resource supply for the community and industries of the local area; and
(3) Actively seek an engagement of community member and organizations, other industries and users of natural resources in the region.

IV. Next Steps

The partners will, immediately after signing this LoI, work on a concrete action plan which will stipulate specific inputs, outputs and plans for the following activities:

Current month:
1. Concrete achievable action 1, in this place, with these impacts
2. Concrete action 2, in place 2, with impacts
3. Concrete Action 3, etc.
In future months:
1. Additional slightly more complex actions, still easily achievable.
2. Activities to build trust in partnership
3. Activities to encourage civil society participation

V. Responsibilities of the Partners:

Although this LoI is not legally binding, the signing parties commit to undertake the following joint responsibilities, and promise their commitment to each other:

1. Determine an action plan including timelines and budgets needed
2. Share all available data and information on the natural resource situation
3. Provide dedicated support to coordinating and implementing measures
4. Provide technical and financial resources
5. Bring to the table all actions already foreseen and agree on complementary actions and investments
6. Promote the natural resources stewardship partnership and its purpose and objectives by all means available such as the printed media and publications, TV and radio, press releases, seminars and conferences, and possibly parliamentary hearings.

VI. Non-binding nature

Nothing in this Letter of Intent shall be understood or construed as a binding right or obligation of the parties involved or as obligating the undersigning parties hereto to finally conclude any agreement. In particular, this Letter of Intent in no way restricts either party from pursuing similar activities on its own or from participating in similar activities with other public or private agencies, organizations, and individuals and shall not provide exclusivity between the parties in the scope of any cooperation, does not endorse a specific entity, does not create any rights in any person, and does not create any obligations for any third party. Signing this Letter of Intent do not signify an endorsement of the principles, activities, or actions of the other parties in the partnership .

Signatures and dates:

[insert name of Party A]   [insert name of Party B]
_____   _____

_____ Date   _____ Date

[insert name of Party C]   [insert name of Party D]
_____   _____

_____ Date   _____ Date

Phase 2: Assess

Tools

Tool 10: Risks and opportunities assessment
Tool 11: Assessment on risk of capture
Tool 12: Cost-benefit analysis
Tool 13: Checklist of potential beneficiaries
Tool 2 : Market scan
Tool 4: Participants due diligence investigation,
Tool 5: Problem butterfly
Tool 6: Value Proposition
Tool 7: Partnership Action Plan

Tool 10: Risks and Opportunities Assessment

Expected result: list of typical damages resulting from impacts on natural resources in the area as well as identification of opportunities

Description

A risks and opportunities assessment is a structured approach to design and undertake an analysis of environmental, technological, socio-economic, market, policy (both institutional and regulatory), and political factors that influence the scope and design of a partnership.

Why do this step?

A participatory risks and opportunities assessment using the stakeholder's knowledge, skills, experiences and collective wisdom in their own environment is essential for the development of adequate solutions and increases the prospects for a successful implementation.

Suggested to-do list

The risks and opportunities assessment needs to be accompanied by capacity development to ensure greater possibility of local uptake and usage of the frameworks, methodologies and tools and hence setting pre-conditions for further up scaling.

The assessment should be guided in a flexible way without being too prescriptive. A set of guidelines that are sufficiently clear should allow space for stakeholders in different contexts to use the framework, process and tools flexibly to fit their circumstances. Decisions on how the risks should be pitched and described precisely would be better made at the local level.

1. Situation analysis

The situational analysis will be based as much as possible on already available information. It might be necessary to elaborate further studies on specific issues to achieve a better understanding of the risks and possible solutions. The decision to conduct such additional studies can be taken at various stages of the Assess Process.

The next table provides examples of topics and aspects to consider in such an analysis:

Context	Bio-Physical analysis	Socio-Economic analysis	Institutional analysis & Natural resource governance	Natural resources use & demand
• Geographical situation • Specific features and importance of the area • Specific issues related to socio-economic and environmental aspects • Public perception of the situation	• Topography • Relief • Geology • Soils • Land use • Climate • Levels of rainfall and frequency • Temperature and temperature variations • Hydrology • Geohydrology • Water quality • Water Balance (Availability / supply in the watershed) • Climate Change • Natural Disaster • Fauna & Flora • Protected areas • Forests & Deforestation	• Settlements • Demography (population growth and density) • Economy • Natural resource intensive industries • Agriculture (crops, livestock) • Poverty / per capita income • Cultural aspects related to water and natural resources • Ethnic and gender aspects • Energy sources and distribution	• Policy framework • Legal framework • Institutional setting • Stakeholder Analysis • Natural Resources Management • Previous related projects in the area • Infrastructure maintenance policies • Company natural resource management strategies • Water management plan of village committee • Institutional capacities (staff, budget, expertise) • Informal/ traditional resource management • Levels of regulation and implementation • Data availability	• Surface water caption • Groundwater extraction • Available and used water quantity • Land use for different purposes • Natural Resource infrastructure and supply systems • Irrigation schemes • Water service utilities • Water storage • Waste water and waste • Waste water treatment (facilities) • Water consumption per person and day • Water demand per sector • Share of waste water treated per unit of water consumed • Share of population with access to drinking water

Phase 2:
Assess

2. Risk assessment

Some important concepts to understand for a risk assessment are the following:

- **Hazard:** Harmful event or condition - an occurring hazard is a change in conditions which endangers an economic or otherwise societal *status quo*
  - For the purpose of this tool you will focus on hazards leading to risks that are related to, caused or impacted by natural resources.
  - Examples: insufficient water quantity or quality, soil erosion, pollution, flooding, hydro-meteorological events, regulatory risks, integrity, political, reputational risks
- **Affected entity:** These comprise affected natural resources users and stakeholder from private and public sectors as well as communities and exposed assets and ecosystems
  - Examples: Water User, Particular Stakeholder, Stakeholder Groups, Assets, Ecosystems
- **Description of damage:** Refers to damage caused by an identified hazard to a specific stakeholder (group) or asset
  - For the purpose of this tool you will focus on damage(s) resulting from the hazard for the particular stakeholder (group) asset or ecosystem. If possible, also quantify the damage
- **Specific vulnerability:** Vulnerability determines the degree of damage a hazard can cause to a particular stakeholder (group) or asset
  - For the purpose of this tool you will focus on the specific vulnerability of the particular stakeholder (group) or asset to suffer the described damages
- **Risk:** is a function of the expected level of damage and the likelihood of a hazard to occur. Risk is always a change for the worse compared to the status quo
  - For the purpose of this tool you will describe the specific risk for a particular affected entity
- **Risk rating:** is done by multiplying Likelihood by the expected Damage Level. Likelihood is a probabilistic estimate of the occurrence of a single event or of an outcome. There are different risk rating matrices (e.g. 3x3 or 5x5). See the following examples.

- **Prioritized shared risks:** Shared Risk comprises risk ratings from all stakeholder who share risks from the same hazard
  - For the purpose of this tool you will describe all affected entities facing risks from the same hazard. The prioritization of shared risks is based on risk rating and number of affected entities. This information will be used in the next steps.

Once you understand the concepts above, assess your risks in a table (see accompanying template or excel document).

3. Identification of options for natural resources risk mitigation measures

Complete information on the elements below using the accompanying template or excel document. Use the information from the previous step on hazards from prioritized risks to identify and weight causes.

- **Hazard:** the analysis of the options for natural resources risk mitigation measure is based on the hazards which had been identified as prioritized shared risks in the previous step.
- **Drivers/ Causes:** most possibly, there will be several causes for each hazard.
- **Rating:** the rating of the influence of the identified causes on the hazard. Rate by numbers: 1=low, 2= low/medium, 3= medium, 4=medium/high, 5=high
- **List of possible options:** preferably addressing causes, driving forces and underlying factors instead of symptoms of the hazards (impacts). It might require in depth study of already existing solutions elsewhere

4. Building compelling cases for action

Complete information on the elements below using the accompanying template or excel document. Use the information from the previous step on hazards from prioritized risks to identify and weight causes.

- **Preferred options:** based on criteria like: quantification of damage, feasibility, institutional capacities to implement, etc. Rate by numbers: 1=low, 2= low/medium, 3= medium, 4=medium/high, 5=high.
- **Cost-Benefit analysis (this is an optional step) for preferred options:** There are many tools available (see corresponding tool). For private sector the development of business cases should be considered.
- **Impact scenarios (this is an optional step) for preferred options:** help to demonstrate expected impacts after implementation of preferred options.
- **Selected options for action:** based on Cost-Benefit Analysis, expected impacts, other. This information will be used in the commit phase.

Resources needed

The risks and opportunities assessment should be carried out by a qualified person/expert with experience in carrying out environmental impact assessments and performing market scans in the country. The expert can come from inside or outside the (planned) partnership (e.g. programme personnel/partner personnel/hired consultant). If you decide to involve the public sector and to include their needs and priorities, you may negotiate with them to share the costs.

This tool includes a template in excel.

Phase 2: Assess

Template 10: Risks and Opportunities Assessment

List in the table below the studies that have been performed regarding each of the categories and where can they be found. Check the info sheet for more information, guidelines and examples.

Situation analysis			
Context	Bio-Physical analysis	Socio-Economic analysis	Institutional analysis & natural resource governance	Natural resources use & demand

Complete the table below with information on the risk assessment. Check the info sheet for more information, guidelines and examples.

	Risk Assessment Steps					
1	**2**	**3**	**4**	**5**	**6** Risk Rating		**7**
Hazard	**Affected Entity**	**Description of Damage**	**Specific Vulnerability**	**Risk**	Likelihood (1-3) or (1-5)	Damage (1-3) or (1-5)	Risk Level (low, medium, high)	**Prioritized Shared Risks**

Phase 2: Assess

Complete the table below with information on the options for natural resrouces risk mitigation measures. Check the info sheet for more information, guidelines and examples.

3. Identification of Possible Options

Hazards	Drivers / Causes	Rating	List of Possible Options

Complete the table below with information to build compelling cases for action. Check the info sheet for more information, guidelines and examples.

4. Building Compelling Cases for Action

Preferred Options	Cost-Benefit-Analysis (optional step)	Impact Scenarios (optional step)	Selected Options for Action

Tool 11: Assessment on Risk of Capture

Expected result: partnership-specific hazards relating to organizations unduly domi-nating a policymaking process, or otherwise capturing public resources or institutions for private benefit, are identified and mitigated.

For more information, see: CEO Water Mandate. 2015. Guide for Managing Integrity in Water Stewardship Initiatives: A Framework for Improving Effectiveness and Transparency. Oakland, CA: Pacific Institute. http://ceowatermandate.org/files/integrity.pdf

Description

"Capture" can be understood to occur when discretionary decision-making or policy processes become systematically distorted or biased in favor of some interests over others due to structured imbalances in power and influence.

Captured legal frameworks, regulatory agencies, and policy processes serve vested interests but with the power, permanence, and legitimacy associated with government. The resulting effects are therefore quickly established in a given system and may be difficult to revoke.

Depending on the applicable laws under which they are established, companies and their management have varying degrees of legal duty to serve the interests of owners or shareholders. This may bias decisions, debate, and action relating to natural resources resources in favor of corporate over public interests.

Why do this step?

Precedent shows that the threat of capture is real, and guarding against actual or perceived corporate capture is therefore critical to integrity management of partnerships. If not handled carefully, perceived or actual capture risks can derail the partnership and cause reputational harm for all participants.

Suggested to-do list

1. Structure the analysis

Use a sufficiently thorough analytical framework to support an efficient scanning of capture risks. The table below presents such a comprehensive framework and can serve as a template for practitioners.

Phase 2:
Assess

The red flags listed in the table4 can be used in different ways:
- Individual partnership participants and affected stakeholders can use the red flags as an orientation to scan an initiative for capture risks.
- The red flags can be discussed pro-actively within a partnership to raise awareness of capture risks and to engage in a dialogue on what constitutes capture in a given partnership and how it can be mitigated.
- The red flags can be used to thoroughly assess capture risks as part of an integrity risk assessment or a wider risk management effort.

To address the subjective nature of capture risks, a collective analysis by a balanced group of stakeholders increases the reliability of the results. Information from a detailed context analysis (see corresponding tool) can provide additional information to evaluate capture risks.

Capture Red Flags for stewardship partnerships		
TYPE OF CAPTURE	**DESCRIPTION**	**CAPTURE RED FLAGS – PARTNERSHIP VULNERABILITIES**
Policy and legislative capture	Policy and legislative capture exist where private organizations unduly dominate a policy or law-making process, excluding or shadowing other stakeholder's views, and resulting in policy formulations or legal provisions that favour vested interests to the detriment of the public interest. Changing related advocacy objectives will depend on interests represented in the partnership and its composition. There is a risk that they promote private rather than societal benefits, resulting in preferential treatment for companies.	Partnerships: • Engaged with policy and/or law-makers • Convening on natural resources policy and governance • Involved in policy analysis and advocacy • Conducting research and developing statutory, policy, or financial models and frameworks
Regulatory capture	Regulatory capture occurs where the agency responsible for regulation is unduly influenced by or unduly favours the interests of certain stakeholders. This can result in favourable handling, such as failure to vigorously enforce regulations, or inconsistent, non-proportional, or selective enforcement. Unconscious regulatory capture — or undermining of regulatory rigor — may also result from partnerships that lobby for improved regulatory processes, which can result in an incomplete or fast-tracked determination of regulatory permissions.	Partnerships that: • Concern the establishment of rules for resource use • Concern the enforcement of environmental (or other related) law • Raise funds, debate, and advocate on regulatory performance • Build capacity, mobilize, or transfer resources to regulatory bodies • Frequently see regulators in person and draw up regular association or cooperative agreements

Public resource capture	Public resource capture occurs where public resources — whether civil servant staff time, political or organizational attention, or departmental budgets — are diverted to serve a narrow group of interests at the expense of the wider societal or public interest. For example, concerns voiced by powerful partnerships about potential public infrastructure investments with limited public benefit may divert limited budgets away from pre-existing priorities such as the less visible access to natural resources, sanitation, and hygiene needs of the poorest communities. Public resource capture would also prevail where a partnership negotiates the disproportionate use of public funds to deal with the externalities or costs associated with natural resource use by a private interest (e.g., in negotiating investment in the treatment of private wastewater or mine water).	Partnerships that: • Deplete the time, energy, and resources of an overstretched public agency (or civil society group) to address an issue of primarily private interest that has little consequence for the wider public • Result in government expenditure or local budgets • Concern investment, development, and/or operation and maintenance of infrastructure • Involve or directly influence the workload of senior or mid-level civil servants.
Organizational capture	Organizational capture occurs where the functions or effectiveness of a legitimate organization with a key role in resource management or governance is undermined or dominated by an intervention and engagement with a partnership or its participants. Organizational capture can be real or perceived, and can undermine the credibility and effectiveness of institutions in the long term. For example, a basin council established with support from a company may be seen to be "bought" or biased.	Partnerships that: • Establish or bring together groups of stakeholders in any organized format, particularly where this is in parallel to pre-existing entities • Fund, sponsor or support the establishment of an organization, association, council, committee or other grouping.
Process capture	Process capture concerns the undue influence or control of certain interests in deciding and designing "how things are done" with the end result that outcomes are skewed and distorted toward the needs or perspectives of narrow particular or private interests versus wider public interest. Process capture is about how things are done, the questions asked, who is in the room, how decisions are made, and the degree of control handed to those who are funding the initiative: "He who pays the piper calls the tune." Process capture can also stem from sheer contrasts in stakeholders' capacities to negotiate partnership rules and effectively participate in partnership processes, and thus depends on the extent to which the partnership strives to build such capacities in all participants from the onset.	In partnerships whose: • Engagement is by invitation only or involves an element of "pay-to-play" or pre-selection in membership • Governance group is self-selecting and unbalanced in representation or perspectives • Stakeholder participation in developing the partnership, framing the issues, decision-making, stakeholder composition, and process design is weak • Financing is dominated by individuals or a small number of interest groups

Narrative or ideational capture	Narrative or ideational capture refers to the subtle power exerted through influence on the way things are portrayed or described and the development of concepts, theories and ways of looking at the world. For example, the "shared risk" narrative around partnerships plays down the disparities in vulnerability, power, and access among natural resource-using interests. E.g. narratives around water pricing and allocating water toward the highest monetized value uses is a further example of ideational power that can result in legitimizing or advancing private interests ahead of the public interest, because it is difficult to assign a monetary value to cultural, social, and environmental values.	Partnerships that: • Finance or develop research and conceptual development • Involve "awareness raising," training, capacity building, and outreach • Promote potentially inappropriate or controversial approaches to water governance such as offsetting or net impact, water trading, pricing, charging and allocation reform, water funds, large- scale rainwater harvesting or groundwater recharge, large-scale infrastructure, and payment for ecosystem services
Human resource capture	The "brain drain" is where the most qualified and capable local, national, or regional practitioners and staff are employed or seconded into NGOs, donors, and corporations engaged in partnerships in duties peripheral to natural resources management, rather than into environmental management agencies in government, because of better pay and conditions or allowances. Human resource capture also involves the creation of loyalties and privileged relationships between private interests and government staff by offering professional opportunities, secondments, training, and other inducements. The payment of *per diems* and other allowances is an example that erodes the independence and neutrality of civil servants. One of the greatest limiting factors for good natural resources governance and sustainable natural resources management is the availability of suitably experienced and motivated personnel. Although involving government staff in partnerships can help build capacity, human resource capture is a primary concern relating to partnerships.	Partnerships that: • Employ or second staff and experts from the public sector • Provide attractive professional opportunities such as training and overseas missions • Pay participants allowances and inducements for their involvement

Natural resource capture	The most basic form of capture involves acquisition of additional or privileged access to the natural resource itself. As a result of other forms of capture, there is a risk that private interests negotiate or seize natural resource access and use, undermining the ability of other users — the public or the environment — to meet their own needs, particularly in times of shortage, conflict, or drought. A good example may result from private investment in public water infrastructure based on conditional agreements around the continuation of supply during times of drought. Another example may be the long-term establishment of offsetting provisions in law that effectively allow water access to be bought by those able to pay, thereby undermining the principle of water allocation based on greatest public benefit.	Partnerships focusing on: • Investment, development, operation and maintenance of infrastructure • Water offsetting, compensation, net impact, Payment for Ecosystem Services • Natural resources use planning and allocation regimes.

The next table provides examples of topics and aspects to consider in such an analysis:

2. Successively review the framework

To assess capture risks, it is recommended to tap into the collective knowledge of partnership participants and affected stakeholders.

Foster exchanges among participants by referring to findings from the context analysis and other relevant sources.

The wide range of practical examples provided in the table above also supports the identification of capture risks in the partnership.

3. Reflect upon options to address risks

Options include stakeholder inclusivity, strong oversight, and transparency. Other strategies include the provision of an avenue for recording and responding to whistleblowing or complaints of capture.

POTENTIAL RESPONSES TO TACKLE RED FLAGS
1. Participatory and inclusive partnership initiation, development and integrity risk assessment processes that include the full range of stakeholder interests with adequately diverse perspectives and experience to identify potential risks.
2. A carefully developed and clearly articulated development path or theory of change for the partnership that transparently sets out its intended impacts, outcomes, outputs and roles of participants, against which progress is publicly tracked and communicated.
3. Diverse representation at a governance and senior decision-making level of partnerships and avoidance of stakeholder engagement that is either selective or discretionary, or that requires payment or significant resources to participate.

4. Cognizance of and adherence to mutually agreed public and private roles within the initiative.
5. Sufficient strategic alignment so that public sector involvement in the partnership is derived from public funds and pre-existing budgets rather than sourced by the private or NGO sectors.
6. Clearly benchmarked and communicated policies for remuneration or payments of costs and allowance, with the latter based on reimbursement of real and receipted expenditure.
7. Independent oversight or scrutiny of the partnership by a credible and legitimate organization or body.

4. Agree upon acceptable levels of risk mitigation

A frank and transparent discussion of causes should be facilitated to identify measures that can be taken within the partnership and to determine which risks cannot be tackled by the initiative. See table below for suggested responses to systemic sources of capture risks.

This should allow participants to reflect upon what constitutes an acceptable level of risk, and establish the extent to which the partnership can mitigate capture risk. This process will represent a critical stage in assessing the viability and planning of a partnership.

ADDRESSING SYSTEMIC SOURCES OF CAPTURE RISK
1. Publicly accessible and auditable codification and guidance for the application of statutory powers (e.g., an enforcement policy that sets out factors used to determine proportional and consistent responses to non-compliance; natural resources allocation and permit application determination processes).
2. Investment in natural resources policy literacy in the media and wider public.
3. Independent and untied funding sources for civil society and academic engagement in natural resources stewardship and investment in social accountability monitoring.
4. Strengthening the separation of powers and checks and balances among judiciary, executive, and legislature and the oversight role of parliamentary committees.
5. Human resourcing strategies within donor, NGO, and private sector actors in developing countries that recognize and respond to the hazards of draining public sector expertise.
6. Nurturing professional retention and workplace motivation through new forms of capacity building.

Resources needed

The time needed is around 4 months.

Tool 12: Cost Benefit Analysis

Expected result: a quick review of the socio-economic feasibility of the planned interventions.

Description

Cost Benefit Analysis (CBA) is a tool to assess the socio-economic feasibility of an intervention and aims to support decision-making by systematically mapping and quantifying all costs and effects. CBA includes also damage cost values if no action is taken (0 Scenario). CBA is, essentially, an assessment of differences: the differences in costs and benefits to society with and without a project. A 'project' can be a single intervention or a 'package' of interventions or projects. Unlike a business case or a financial analysis, a cost benefit analysis strives to take all costs and benefits to society into account, including financial benefits as well as wider economic, environmental and social benefits.

All costs and benefits are estimated in comparison to the 'status quo' scenario if no action is taken, which usually entails the developments that would take place without the project. Then, there is the alternative to the base case, the so-called 'project alternative'. First, the line of this project alternative is more negative than the base case. All relevant positive and negative effects of the alternative scenario or scenarios are estimated in an aggregate time horizon.

Why do this step?

To assess the impact of an intervention it is important to understand what "difference it makes" compared to "doing nothing".

The graph below shows a simple graphical representation of a cost benefit analysis. The black line shows the development in the reference situation or business as usual. The blue line reflects the development following the intervention or project alternative.
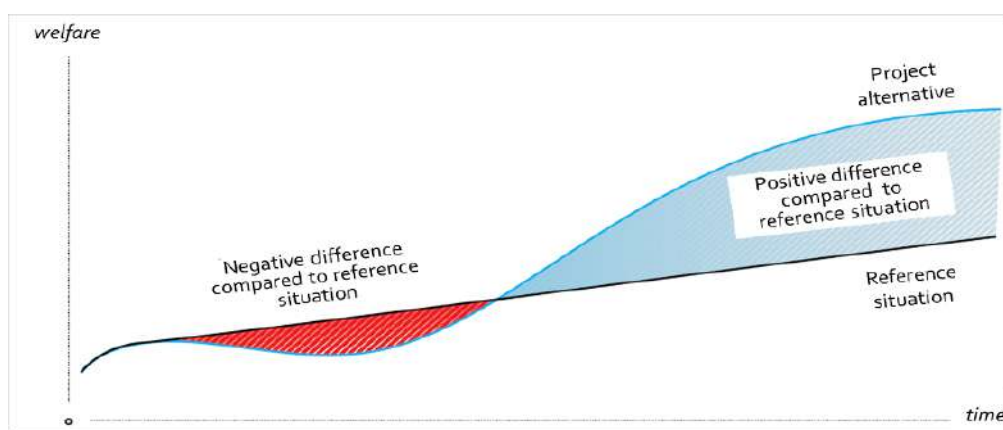
The reference situation (black line) helps on the one side to assess the impact of the intervention, and on the other side it gives an indication on the aggregate economic effects for a certain measure.

Economic benefits and costs will give insight in the economic feasibility of an intervention: which are the costs and benefits? A quick-scan of costs and benefits provides a first insight on the economic benefits and costs of measures or interventions being considered. As an economic approach CBA includes only those effects that can be monetized. (expressed in money).

Suggested to-do list

1. Structure the analysis

Use a sufficiently thorough analytical framework to support an efficient scanning of capture risks. The table below presents such a comprehensive framework and can serve as a template for practitioners.

Use the excel file attached. Check the PowerPoint document "Kiiha eWROA Economic Study 5.6.18" for more information on the examples.

1. Describe the cost of your intervention

Describe the costs of your intervention as good as you can at the given stage of your project. If you know the exact costs (in money), fill them in using appropriate assessment approaches.

Example:

Name of the intervention: Kiiha Basin (Uganda) Kinyara Sugar production expansion		
Net Present Value in billions of UGX	Alternative 1	Alternative 2
COSTS		
Land acquisition	149.4	146.8
Investments for dams	8.1	10.8
Investments for irrigation	42.4	44.7
Operational Costs	16.4	23.8
Wetland restoration program		0.002
Wetland reduction storage dams	0.9	1.3
Total Costs billions UGX	216.4	230.2
Total Costs USD	**57,020,726**	**60,664,700**

2. Describe the benefits of your intervention

Describe the benefits of your intervention as good as you can at the given stage of your project. If you know the exact benefits (in money), fill them in using appropriate assessment approaches.

Example:

Name of the intervention: Kiiha Basin (Uganda) Kinyara Sugar production expansion		
Net Present Value in billions of UGX	Alternative 1	Alternative 2
BENEFITS		
Profit growth KSL	39.3	39.3
Income increase	339.5	335.3
Bush burning prevention	13	19.5
Wetland Restored	0.2	1.9
Total benefits billions UGX	392	396
Total benefits USD	103,292,755	104,350,256

3. Compare aggregate cost and benefits in the long term

All aggregate costs and benefits are estimated in the long term, which varies from case to case (usually from 10 to 20 years). The ratio of benefits to cost for different scenarios can provide a clear indication for decision-making. Which alternative provides more benefits in the long term? A discount rate is used for all specific cost and benefit categories to provide net values in the base year.

Example:

Name of the intervention: Kiiha Basin (Uganda) Kinyara Sugar production expansion		
	Alternative 1	Alternative 2
Benefits/Costs Ratio	1,8	1,7
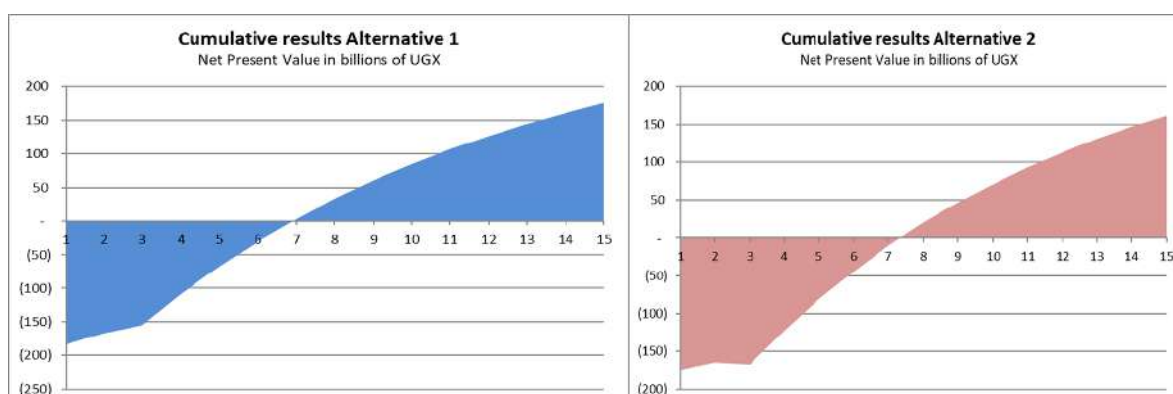
5. Define the implementation challenges and opportunities

Establish how difficult is the implementation of your intervention by defining its implementation challenges and opportunities. Think of technical risks, legal barriers, political risk, synergies or conflicts with other interventions and stakeholder issues.

Resources needed

The time needed is around 6 months for a complete estimation of costs and benefits including consultation with main stakeholders and definition of alternative scenarios. The Cost-Benefit Analysis should be carried out by a qualified person/expert with strong environmental economics expertise. The expert can come from inside or outside the (planned) partnership (e.g. programme personnel/ partner personnel/hired consultant). If you decide to involve the public sector and to include their needs and priorities, you may negotiate with them to share the costs.

This tool includes a template in excel and an example in PowerPoint.

Tool 13: Checklist of Potential Beneficiaries

Expected result: an inventory of groups affected by risks stemming from the scarcity or endangerment of natural resources that could benefit from measures and projects to reduce these risks.

Description

The checklist of potential beneficiaries allows you to assess the number of direct and indirect affected groups. These stakeholders are the potential beneficiaries of the intended project.

Why do this step?

This checklist can be helpful during different stages of your project. In the pre-project stage, the checklist can be used to understand the problem and its affected groups better. The affected groups are also potential beneficiaries of the future interventions. The checklist can help in the process of designing interventions because it is easier to design interventions with a specific target group in mind. The checklist can help to identify these target group(s).

Suggested to-do list

Use the excel file or the template attached.

1 List the affected groups

Identify the main problems that you seek to address (refer to the info-sheet "Problem Butterfly"). These problems are linked to probable effects.

Indicate if the effect is applicable to your program or not.

From now on you will focus only on the effects that are applicable to your project.

List all the affected groups by each of the effects. Some typical affected group may be:

- Households
- Neighbouring communities
- Farmers
- Shop owners
- Business owners
- Other land owners
- Transporters
- Tourists People in the hinterlands
- Markets in the hinterlands
- Students
- Employees

Phase 2:
Assess

Count the different affected groups. Please note that these represent potential beneficiaries, not yet actual affected beneficiaries by the interventions.

In order to collect the required data on the potential groups, you could use a map of the area as visual support in order to identify the different groups in the areas.

When determining the areas, include relevant distances from the natural resources problem: e.g. water availability: walking distance from drinking water source or flood protection: area below water level.

After finishing this step, you can iterate back to the problem analysis and see if you need to add additional effects or affected groups.

The list is not meant to be exhaustive, feel free to add impacts and/or affected groups.

Note that the groups might be overlapping (farmers can also be citizens). This checklist does not account for double-counting as it serves a brainstorming purpose only.

Example:

Problems	Effect	Applicable to program	Households	Neighboring communities	Farmers	Fishermen	Shop owners	Business owners	Tourists	Students	Employees
										Affected groups / Potential beneficiaries	
Water scarcity	Lower intake of water in public facilities	yes	0	0	0	0	0	0	0	284 + families	11

Resources needed

The time needed is around 3 months. The checklist should be filed out by a qualified person/expert with experience in performing market scans in the country. The expert can come from inside or outside the (planned) partnership (e.g. programme personnel/partner personnel/hired consultant) If you decide to involve the public sector and to include their needs and priorities, you may negotiate with them to share the costs.

This tool includes a template in excel.

Template 13: Checklist of Potential Beneficiaries

List in the table below the main problems that you seek to address (column 1) and their effects (column 2). Indicate if the effect is applicable to your program in column 3. If so, list all the affected groups by each of the effects in the heading of the next columns and indicate their approximate number below. Check the info sheet for more information, guidelines and examples.

Problems	Effect	Applicable to program	Affected groups / Potential beneficiaries										
			Households	Neighboring communities	Farmers	Fishermen	Shop owners	Business owners	Tourists	People in the hinterlands	Markets in the hinterlands	Students	Employees

Tool 2: Market Scan

Expected result: a one pager on each of the relevant companies with natural resource intensive business, including their risks from endangerment or scarcity of natural resources, and planning for their engagement.

Note: In this Phase (2), please update this tool taking into account the information gathered in your Risks and opportunities assessment, your Assessment on risks of capture and your Cost benefit analysis and your List of potential beneficiaries.

Description

A Market Scan is the process of identifying potential partners with natural resource intensive businesses and partners facing naural resources related risks with regard to stewardship activities in order to enlarge the engagement of your partnership with corporate partners.

Natural resources-Intensive industry sectors are highly dependent on natural resources or highly vulnerable to natural resources risks. Examples of vulnerability are:

- High quality water needed as a key input to production
- Need for healthy soils as basis for production
- Lot of water needed mainly for cooling or in-plant processes
- Production of high volumes of wastewater or waste
- Discharging wastewater or waste of high environmental significance
- Agricultural practices impacting the soil quality
- Long and complex supply chains with a strong environmental footprint

Why do this step?

Having good understanding of what companies are present in your area of operation and which ones have natural resource-intensive operations and/or are facing related risks will be an important asset when discussing potential engagement with governments and municipalities. Having this information will identify potentially vulnerable communities that need to be involved. It will also provide you with an overview on how the market can be explored once your partnership is already set up in the country.

Some concrete benefits that may be attractive for the public sector and that you can present them are:

- Information on private sector natural resource users and potential risks can inform policies, strategies and actions
- It can be converted into an advocacy tool with which to initiate a dialogue with private sector companies
- It can be converted into an advocacy tool to raise awareness of the importance of natural resource management with peer ministries and government leadership

Suggested to-do list

1. Define goal and priorities

Clearly communicate to and discuss the goal, expectations and priorities with the team and with the person that will carry out the market scan (e.g. a consultant). Collect all relevant contacts and available information and share those with the consultant carrying out the market scan.

You may want to include the public sector in this discussion and include their needs and priorities from the start.

The table below provides an example of the key information to be shared and discussed:

Goal	The objective of a Market Scan is to identify potential partners with natural resource intensive businesses and risks with regard to stewardship activities in order to enlarge the stewardship engagement with corporate partners.
Expected results & priorities	Good overview of at least 50 different companies with the focus on the biggest and most natural resource intensive ones or companies facing risks stemming from scarcity or endangerment of natural resources. For each company consultant will do due diligence based on public data and existing contacts (see tool on Participants due diligence investigation). The overview will provide clear information regarding companies that will be used for creating links to public sector and communities.
Deliverables	• Completed Excel Market Scan tool (see below) • 10 companies one-pagers (see below)

2. Prepare the tool

The consultant or person carrying out the market scan adapts the accompanying excel table (see attached excel "Market Scan – excel") to the particular context of the partnership and presents it to the partnership coordinator for approval.

The market scan table should provide clear information on:
- Company Name
- Industry
- Brief description of the business
- HQ location
- Location in the country
- Business focus in the country
- Revenue/GDP contribution
- Presence in other countries
- Is their business here natural resource intensive? (yes/no)
- Water and other natural resource use (figure)
- River catchment/River Basin
- Level of sustainability involvement (very high/high/medium/low)
- Prior engagements with your institution (yes/no and Describe)

Phase 2:
Assess

- Ongoing initiatives & partnerships (describe)
- Sustainability investments (global/ local and How much in $)
- Number of employees
- Any comments regarding their strategic goals/plans (public data and from available contacts)
- Potential risks from scarcity or endangerment of natural resources and opportunities (describe, rating, where possible include the potential financial impacts and information on mitigation)
- Relevant contacts (name/position/e-mail/phone number)
- GPS coordinates (link to google maps)
- Other comments & information
- Useful links

For some of the points above the consultant needs to create different evaluation categories and clarify measurements. For example:

Level of sustainability engagement	
Very high	Companies that are globally renowned for their environmental programmes (for example listed in Dow Jones Sustainability Index, or high ranking in other sustainability indexes e.g. CDP)
High	Companies having a CSR report or dedicated CSR-site on their websites
Medium	Companies whose corporate website shows the company is engaged in multiple CSR-programs
Low	Companies with no information available on CSR-programs or if the programs mentioned are relatively small

Prior engagements, on-going Initiatives and information from media will serve as a due diligence and determine whether the company is a good fit for the strategy of the partnership.

3. Execute the market scan

Create a list of all the different data sources that might be helpful. For example:
- Annual reports
- Sustainability reports
- Industry reports
- Associations and their reports
- Different sustainability indexes (CDP, Dow Jones)
- Existing contacts
- Reports from different organizations
- Solicit public sector support for data collection – what sources do they have that could be useful? Abstraction licences? Tax information? Companies register?

Keep in mind the priorities agreed in step 1. Accordingly, you will follow a research process similar to the following:
1. Research what companies are there within the prioritized sectors (e.g. agriculture, mining, beverages)
2. Research other sectors – see which sectors are typically natural resource intensive
3. Research on other big companies. They might have strong CSR and/or sustainability

5. Start filling the information on the excel file. First, focus on the information that is publicly available. Start populating all the different columns, if you get stuck move on to the next company and revisit the columns with missing information later.

Eventually, approach companies directly, but keep in mind this would be for survey/research purpose, not for engaging or "selling" your partnership yet.

4. Select companies

After the market scan has been done, the consultant or person carrying out the market scan will select the 10 most suitable for further engagement and discuss those with the partnership coordinator.

Some criteria to select the companies are:
- High use of natural resources & related risks
- At least medium sustainability involvement
- Natural resources stewardship operations/improvement is/will be a part of their strategy
- Water basin/area shared with more stakeholders
- Indication of potential interest in natural resources stewardship
- Clear business case

The consultant or responsible person will then prepare more detailed overviews (see attached template "Market Scan – company overview") to help the coordinator prepare for a future meeting with the company.

Based on the data gathered and available, the partnership coordinator decides which companies to approach first. Some questions that might help on this decision are:
- Which companies are clear on their natural resources risks or for what companies are there clear related risks?
- Which companies already have stewardship awareness?
- What are the basins where more big companies with natural resources risks are?
- What are the companies where you have already some good connections or where you know someone who knows decision makers at this company?
- What are the new companies where you need to make up engagement from scratch but where the partnership might be very suitable and successful?

Resources needed

The time needed is around 3 months. The market scan should be carried out by a qualified person/ expert with experience in performing market scans in the country. The expert can come from inside or outside the (planned) partnership (e.g. programme personnel/partner personnel/hired consultant) If you decide to involve the public sector and to include their needs and priorities, you may negotiate with them to share the costs.

This tool includes a template in excel.

"Please update this tool taking into account the information gathered in your Risks and opportunities assessment, your Assessment on risks of capture and your Cost benefit analysis and your List of potential beneficiaries".

Template 2: Company Overview

This company overview is a sum up of all the important and relevant information about the potential partner (private sector but could be also public sector). It serves as a preparation for engagement and helps you to build credibility and trust by showing that you have done your research and are familiar with their business, natural resource related risk and initiatives.

To populate the company overview, use the information in the "Market Scan – excel". You might have to look up additional information online. You can enhance it with any other relevant information you are aware of. For private sector overview do desk research and enhance it by all the relevant information available based on discussions with others (colleagues, 3rd parties etc.)

Use it as a preparation for meetings. You can also use it for informing colleagues or new team members.

NAME & LOGO (Logo of the company – mother company & local company for example)	
Business information	(origin, HQ, industry, key sector, place of operations in your country, size of operation, natural resource intensive or not, basin/area they operate in, water/natural resource use data)
Priorities, strategy, stewardship	(What is their current focus, what is their vision, is natural resources stewardship something they already actively do, do they have plans to engage, what is the message of their annual & sustainability report on global and local level?)
Main risks, issues and opportunities	(What are the main current challenges they are facing, what works well with regard to natural resources and what does not, do they have any regulatory or physical issues related to natural resources, are they facing reputational risks of any kind on global and local level, what is the way forward for them, how could they benefit from stewardship) --> Seeing their risks and opportunities will also determine link to public sector and communities (Regulatory, Physical, and Reputational risk)
Prior and current engagements	(Are they currently involved in stewardship initiatives, do they report on sustainability and natural resources risks, are they participating in different indexes and initiatives e.g. CDP, GIZ) --> Seeing their engagements will provide overview of stakeholders they are already engaging with or plan to engage with
Contacts and other comments	(any useful contacts, their details including their position, any other information that might be helpful for the engagement)

Tool 4: Participants Due Diligence Investigation

Expected result: identify potential past unethical behaviour by any participant, in order to determine proper next steps and avoid conflicts

For more information, see: CEO Water Mandate. 2015. Guide for Managing Integrity in Water Stewardship Initiatives: A Framework for Improving Effectiveness and Transparency. Oakland, CA: Pacific Institute. http://ceowatermandate.org/files/integrity.pdf

Note: In this Phase (2), please update this tool taking into account the information gathered in your Risks and opportunities assessment, your Assessment on risks of capture and your Cost benefit analysis and your List of potential beneficiaries".

Description

Due diligence refers to the care a reasonable and prudent party should take before entering into an agreement or transaction with another party – whether they are NGOs, government, or private companies. It involves a systematic collection and analysis of information on how a particular organization is managed or conducts its business.

Why do this step?

A due diligence investigation reveals whether a potential participant in a partnership commits to professional and ethical business practices, and uncovers the risks and opportunities that come along with involving this participant. A due diligence assessment will be useful for the partnership initiators while scoping prospective participants in order to assess whether that organization is fit to assume a specific role in the partnership.

By conducting due diligence investigations, partnerships can reduce the chance of future conflicts of interest or unpleasant surprises linked to the behavior or the track record of participants, which may affect the credibility of the initiative and the reputation of other participants. For example, it could harm the other participants or the partnership as a whole if one participant is engaged in illegal practices or simply has no capacity to live up to expectations. However, in reality many partnerships must include participants with an imperfect track record; indeed many partnerships exist because of historical legal action or because stakeholders lack capacity. Due diligence for partnerships is therefore more about having important information upfront and knowing your partnership participants than preventing participation. Besides the immediate results, conducting due diligence can also help to establish a common understanding of expected standards of professional conduct among participants. Moreover, it can initiate capacity development by responding to shortfalls (e.g., participants implementing new policies and processes).

Phase 2:
Assess

Suggested to-do list

1. Define methodology

According to the level of effort invested, due-diligence investigation are classified as:
- Simple investigation: Applied to all potential participants
- In-depth investigation:
  - To be used following the outcome of a simple due diligence that highlights potential areas of conflict
  - To be used if a partnership is intended to address sensitive areas (such as regulations)
  - To be used if a potential participant will play a key role (e.g. partnership facilitator).

2. Define data sources

To streamline data collection processes, the due diligence investigation can be linked to the stakeholder analysis exercise and context and political economy analyses that should be carried out at the outset of a partnership.

Investigation should include different sources of information (see box on potential data sources below).

Potential data sources for due diligence
- Publicly available information on the potential participant (depending on size of company or organization: website, local and/or international newspapers, information provided upon request).
- Information from the anti-corruption and procurement agencies or from local or provincial governments (black- or whitelists for public procurement), competition agency (cases of collusion), environmental protection agencies, watchdog NGOs.
- Cross-checking with local corporate registries, telephone, business, professional, and Chamber of Commerce directories, and NGO networks; in some countries CSO performance reports exist and may be a useful information source.
- Announced visit to the company, organization, or government agency.
- Interviews or informal consultations with trusted individuals who have a track record of working in the area, on related topics, or with the partnership participants.
- Follow-up on local references provided by the participants regarding their suitability as partners.

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3. Conduct initial investigation

Partnership initiators select who will conduct the investigation based upon the goals, objectives, and potential-make-up of the partnership. Questions to ask include:
- Who is best positioned to carry out the due diligence?
- Would an external party be helpful to work through potential conflicts of interest?

Options for how to conduct such an investigation include a local consultant, external independent organization or individual, key members of the partnership who utilize a simple checklist of verified information.

Where a partnership might be operating in a high-risk context, partnership initiators might consider conducting further background checks with local experts to verify outcomes.

A due diligence process usually includes an analysis of the relevant organizations':
- Image
- Social responsibility
- Environmental accountability
- Financial soundness
- Policy compatibility
- Capability to engage
- Interest and incentives.

The table below lays out additional issues for consideration. In this regard, it is important to vet whether the interests and natural resources use of a potential participant can be aligned with the principles of sustainable natural resources management. Information gathered in the due diligence can also be used when developing the partnership's finance and audit protocols.

Background information	Find out more about participant status, purpose, and governance. Consider checking: • Governance documents (articles of incorporation, bylaws, NGO registration) • Annual reports, brochures, etc. • Ownership structure (who is behind the institution?) • Curriculum vitae of trustees or directors and senior staff • Board of Trustees/Directors meeting minutes • Political affiliations • Previous or pending legal cases, fraud, or accusations of improper conduct or corrupt practice What is the legal status of the organization? What is its core purpose? To whom is it accountable, who is it of use to, and who does it actually represent?
Public image and reputation	What is the public perception of the organization? • Do the public and stakeholders know about the organization? What do they associate the organization with? • Are there any particularly negative or positive perceptions? If so, what are they?
Social responsibility	How socially responsible is the organization? • What is the corporate social responsibility (CSR) portfolio? Does it reflect good practices in social responsibility? • Is practice in line with public policy? How is this demonstrated? • Does the organization pay appropriate tax, or is it engaged in tax avoidance?
Environmental performance	What are the environmental credentials of the organization? • Does the organization have an environmental policy and register of environmental issues? • Is the organization compliant with environmental law in the country of operation? Internationally? • Have there been major environmental issues in the past? What has been the organization's response? • Does the organization disclose environmental performance?

Policy compatibility	*Does the organization have policies relating to the following areas? Are they adequate, and are they followed? How is this demonstrated?* • *Protection of children and vulnerable people* • *Anti-corruption, including whistle-blowing safeguards* • *Health, safety, and Environment* • *Equal opportunities* • *Conflicts of Interest* • *Ethics* • *HIV and AIDS in the workplace* • *IT security*
Financial position	*Consider checking the sustainability and financial viability of the participant:* • *Most recent annual reports, financial statements, and regulatory reports (audited, if available)* • *Budget for upcoming financial year and current and projected income forecasts* • *Finance manual and expenditure procedures*
Capacity and conduct	*Will the organization be able to deliver on agreements and roles set out in the partnership? Consider checking:* • *Organizational structure chart* • *Curriculum vitae of key staff and reporting/accountability lines* • *Human resources policy* • *Staff performance management policy* • *Internal performance processes (KPI framework, etc.)* • *Existing partnership agreements and performance against these (MoUs, etc.)*
Intent and incentives	*Why is the organization relevant to the partnership? What is its rationale for engagement?* • *What are the benefits sought by the organization through its involvement with the partnership? Are they in line or can be aligned with sustainable natural resources management?* • *How will those benefits be measured and tracked?* • *Are there any other potential benefits or stakes at risk that motivate the organization's involvement?* • *Are there any conflicts of interest (such as positioning for contracts, access to decision makers), and how will they be managed?*

4. Reach and document conclusions

Discuss initial findings among partnership initiators resulting in a joint decision about who to invite to participate in the partnership.

Where the investigation finds critical issues, partnership initiators may choose to hold a bilateral meeting with the individual/organization to assess whether and how the identified problems or sensitive issues might be addressed.

Exclusion of potential participants should be based on an in-depth investigation.

In circumstances where a number of sensitive or controversial issues might arise, an efficient and constructive way to collate and weigh due diligence information gathered is likely a meeting or workshop setting.

In the workshop, potential partnership participants introduce their organizations, and findings of the initial investigation are presented.

The workshop format allows the group to discuss and come to consensus about any controversial issues.

Intelligent workshop design and facilitation will be necessary to handle sensitive issues.

See box below on important considerations to take into account.

Interpreting and acting on due diligence investigations
A proportional approach to diligence has to reflect the nature and context of the partnership and respond to the concerns of participants and affected stakeholders. For example, local organizations should not be excluded from a partnership simply on the basis of low capacity or lack of financial sustainability. Rather, their status should be understood so that the partnership can plan additional support wherever necessary. Similarly, a company that has been convicted for serious breaches of environmental law in the past does not necessarily have to be excluded from taking part in the partnership.

What is important is the disclosure of critical issues, and open discussion and agreement on whether the risks posed to the partnership are acceptable and manageable by the participants. Ultimately it will be for the partnership participants themselves to interpret and respond to information generated by due diligence checks. To enhance transparency and provide the opportunity for meaningful communication, it is recommended that the partnership documents the interpretation and decisions resulting from due diligence investigations. Critical results of the investigation such as conflicts of interest should be addressed explicitly, and partnership participants should structure the partnership governance and management of roles and responsibilities accordingly.

5. Follow up

Continued due diligence reporting and monitoring should be carried out to adapt to new issues as they emerge.

In particular, a conflict of interest register should be kept up to date and should be acted upon. The results of due diligence can also be made public to increase the credibility and legitimacy of the partnership.

Resources needed

The time needed is around 1 week and will in most cases be limited to a desk study, reviewing online documents, news coverage and reports on the partner's behavior.

"Please update this tool taking into account the information gathered in your Risks and opportunities assessment, your Assessment on risks of capture and your Cost benefit analysis and your List of potential beneficiaries".

Template 4: Participants Due Diligence Investigation

List in the table below the information collected during the due diligence investigation for each of the stakeholders. Refer to the info sheet for further explanations and guiding questions.

Stakeholder name	
Background information	
Public image and reputation	
Social responsibility	
Environmental performance	
Policy compatibility	
Financial position	
Capacity and conduct	
Intent and incentives	

Document in the table below the conclusions reached, the agreed followed up actions and the results from these once they are implemented. Refer to the info sheet for further explanations and guiding questions.

Due diligence investigation of Stakeholder name	
Critical issues	
Conclusion	
Follow up actions agreed	
When were the follow up actions implemented	
What are the results and conclusions from the follow up actions	

Phase 2:
Assess

Tool 5: Problem Butterfly

Expected result: get an overview of your risks, including an analysis of their causes, effects and affected groups.

Note: In this Phase (2), please update this tool taking into account the information gathered in your Risks and opportunities assessment, your Assessment on risks of capture and your Cost benefit analysis and your List of potential beneficiaries.

Description

Problem butterfly is an interactive brainstorming tool that allows you to jointly analyze your problems, unraveling their causes, impact and impacted groups.

Why do this step?

By specifying the problem you are trying to solve, you get a clear view on direct and indirect effects. Each effect has an affect on a specific group. Thus, by identifying the effects, you are at the same time identifying potential beneficiaries. It may also allowed you to come up with additional interventions to reduce the causes or limit the effects of your problem.

Suggested to-do list

Use the excel file or the template attached.

1. Specify your problem

Name the main problem you are trying to solve. In general, most projects focus on one main problem, next to other subordinate problems.
    Typical main problems in relation to natural resources are:
- Water scarcity
- Soil erosion
- Poor waste disposal
- Low access to water or natural resource services
- Poor water quality
- High flood risk

2. Identify the causes of your problem

List the causes of the problem.

There are three commonly mentioned drivers behind natural resources-related problems: economic growth, climate change and urbanization. This is a non-exclusive list to help you to think of causes for

your problem. These drivers, and/or others you may think of, can help you come up with more specific causes. Understanding the causal relations can help you identify and optimize project interventions. For example: economic growth causes increased water use of industry, which causes low water availability (problem).

3. Identify the effects of your problem

List the effects of the problem in your specific area.

For example: low water availability effects the intake of factories or irrigation water of farmers. Make these effects as specific as possible, for instance name the specific factory.

4. Identify your affected groups

Some effects affect people directly, some affect people indirectly, for example through infrastructure or nature. Linking "people" to the "effect" is an important first step as those who suffer from negative effects now are potential beneficiaries in the future. Therefore, this is a first step to identify your future beneficiaries.

To determine the exact number of (direct and indirect) beneficiaries, and to get some guidance and inspiration for this step, you may check the beneficiaries tool (see corresponding info sheet). At this stage the problem butterfly helps you to think out of the box and identify all possible groups affected by the natural resources problems at hand.

Note that some effects apply to more than one affected group.

Resources needed

The time needed is around 1 week. You can choose to include partners in the exercise of filling in this tool, as part of an inclusive approach. The tool can however also be used as a preliminary assessment, based upon which certain stakeholders can be approached to take part in the partnership.

This tool includes a template in excel.

Phase 2:
Assess

Template 5: Problem Butterfly

Fill the diagram bellow with the problem you are trying to solve (in red), the causes of the problem (in purple, drivers to the left and more specific causes to the right), the effects of the problem (in blue) and the affected groups (in green). Check the info sheet for more information, guidelines and examples.

a) Problem

Water scarcity

b) Causes

c) Effect

d) Affected groups

Tool 6: Value Proposition

Expected result: a positioning statement that explains what benefits your partnership provides to different stakeholders and how it performs uniquely well.

Note: In this Phase (2), please update this tool taking into account the information gathered in your Risks and opportunities assessment, your Assessment on risks of capture and your Cost benefit analysis and your List of potential beneficiaries.

Description

The value proposition shows partners how their issues can be addressed through the partnership, with certainty and pace and what outcomes can be expected. It is a good guide for story-telling. It is a live document that should be updated once additional/updated/new information is available and more details are known. The idea is to make it tailored to each specific stakeholder.

Why do this step?

Understanding the issues of the different stakeholders and their desired outcomes will help to create a link and manage expectations of the partnership.

Suggested to-do list

1. Identify what are the stakeholder's issues

Based on the results of the market scan (see corresponding info-sheet) identify what are the stakeholder's issues and what is the root cause of those issues. Make an effort to challenge their thinking regarding natural resources related risks & issues.

Add any quantitative information available. For example, how much money is lost due to the issues?

The next table presents examples for different types of companies:

Phase 2: Assess

	What is the issue?
Mining industry	• Increased water stress is the most commonly reported risk and many companies have the majority of their operations located in regions subject to water stress or scarcity • Flooding is the next most frequently reported risk, followed by declining water quality, which is the risk most likely to impact business now • Poor water quality often leads to production setbacks and social pressure due to local tensions • More stringent discharge standards create operational challenges and may require temporary closure and production breaks • Mines struggle with safe waste disposal often including dangerous bio-chemical substances. Waste containing sulphide minerals is a potential source for acid mine drainage (AMD) if they are exposed to oxygen and water. Metals can both accumulate in and adhere to crops via contaminated water, soil or air. Since vegetables and fruit constitute a significant part of the local diet, the ingestion of it is a pathway for human exposure of potentially toxic metals. This can cause health problems & lead to reputational challenges and regulatory risks
Agriculture industry	Company XXX suffers from reduced crop yields when droughts occur. Some of the main constraints to irrigated agriculture are inadequate irrigation infrastructure and water storage. Farmers have to grapple with the threats posed by drought, floods, unpredictable rainfall, and the depletion of soil nutrients. Delayed or excessive rainfall, higher temperatures during key periods in the production cycle – notably pollination – or a slightly more protracted drought (risk of fire) often mean destroyed crops or lowered quality of crops. Decreased feed and water resources mean that livestock struggle to maintain weights and the incidences of malnutrition and diseases rise – which leads overall to decreased profits.
Extractum Ltd (mining industry)	• Extractum Ltd. reports the availability of water supply on a regular basis and also on sufficient fresh water, which is being used in processing, as a risk for business with potential loss of XX USD on annual basis • Unpredictable changes in laws and regulations regarding mining activities are seen as a risk to stable revenues • In order to keep revenue up, new mines shall be enclosed, however tensions can arise from issues related to water security for civil society in the area surrounding mines. In addition, often forests have to get cleared in order for mining Activities to commence, this can however create environmental problems as well as social unrest

Cuivre PLC (mining industry)	• Cuivre uses mines, which are built on wet grounds, and groundwater flows into the mines posing threats of destabilizing the ground. The dewatering activities cost XXX USD on annual basis • Reputational risk is always an issue, although Cuivre has already a Water Management Policy in place: e.g. Treat all wastewater, monitor water quality, re-use water • Pollution of water due to wastewater from mining activities
Kow (dairy industry)	• Hygiene becomes a problem in processing the milk if water is scarce and cannot be regularly accessed. This might lead to losses of XX USD • • Laws and regulations changes for water use has an impact on business activities related to energy, water and waste management with potential financial impact of XX USD • Kow increasingly gets input (milk) from local smallholder farmers, who are prone to droughts and floods leading to potential shortage of milk to be processed and sold leading to potential losses of XX USD on annual basis

2. Indicate the benefits of the partnership and the suggested solutions

Indicate the benefits of the partnership, the suggested solutions, how they will be implemented and what are the timeline and the concept. Keep the following points in mind:

- Gain clarity on the key value drivers and identify different success factors for the stakeholder.
- Identify the tools, solutions, right people, capabilities and what is needed to assure the certainty of the outcomes
- Show the stakeholder how they can benefit from the partnership and why to partner with you to make it happen
- Create a concept note including the plan, roles & responsibilities

Add any quantitative information available. For example, how long will the project last?

The next table presents examples for different types of companies:

How the issues will be solved and what are the benefits?	
General material	Given the risk exposure and water-related impacts already experienced by the sector, there is a clear and urgent need for companies to develop effective management responses in order to sustain business activities and ensure resilience in the face of water challenges. • The partnership sets out to forge powerful alliances of private companies, public authorities and civil society organizations, thereby leveraging local insight and global expertise for effective action • The partnership builds on over 40 years of GIZ experience of improving water security across 80 countries • The partnership enables common set of actions to achieve better water quality and lower the water distress • The partnership utilizes its Natural Resources and Action Framework, a proven five-phase-process to ensure high quality partnerships delivering accelerated and sustainable results that benefit both businesses and communities in a controlled way • Besides participating in the partnership the company benefits from constant capacity building in the area of natural resources management and stewardship • The partnership will ensure the project management, stakeholder engagement and input for the implementation of solution XX • The partnership organizes regular stakeholder meetings to ensure alignment and constant progress monitoring
Agriculture industry	XX – POTENTIAL SOLUTIONS Construction and rehabilitation of multi-purpose dams, weirs, wells and boreholes; promoting sustainable river diversion for irrigation; developing and promoting rainwater harvesting technologies. Water saving irrigation technologies such as drip (trickle) irrigation, micro sprinklers, common sprinklers and centre pivot system.
Extractum Ltd (mining industry)	XX – POTENTIAL SOLUTIONS Implementation of water circuit to ensure that water is recycled, improved drainage and sumps run-off capacity, improving water supply systems, measures to prevent the leakages and foster pollution control, implementing water standard for water abstraction, dewatering, effluent/ discharge or water quality, building water retreatment plant, building & enlarging the slag dump etc. This can be done through the partnership over X years with a contribution of XX USD.
Kow (dairy industry)	XX – POTENTIAL SOLUTIONS Promoting efficient plains irrigation and cattle handling. Promoting and Implementing Water saving irrigation technologies such as drip (trickle) irrigation, micro sprinklers, common sprinklers and centre pivot system.

3. Highlight the outcomes

Highlight the outcomes as results of selected measures. Keep the following points in mind:
- Define key outcome of the partnership alongside 3 dimensions - economic, stakeholder and environmental
- Define hypothesis for achieving those outcomes

Add any quantitative information available. For example, what are going to be savings once solution is in place? how many beneficiaries?

The table below presents examples for different types of companies:

	What is the outcome?
Agriculture industry	• Intensification & diversification of farm production à Increased farm outputs and income • Improved water management (better irrigation technology, water control technology and infrastructure) • Stronger relationships with local communities and governments thanks to being a responsible user thanks to Improved ground water quality with enlarged and secure slag dump • Secured license to operate thanks to the decreased water stress thanks to better use of rain through micro-basin set up
Extractum Ltd (mining industry)	• Lowered regulatory and reputational risks due to the water treatment plants and implemented water standards resulting in XX USD annual savings • Easier and more efficient extraction thanks to improved ground water quality – XX hl saved and efficiency improved by XX% • Secured license to operate thanks to the lowered water stress through increased use of recycled water • Stronger relationships with local communities and governments thanks to being a responsive user, more business opportunities for investment and benefits from the state
Kow (dairy industry)	• Improved water management and hence improved hygiene when processing the milk products • Improved supply chain security and secured regular milk deliveries as input for products • Stronger relationships with local smallholder farmers and governments thanks to being a responsible user • Secured license to operate thanks to the decreased water stress thanks to better use of rain through micro-basin set up • Increased profits thanks to limited business operation disruptions - estimation of XX USD annually

Phase 2:
Assess

Resources needed

Assuming that you already have some information on the stakeholder, its risks and opportunities, you can calculate 1,5 days per value proposition for one stakeholder. By this time, you probably already have done the stakeholder analysis and determined the degree of its representation – which will all support the value proposition.

If you do not have this documentation and still want to do the value proposition, calculate at least another day to acquaint yourself with the stakeholder, its value chain, sites, risks and opportunities.

Template 6: Value Proposition

To be filled in per stakeholder (private sector, public sector & communities). Refer to the info sheet for further explanations, guidelines and examples.
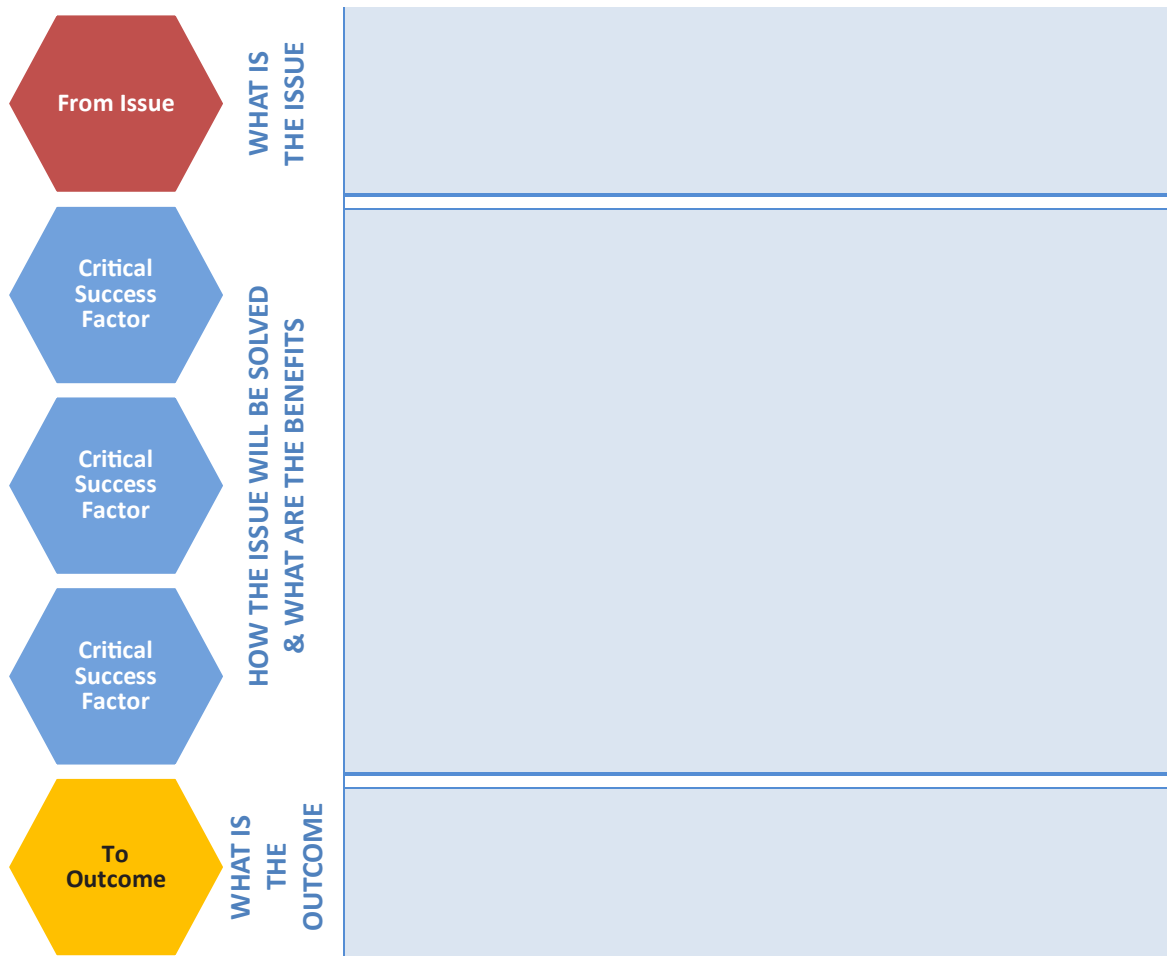
From Issue	WHAT IS THE ISSUE	
Critical Success Factor	HOW THE ISSUE WILL BE SOLVED & WHAT ARE THE BENEFITS	
Critical Success Factor		
Critical Success Factor		
To Outcome	WHAT IS THE OUTCOME	

Tool 7: Partnership Action Plan

Expected result: A plan of the major steps/activities for the partnership to achieve its desired outcomes, including the required resources to implement them.

Note: In this Phase (2), update this tool taking into account the information gathered in your Risks and opportunities assessment, your Assessment on risk of capture, your Cost benefit analysis and your List of potential beneficiaries.

Description

The Partnership Action Plan (PAP) is a planning document which reflects the planning and implementation of all the projects, interventions and activities undertaken by the partnership. Initially, the PAP focuses on the main partnership goal and the key objectives to achieve the goal. The PAP also includes indicators defined by the partners on how the achievement of objectives will be measured. The indicators help the partners to set medium- and long-term targets to be achieved during the different NRAF phases. Milestones based on the activities are defined in the PAP to track progress towards the indicator achievement. The partners are encouraged to use the PAP as a budgeting tool as well as a tool to collect data to measure its achievement and to allocate roles to the different partners and actors within the partnership.

Why do this step?

The Partnership Action Plan facilitates the future implementation of activities and creates a mutual understanding of the partnership plans among participants. It is important that all participants have a common understanding of the envisaged processes. Thus, the PAP is vital for partnership participants to keep track of the direction in which they are heading and as a written reminder of why they are heading this way. The main purpose of the PAP is to align resources with objectives.

Suggested to-do list

1. Obtain an overview of what needs to finally be included in the PAP

The table below lists the content that a PAP should include in this phase. For an overview of the entire PAP content along all phases, go back to Tool 7 in prepare phase in this toolkit.

Phase 1: Prepare

Phase	What should be included in the PAP during this phase?	Key Guiding Questions
All phases	• Name of partnership • Partners from private, public sector and civil society	• Who are the key formation partners? • Has an initial stakeholder map been developed?
Assess phase	• Key objectives, also known as Outcomes. This is stated as outcome statements • Outcome indicators • High level risks and assumptions for each outcome • Partner responsibility for outcomes and support roles • Initial start-up funding (Opex and Capex) • Funding allocation, timelines • Assumptions and Risks associated with indicators	• What are the objectives that would need to be achieved to help the partnership achieve the overall partnership goal? • How will we know if the objectives have been achieved? • What are the risks and assumptions for outcome achievement? What has to be in place for outcomes to be achieved? • Who (partner) is responsible for each action/deliverable/ milestone? • What initial funding is required to fund risk assessments/needs assessments/Concept development? (By whom, how much, by when?)

2. Complete the PAP templates for NRAF Phases 1 – 5, depending on the phase of establishment of your partnership

In the excel file provided as template, you can find some examples of objectives and activities. Modify the table to include the objectives and activities of your partnership and complete the rest of the information in the different columns. Consult partners before assigning responsibilities to them.

3. Facilitate the development of the partnership overall goal and outcomes for the NRAF phases 1-5

Discuss the PAP with all partners. An effective way of communicating the plan and getting their approval is likely a meeting or workshop setting.

In the workshop, partnership participants are invited to give their opinions and suggestion on the plan, which is finally modified to accommodate agreed modifications.

4. Review and adapt the PAP

Regularly review and adapt the PAP in all phases to keep it updated with new data, context changes and to incorporate relevant emerging agreements among participants.

Resources needed

This is the quintessential working document of the partnership. Setting it up initially will take you quite some time – you might to convene a workshop with your main partners. After progressing through the partnership phases, you have to make sure to update this tool regularly.

This tool includes a template in excel.

Tool 7.2 Assess phase PAP actions

Phase 2 Assess		
Outcome description		
Objective 1 **Outcome statement**		What are objectives (outcomes) that would need to be achieved to help the partners achieve the overall partnreship goal?
Objective 2 **Outcome statement**		
Objective 3 **Outcome statement**		
Objective 4 **Outcome statement**		

Risks and assumptions underlying achievement of outcomes		
Outcome 1		
Outcome 2		What has to be in place to enable achievement of these outcomes? What are the risks that could stand in the way of achievement of outcomes?
Outcome 3		
Outcome 4		

Partners' overall responsibility			
	Responsible Partner	Support Partner	
Outcome 1			
Outcome 2			Which of the key partners take overall responsibility for the main outcomes of the partnership and which partner will act in a support capacity?
Outcome 3			
Outcome 4			

Phase 3: Commit

Tool 14: Business Concept

Expected result: A model/concept to help partners understand and appreciate the importance of the partnership especially as in how it generates benefits.

For more information, see: CEO Water Mandate. 2015. Guide for Managing Integrity in Water Stewardship Initiatives: A Framework for Improving Effectiveness and Transparency. Oakland, CA: Pacific Institute. http://ceowatermandate.org/files/integrity.pdf

Description

The Business Concept is the "idea" of how a project expects to create value to its partners or the general community. It explains the "product" or "solution" of the partnership. What solution is the partnership providing both to its members and to the direct & indirect beneficiaries? When developing the Business Concept, partners do not necessarily consider the costs of implementing the project idea, but rather the value or benefit to be created.

The business concept provides a structure through which partners of the partnership can discuss and agree on key aspects of the partnership in simple terms, establishing a shared understanding of the "product" or "solution" or "project idea" for the partnership.

Why do this step?

At the beginning of forming a partnership, different partners could have different understanding of the problem and the solution that the partnership intends to deal with. This leaves room for contradicting interpretations and expectations among partners and beneficiaries, which can result in conflicts and undermine the accountability relationships among different stakeholders both within and outside the partnership. Defining a business concept helps to form a common understanding of the problem and the solution the partnership intends to take on. The "product" or solution of the partnership will become more specific to all partners. The business concept provides an opportunity to analyze the actions of the partnership that add value and are unique compared to the other available solutions.

Suggested to-do list

The business concept is ideally developed in a participatory process (e.g. as part of a management workshop) with all or most partnership participants, in order to promote joint understanding of the initiative and its context. However, it can also be used as a design instrument by partnership initiators at early phases of an initiative. The three steps below could guide a participatory workshop setting.

1. Understanding the format

To familiarize partnership participants, the building blocks are explained by using the Business Concept Template with guiding questions or examples (see template attached).

Phase 3:
Commit

It is important to flag the complexity of partnerships and clarify that the business concept is simply a template to capture key elements of such initiatives.

2. Describing the partnership

When developing the business concept, participants specify their perspective of the main characteristics for each building block.

Partnership participants should, wherever possible, jointly develop the content in the building blocks to describe their initiative.

The template provides a tool to facilitate dialogue among participants to clarify and agree on the objectives, governance, and functioning of their initiative.

3. Verification and revision

Based on the description of the business concept, participants should reflect on the overall consistency and appropriateness of the model: Is it realistic to reach the partnership goals with the identified activities, participants, and contributions?

Which aspects describe the existing initiative and which parts of the description relate to future plans should be clarified.

Business concepts are dynamic: they are iterative and should be adapted to changing conditions.

Resources needed

You need the business concept template. You need an understanding of the problem, its context, and possible solutions to solve the problem. You also need to know possible customers and beneficiaries. The time needed is around 1 month.

Template 14: An adapted methodology to develop Natural Resources Stewardship Business Models

Partners	Key activities	Value Proposition	Customer relationships	Customer Segments	Beneficiaries
Who are the partners? Who are the suppliers? Which key resources are acquired from partners? Which key activities do the partners perform? What are the main motivations for the partnership?	**Key activities** What key activities are needed to deliver value? - Operating the distribution channels? - Maintaining customer relationships? - Managing revenue streams?	What value is deliver to the customers? Which of the customers' problems is it solving? What combinations of products and services are offered to each Customer segment? Which customer nedds are satisfied?	What type of relations are established with customers (segments) and how are they maintained? How are these integrated in the rest of the business model? How costly are these?	For whom is value created? Who are the most important customers?	Who are the customers of the customers? Who else benefits from the business besides (direct) customers? What are the most important stakeholder groups identified?
Governance Who took the initiative for the partnership? Who is leading the partnership? Which partners are crucial, will cause the business to fail when the move away? How is the partnership organized, structured? How does the partnership deal with unforeseen circumstances?	**Key resources** What key resources are required for: - Creating the value proposition? - Operanting the distribution channels? - Maintaining customer relationships? - Managing revenue streams?		**Channels** Through which channels are Customers reached? How are these channels integrated? Which ones work best and which most cost-efficient? How are these (being) integrated with customer routines?		

Cost structure	Impact	Revenue streams
What are the most important costs inherent in the business model? Which key resources are most expensive? Which key activities are most expensive?	What impact is generated on the longer term? To what degree are sustainability issues are addressed or solved? To what extent is poverty alleviated?	For what are the customers and beneficiaries willing to pay? For what do they pay already and how do they pay? How would they like to pay? How much does each revenue stream contribute to overall revenues?

Phase 3:
Commit

Tool 15: Business Case

Expected result: project costs and revenues are estimated and analysed so the financial feasibility of the partnership is ascertained.

Description

The purpose of a business case is to weigh the financial and economic viability of undertaking the project. This is done by comparing between the costs to be incurred against the expected benefits of the project once completed. Therefore, the business case gives an insight on the financial feasibility of a project. It is important to note that, although the business case provides the financial feasibility of the intended project, Natural Resources related projects need to be financially, socially, and environmentally viable for them to qualify as sustainable projects.

It may seem confusing to differentiate between the business concept and the business case. Whereas the business concept is the "idea" or "solution" that the partnership wants to undertake, the business case is used to determine whether the intended solution will be a good investment for the partnership or not. For example, if the project idea (business concept) is restoration of degraded wetlands, the business case will be whether such an investment in wetland restoration would be a profitable venture for the partners in relation to their objectives.

Why do this step?

The business case is valuable because it shows you the costs of a project and their source (e.g. partners contributions - financial or in-kind). To the private sector, the business case informs about the required costs for investment and the subsequent revenue flows, so as to determine the surplus therein. And to government and community, the business case may be in terms of social welfare of the people. For example, how much will the community save from reduced hospital visits once the environment is secure and safe? How much will the government invest into creating a secure environment?

Suggested to-do list

1. Identify the relevant associated costs of the project

In this step you identify the relevant financial and non-monetary costs that the project might incur. Costs can be direct or indirect, internal or external. Note that external costs are often both non-monetary and problematic to quantify for comparison with monetary values. They include things like pollution, things that society will likely have to pay for in some way or at some time in the future, but that are not included in transaction prices.

2. Identify the benefits

Identify the likely benefits of the project, including environmental, social, and financial benefits to direct and indirect beneficiaries.

3. Identify the sources of funding

Identify possible sources of funding for the activities under the partnership. Possible sources of funding are: Contribution from partners, government, donors, free bonds, or loans. Keep in mind that each source of funding has its own consequence. Therefore, when choosing a source of funding the benefit of acquiring such a fund should be relatively higher as compared to other possible options.

4. Determine financial feasibility

Compare costs and benefits to determine financial feasibility. For comparison purposes, it is advisable to compute in-kind contribution into estimated figures. If the benefits outweigh the costs, financial feasibility is guaranteed.

Resources needed

The business case should be examined by a qualified person/expert with experience in environmental economy and financial analysis. The expert can come from inside or outside the (planned) partnership (e.g. programme personnel/partner personnel/hired consultant)

The time needed is around 1 month.

Phase 3:
Commit

Template 15: The Business Model Canvas

Version:

Date:

Designed by:

Designed for:

Customer Segments

Customer Relationships

Channels

Value Propositions

Key Activities

Key Resources

Key Partners

Revenue Streams

Cost Structure

Tool 16: Develop Optimal Structure of Vehicle

Expected result: a design on **how** the project should be implemented to reach the goals of the partnership, including its legal entity.

Description

The optimal structure of vehicle is the channel through which the business case is implemented. It explains how the project is going to be implemented and shows the project design as in who is doing what, in what way to achieve what, and by when. It lays out the actions under the action phase.

Why do this step?

It is valuable because it gives the general picture of how actions should be laid to achieve the predetermined goal, i.e. what is going to be done to reach the objectives of the partnership. It also determines the responsibilities of each partner in implementing the project. Whilst there are many ways of going about this, there is usually on way which will be most effective. This is determined by the available resources and skills. Deciding on the optimal structure of vehicle will help you to determine which alternative will provide the most efficient way to reach the goal.

Suggested to-do list

1. Identify options

State all possible alternatives/ ways that can lead to the desired outcomes. This is a brainstorming session with all partners on all the available options without analysing them. For example, a paper company and the community members around are affected by flooding. They form a partnership with the goal of reducing flooding in the area. The different possible alternatives available to them would be 1. Creating a good drainage 2. Creating a dam and 3. Shifting to another location.

2. Analyse the different options

In this step the different options are analysed.
Analyse:
- Partners strengths and mandates
- Enabling environment (legal framework)
- Risks involved in different options
- Available resources and skills
- Cost benefit analysis

3. Select best options

In this step, the highest-ranked option in relation to the cost benefit analysis will be selected.

4. Obtain partners consent

The partners consent can be obtained through inviting them to a meeting or through emails. The consent can also be included in the Letter of Commitment.

Resources needed

In order to develop the optimal structure of vehicle you need the reports of the previous phases to guide the analysis of partners, enabling environment and risks. In order to identify the best options, you could hire a consultant or have a workshop with your partners (where you could also obtain their consent). For the workshop you need a meeting venue.
The time needed is around 3 months.

Template 16: Develop Optimal Structure of Vehicle

1. What is the problem the partnership wants to solve?

    ....

    ....

    ....

2. What are the possible options that can be applied to solve the problem?

    1. ....

    2. ....

    3. ....

    4. ....

    5. ....

3. What are the likely pros and cons for the options listed above?

Options	Pros/Opportunities	Cons/Risks	Evaluation of pros & cons
1			
2			
3			
4			
5			

4. Which alternative option has a higher return on evaluation?

Phase 3:
Commit

Tool 17: Identify Skills Needed

Expected result: the right skills needed to deliver the goals of the partnership are identified, and there is clarity on who within the partners has them and which capacities need to be built.

Description

After knowing what to do (See Tool Business Concept) and how to do it (See Tool Optimal Structure of Vehicle), you now need to know who is going to it. Identify skills needed is about identifying the right skills needed to deliver the goals of the partnership, assess who within the partners has them, and which capacities need to be built.

Why do this step?

Identify skills needed helps you know the skills you need to reach your goals, and the capacity gaps within the partnership, which may pose a threat to reaching the goals. Based on this knowledge, capacity building programmes for the available staff can be developed or new staff with the required skills can be hired.

Suggested to-do list

1. Identify knowledge requirements

Based on the actions identified under the Tool Optimal Structure of Vehicle, identify the calibre of the person needed to execute such an assignment. List down the expertise required for one to do the job. For example, level of education, experience, and skills needed for one to effectively execute such a task.

2. Assess capacities and knowledge

Scan within your partnership to see if there are people with the required skills, knowledge, and expertise to perform the task. This can be done by analysing individual capacities, educational background, and work experience against the set list of skills and expertise. When deciding to use internal staff, it is always recommended to take note of the availability of persons vis-à-vis the workload that could be already allocated to them.

3. Identify actions to solve knowledge gaps

If the skills are not within the partnership, then options are identified on how to acquire the skills. The first option is to find out if the required skills can be built internally through training and other mentorship programs (see Tool Capacity building for running and maintaining activities). If so, then individuals are trained, and their capacity is strengthened to be able to carry-out the task effectively. If there are no persons to train, then the skills can be outsourced from external services like consultants or hiring a new staff who has the required skills.

Resources needed

You need the Optimal Structure of Vehicle to determine how the intervention will be done, and the procedure thereafter. This will then inform of the skills and expertise needed to do the task. Although the analysis can be done independently, it might be good to bring on-board a consultant to analyse the task ahead and thereafter recommend the skills required to do the assignment. The time needed is around 3 months.

Template 17: Identify Skills Needed

Complete the table below with the information of your capacity needs assessment. Refer to the info sheet for further explanations and guidance.

Task/responsibility	Skill needed to complete the task	Identified person/ institution	Needed training and support activities

Phase 3:
Commit

Tool 7: Partnership Action Plan

Expected result: A plan of the major steps/activities for the partnership to achieve its desired outcomes, including the required resources to implement them.

Note: In this Phase (3), review and adapt your PAP to keep it updated with new data, context changes and to incorporate relevant emerging agreements among participants.

Description

The Partnership Action Plan (PAP) is a planning document which reflects the planning and implementation of all the projects, interventions and activities undertaken by the partnership. Initially, the PAP focuses on the main partnership goal and the key objectives to achieve the goal. The PAP also includes indicators defined by the partners on how the achievement of objectives will be measured. The indicators help the partners to set medium- and long-term targets to be achieved during the different NRAF phases. Milestones based on the activities are defined in the PAP to track progress towards the indicator achievement. The partners are encouraged to use the PAP as a budgeting tool as well as a tool to collect data to measure its achievement and to allocate roles to the different partners and actors within the partnership.

Why do this step?

The Partnership Action Plan facilitates the future implementation of activities and creates a mutual understanding of the partnership plans among participants. It is important that all participants have a common understanding of the envisaged processes. Thus, the PAP is vital for partnership participants to keep track of the direction in which they are heading and as a written reminder of why they are heading this way. The main purpose of the PAP is to align resources with objectives.

Suggested to-do list

1. Obtain an overview of what needs to finally be included in the PAP

The table below lists the content that a PAP should include in this phase. For an overall overview of what an entire PAP should include along all phases, go back to Tool 7 in Prepare phase.

Phase	What should be included in the PAP during this phase?	Key Guiding Questions
All phases	• Name of partnership • Partners from private, public sector and civil society	• Who are the key formation partners? • Has an initial stakeholder map been developed?
Commit phase	• Output areas underneath each of the outcomes. • Planned activities that relate to each of the output areas. • Timelines for outputs and activities • Start of inserting monitoring columns in preparation of the Act phase. • Update funding column and responsibilities (Opex and Capex) • Output indicators further refinement • Overall targets • Budgets • Baselines • Measurement of indicator achievement • Measures to address risks if assumptions do not hold) • Commitment and agreement by all partners (signing of PAP)	• What are the different areas within each of the outcomes that would in total ensure that the outcome is achieved? • Which are the activities required • What budget is required for the activities • Who, within the partnership, is responsible for the different activities? • By when activities will be implemented (shorter term with milestones) and by when will outputs be achieved? • How are the Stewardship KPI intended to be measured? • How will you know if the partnership objective has been achieved? • How much funding is required to fund initiatives/ projects? By whom, when? • How will achievement of indicators be measured? • What is the starting point for the measure (baseline) • How will baselines be determined? • How are indicators deconstructed? • What are the risks: Should assumptions not be upheld and what mitigation actions are required?

Phase 3:
Commit

2. Complete the PAP templates for NRAF Phases 1 – 5, depending on the phase of establishment of your partnership

In the excel file provided as template, you can find some examples of objectives and activities. Modify the table to include the objectives and activities of your partnership and complete the rest of the information in the different columns. Consult partners before assigning responsibilities to them.

3. Facilitate the development of the partnership overall goal and outcomes for the NRAF phases 1-5

Discuss the PAP with all partners. An effective way of communicating the plan and getting their approval is likely a meeting or workshop setting.

In the workshop, partnership participants are invited to give their opinions and suggestion on the plan, which is finally modified to accommodate agreed modifications.

4. Review and adapt the PAP

Regularly review and adapt the PAP in all phases to keep it updated with new data, context changes and to incorporate relevant emerging agreements among participants.

Resources needed

This is the quintessential working document of the partnership. Setting it up initially will take you quite some time – you might to convene a workshop with your main partners. After progressing through the partnership phases, you have to make sure to update this tool regularly.

This tool includes a template in excel.

Tool 7.3 Commit phase PAP actions

Activities	Partner	Budget	Timelines			
			Year 1	Year 2	Year 3	Year 4
Outcome 1						
Output 1						
Activities						
Output 2						
Activities						
Output 3						
Activities						
Output 4						
Activities						

Phase 3: Commit

Activities	Partner	Budget	Timelines			
			Year 1	Year 2	Year 3	Year 4
Outcome 2						
Output 1						
Activities						
Output 2						
Activities						
Output 3						
Activities						
Output 4						
Activities						

Activities	Partner	Budget	Timelines			
			Year 1	Year 2	Year 3	Year 4
Outcome 3						
Output 1						
Activities						
Output 2						
Activities						
Output 3						
Activities						
Output 4						
Activities						

Phase 3: Commit

Activities	Partner	Budget	Timelines			
			Year 1	Year 2	Year 3	Year 4
Outcome 4						
Output 1						
Activities						
Output 2						
Activities						
Output 3						
Activities						
Output 4						
Activities						

Tool 18: Develop Sustainability Strategy

Expected result: a clear idea of how the partnership can be sustainable and selfsufficient in the long-term; a plan of when and how to hand over or transform the partnership; and provisions in case of partners' withdrawal.

For more information, see: CEO Water Mandate. 2015. Guide for Managing Integrity in Water Stewardship Initiatives: A Framework for Improving Effectiveness and Transparency. Oakland, CA: Pacific Institute. http://ceowatermandate.org/files/integrity.pdf

Note: This tool will lead to the preparation of a plan in preparation for phase 5 (Scale & Exit Phase). In phase 5, the plan will be reviewed and updated before jointly deciding which parts to implement.

Description

The sustainability strategy is a plan that clarifies how the partnership will be sustainable and self-sufficient in the long-term, adapting to changing conditions, challenges and partners. While some natural resources risks might be addressed, others might emerge. A partnership, once established, should be kept active and agile to be able to adapt to changing conditions and partners' goals. A sustainability strategy also provides a plan for the case of a withdrawal of one or more partner(s). Fostering sustainability and mitigating the risks of partnership failure lie at the heart of this strategy. It needs to be designed jointly by partners from the onset and revisited regularly as the partnership evolves.

As conditions on the ground change, so do partners' goals and hence also partnership objectives. Partnerships can also transform into more permanent structures or the main responsibility for the partnership can be handed over to (a) different partner (s). In some cases, partnerships might terminate due to changes in partners' priorities, availability of financial resources (e.g. of one of the main financial contributors to the partnership) or once objectives are reached and no further joint objectives can be identified. However, in most cases the need for a joint sustainable management of natural resources remains valid. To ensure both a partnership's anchorage and adaptability, emphasis must be put into its long-term sustainability from the beginning on. A sustainability strategy guides partners along aspects to not only look into the quick wins but rather the long term impacts this partnership could have. Transparent and open-minded conversations and communication are key aspects in this regard.

Why do this step?

Partnerships need to be able to constantly adapt to change. The adaptation of a partnerships to new conditions or the withdrawal of a partner may generate risks (e.g. reputational, financial) for partners and trigger tensions. The latter can be alleviated by previously negotiated procedures, drawing a clear path toward the resolution of critical issues. A sustainability strategy should also help partners to effectively respond to severe challenges such as the misconduct of a participant, the unexpected

withdrawal of a key funder, or the failure of activities.

Jointly developing a sustainability strategy in the early phases allows partners to clearly outline what each of them wants the partnership to achieve and how they envision the partnership's positioning in the long-term. Critically, the process will also highlight discrepancies in participants' levels of involvement and expectations with regards to the sustainability of a partnership, providing a window of opportunity to foster shared understanding of potential constraints of the partnership but primarily to enhance its design in the first place. As activities carried out as part of sustainability strategy development (e.g. capacity building of local partners, project monitoring) require planning, budgeting, and sometimes the mobilization of extra funds, it makes sense to elaborate this strategy once the broad objectives, structures and processes of the partnership have been defined and before they have been implemented.

Suggested to-do list

1. Identify important sustainability criteria

Organize a brainstorming session for partners to jointly identify important criteria to make the partnership self-sufficient and durable in the long-term. This includes ways of enhancing the partnership's resilience, e.g. reducing dependency on one-sided funding or developing necessary skills to divide tasks equally among various partners and the adaptation to changing circumstances, priorities and overall conditions.

Draw up a list of important criteria on how to achieve the partnership's sustainability, by creating different scenario plans, including potentially changing responsibilities and tasks that will for part of the sustainability strategy.

These plans should include mechanisms (e.g. accountability mechanisms; procedures for conflict resolution, etc.) that are jointly agreed upon and formalized under the partnership's rules and agreements.

2. Design the sustainability strategy

Conduct a facilitated discussion among partners to explore what their expectations about the overall outcome(s) and the outcomes for each work stream and activity are. In doing so, partners share expectations, clarifying what they mean by success (of the partnership), how they would measure it and how they potentially contribute (in a short period of time as well as in the longer run, depending on resources- financially, in-kind, etc). It is advised to use a proper monitoring and evaluation system to gain clarity over achievements along the course of the partnership.

Benchmarks to be achieved before moving on (e.g. percentage of water user associations reaching a given level of functionality, number of partnership meetings held to discuss a topic, level of soil health reached etc.) may be adjusted during the partnership cycle to reflect potential implementation constraints.

Choose metrics and define benchmarks for milestones, to either celebrate successes or adjust measures in case of non-achievement. This also allows partners to fulfil their commitments for a

certain activity, to either make new commitments or adjust their engagement.

Ensure regular and timely monitoring of benchmarks and the conditions influencing a partnership to ensure a successful implementation of the sustainability strategy. This can be integrated into the overall monitoring and evaluation framework of activities to avoid duplication.

A (non-extensive) checklist for a sustainability strategy is provided in the table below.

Selection of activities
• Which are the key activities of the partnership that should definitely be sustained? Are we running out of time/resources for any activity? • Have we developed scenarios to illustrate the potential impact of activities and why they make sense? • Have all stakeholders been involved in discussion on partnership activities to ensure mutual agreement that their outcomes will be beneficial to the relevant stakeholders and their community?
Selection of partners
• Did we agree on an institutional structure at the beginning of the partnership? (e.g. mission, priorities, funding, governance structure) - If yes, did that landscape change during the partnership? - If no, do we need to assess our current and potential new partners? • Do the identified sustainable activities match with the mission/priorities/interests of the partners? • Have we considered political realities and been responsive to them? (e.g. government priorities)
Funding & resources
• Do we have a stable financing mechanism for the partnership? Are the current financers willing to continue? • Whose responsibility is it to seek additional funding? • Have we identified the potential funders at local, country or regional level? • Have we identified international organizations/donors with potential interest in further funding the partnership, if necessary?
Planning
• Do we have a schedule for handing over different activities so that not everything happens at once?

Phase 3:
Commit

Communication

- What are the core results and policy messages from the partnership? Who needs to know these core messages?

- Do we have a communication plan that enables clear delivery of the core messages in the right format and on the right channels (radio shows, social media, videos etc.) to the reach not only a targeted but also broader audience and create awareness and bring on board potential new partners?

- Are gender, language, and cultural sensitivities taken into account?

- Have we planned for hand-over events?

Gender & Inclusivity

- Have we conducted a gender-and inclusivity needs assessment? If not, when will we do it?

- How should gender realities and concerns (e.g. community and decision making roles) be taken into account in our sustainability strategy from communication and handing over assets, information & resources to capacity development?

Lessons learnt

- Have we allocated responsibilities and resources for capturing the lessons learnt?

- What are the successes s of the partnership and what were and might still are challenges that are important to capture for future learning by other partnerships and by other similar initiatives?

- Which lessons will help us in the formulation of the sustainability strategy?

- Have we submitted our lessons for feedback and peer review to the/ a broader group of partners/ participants of the partnership?

Roles and responsibilities

- Which institution will be responsible for which activity?

- Within the institution, who/which position will be responsible and for what?

- Have we considered all stakeholders in the set-up of our activities (e.g., government, civil authorities, municipality departments, local community, UN partners, media, private sector, and other partners)?

- Have we considered the promotion of gender equality and inclusivity in our allocation of roles and responsibilities?

Capacity development

- How can the human capacity that has already been built (though e.g. trainings) be sustained?

- Have we identified the gaps between the current human capacity and what is needed to successfully carry out the agreed activities?

- How will any capacity gaps be closed? Do we have a training plan? How else will gaps be addressed? Which human capacity is available among partners and can be taught to others?

- Do the stakeholders need assistance proposal writing or other skills for the promotion and fundraising for the partnership?

Knowledge transfer

- Have we encouraged the relevant partners to clearly articulate what kind of capacity,information and knowledge they want and need to actively engage in the partnership?

- Have we identified the gaps between existing and needed capacity, knowledge and information?

- How will we close those gaps?

- What will happen to the (potentially) data & databases generated? Who do we hand it over to? Who of the current partners will sustain them and how? Who owns them?

Risk assessment & management

- Have we prepared a risk assessment for the partnership`s changing conditions & prepared a risk management plan to deal with them?

- Have we prepared a risk assessment for the sustainability strategy itself & prepared a risk management plan?

- Have we included risk management aspects into our financial planning?

- Have/ should we create an exit strategy (in case of the event it is clear the partnership wont continue due to the above mentioned changing circumstances)?

Asset management

- Which are the assets to be retained by whom?

- How will we transfer common assets and when?

Monitoring & accountability

- Have clear indicators been set for measuring the success of the implementation and impact of the activities?

- What information is collected and how do we verify the achievement of indicators and who is going to measure these achievement in the long-term, once the secretariate function of a partnership is handed over to another partner?

- Who is responsible for the monitoring and who do they report to?

- Are regular meetings held/ monitoring activities carried out to monitor the implementation of these activities?

- Should the acting secretariate still be involved and monitor activities after handing over? If yes, how?

Administrative Procedures

- Do we know what is needed for the administrative closure and handover (from HR, assets, accounts, reporting etc.)?

- Have we planned for an audit? What type (e.g., management, financial, compliance)?

- Who is going to conduct the audit? What is the scope of the audit and when is the appropriate time for this?

Before the initial facilitator hands over to partners, clarify open points. After answering the questions on the table an action plan should be created, including all necessary activities to ensure sustainability. See the template below with examples of activities.

Exit Activity	By When?	By Whom?	How monitored? What indicators or benchmarks will be used?	Who will do the monitoring and when?	Budget cost
Form a group taking over current partnership secretariat tasks					
Creation of handover strategy					
Meetings with staff, partners and relevant stakeholders					
Presentation of sustainability strategy to stakeholders					
Necessary budget planning					
Handover of monitoring tasks					
Etc.					

3. Moving on

Exit criteria are drivers that prompt participants to make critical decisions affecting the course of the partnership or the relationship with selected partners.

The table presents common scenarios of challenges for a partnership and activities to be taken to handle such challenges.

DRIVER	ACTION BY PARTICIPANTS	KEY CHARACTERISTICS OF THE SUSTAINABILITY STRATEGY
1. **Reduction in or withdrawal of resources**	Redesign partnership activities, structures, and processes	Increase self-reliance (e.g. new partners bringing differ-ent resources to the table) or handing over activities to local institutions.
2. **Completion of goals & objectives**	Discuss new objectives adjusted to current conditions	Publish success stories, internalize and share lessons. Design a way forward for further collaboration on new objectives.
3. **Continuation of activities beyond planned timeframe**	Continuation	Continue and adjust (e.g. recruit new partners if the responsible partner for an activity drops out).
	Handover	Hand the activities over to another institution or create a new mechanism to complete activities (transition or transformation).
4. **Failure of activities**	Document lessons and continue/handover successful activities	Reflect on reasons for failure, discuss openly with partners, document lessons learned, find a way forward for successful activities.

5. Change in partners' priorities	Adjust partnership	Go back to prepare and assess phases to realign to changed partners` priorities, engage new partners, adjust activities depending on progress to date and remaining work until completion.
7. Shift in context (political, environmental etc.)	Adjust partnership	Review and readjust the partnership accordingly.

Resources needed

No clear time frame can be set. Developing a sustainability strategy is a task that should be continuously adjusted while the partnership is advancing and being formalized. It takes various months (approx. 3) to develop a document to which every partner can refer. However, discussions must continue afterwards.

Template 18: Develop sustainability strategy

List in the table below the key information for your strategy based on the above guiding questions. The most frequent case for handing over activities and reflecting on a way forward for the partnership is the (gradual) handover from an initial, neutral facilitator to the partners.

Selection of activities
Selection of partners
Funding & resources
Timing
Communication
Gender & Inclusivity

Phase 3: Commit

Lessons learnt

Roles and responsibilities

Capacity development

Knowledge transfer

Risk assessment & management

Asset management

Monitoring & accountability

Administrative Procedures

List in the action plan below the activities to be performed.

Exit Activity	By When?	By Whom?	How monitored? What indicators or benchmarks will be used?	Who will do the monitoring and when?	Budget cost

Tool 19: Negotiation Practices

Expected result: improved capacity of partnership facilitators/ initiators to reach compromises or agreements with diverse stakeholders, avoiding argument and dispute.

Description

Any collaboration will experience some level of conflict as a group of different individuals are working together toward a common objective. There is therefore a need for the partnership to have mechanisms in place to identify the pivot point where all partners feel comfortable. Negotiation practices are used to establish harmony and compromise and provide a win-win balance among all partners.

Why do this step?

Negotiation practices help the partners to understand and appreciate the differences within the different participants of the partnership. They shape a healthy working environment among partners to respect one another, compromise and support each other towards the desired goals. Negotiation practices help in mitigating conflicts so the partnership runs smoothly. They are important to have a healthy partnership.

Suggested to-do list

1. Conflict analyses

Scan for possible conflicts that can arise in the partnership: the type of conflicts that are likely to occur and their causes. Conflicts could be due to imbalance in partner contribution, roles and benefits, misplacement of mandates, unclear and misguiding roles of partners, miscommunication among partners, capacity of partners, among others. There are some categories of people who are more accommodating and can easily compromise on some action, yet others could be the opposite. Therefore, try to know the type of people in the partnership if they are more or less accommodating, as this will be key in designing the resolution.

2. Look for conflict resolution expertise

When potential conflicts are identified, it is time to look for solutions that can counter them. When resolving a conflict, it's always good to ascertain fairness as perceived by all partners. Find out if there are people within the partnership who can be involved in resolving the conflict. Alternatively, find an external consultant to help the partnership in providing a solution. Having someone internal

with such skills would be ideal for continuity purposes. However, this person may not be seen as neutral especially if he/she is part of the conflict.

3. Evaluate resources needs

Some efforts may be too expensive relative to the results they would yield. It is also important to note that some conflicts are natural and will resolve themselves and thus do not require significant resources. Identify what resources the partnership might need to solve the conflicts and evaluate the merit of taking on such actions using a cost-benefit analysis.

Resources needed

Establish the partnership as a neutral platform. You need to be able to identify conflicts before they accrue. This calls for a very good understanding of the partnership, its partners, mandate, and objectives. You need someone with negotiation skills within the partnership to bring empathy and compromise to the partnership participants in an efficient and timely manner. If you do not have such a person, you can bring on a moderator or build the capacity of the partners to understand and appreciate differences within the partnership. A person with negotiation skills has analytical skills, is professional, and controls his/her emotions. Additionally, they are good listeners and persuasive communicators with problem-solving skills.

Tool 20: Memorandum of Understanding (MoU)

Expected result: a non legally binding document clearly defining the partnership governance, roles and responsibilities of participants, targets (beneficiaries), budget and partners' contributions.

Description

The Memorandum of Understanding (MoU) is non-legally binding. However, it establishes concrete expectations of financial and in-kind contributions from member parties in the stewardship partnerships. The MoU can take two forms: (i) a letter from a partner committing to take on the specified roles in the partnership and indicate the contributions and the timelines, (ii) a letter signed by all parties with each individuals' roles, contributions, and the timelines clearly stated.

Why do this step?

An MoU represents a reference in the event of a dispute, differing interests, or undesirable behavior by a participant. It also outlines and makes transparent the decision-making structure of the initiative, thereby reducing the risk of collusion that can lead to misuse of the partnership. The process of establishing a MoU contributes to raising awareness about the roles and responsibilities of the partnership's participants. MoUs can also mitigate reputational risks to the partnership and partners by specifying certain expected levels of performance or adherence to good practice. For example, some MoUs specify participants' commitment to mutually agreed upon codes of conduct, environmental policy, or disclosure of conflicts of interest. Establishing a clear agreement can help prevent conflict and reputational harm because expectations are established at an early stage, leaving less room for misinterpretation by the participants.

The purpose of an MoU is to formally agree on the shared objectives, roles, and ground rules of an initiative. An MoU should be signed by all participants to create a common action level field and establish a transparent operation of the partnership.

Suggested to-do list

1. Link the Memorandum of Understanding (MoU) to the initiative

Determine who the actual participants of the partnership are (i.e. the multinational beverage company, the ministry, a department of the ministry, etc.).

Clarify how cooperation by a participant contributes to the implementation of the partnership and what each participant can commit to.

Phase 3:
Commit

Agree on the role of each participant in the partnership, the governance structure and participants' contribution (both financial and in-kind).

2. Develop content of the MoU

Signatories agree to: responsibilities, objectives, timeframe for delivery, cooperation modalities, and how the parties will authorize and pay for any costs incurred in delivering outcomes.

Process would ideally be transparent and open to all parties. As the nature of each specific relationship within each partnership is unique, it is impossible to provide a generic template for such a document. However, MoUs generally include the aspects in the table below.
Check the document "The Partnership Paperchase" (Evans et al., 2004), where more detailed information on each section, including example clauses, can be found. Annex 1 of the same document also provides a summary of key discussion areas and issues to consider when drawing up partnership agreements.

1. Purpose of the Memorandum of Understanding (MoU)
a. Explanation of what this document represents
a. Statement that upholds wider partnership agreements and earlier agreements
2. Context of the commitment agreement
a. Statement of local need to reduce natural resources risks, community context, membership
a. Explanation of sovereignty from other partners
3. Objectives of partnership
a. Signing parties pledge to work toward these aims
a. Not to engage in activities counter to these aims
4. Expectations of engagement (Scope of work)
a. Delineation of obligations regarding field of engagement, geography

b. Specific work to be done
        i. Studies
        ii. Assessments
        iii. Interviews
        iv. Education program in local schools
        v. Engaging the local community
        vi. Building new irrigation infrastructure

c. How will work be done
        i. Methods to be applied
        ii. Time schedule for deliverables
        iii. Funds to be allocated

d. Reporting and Monitoring
        i. To whom will the partner report on progress?
        ii. Expectations regarding participation in meetings, frequency of updates, etc.
        iii. Person(s) directly responsible for coordinating with the party or person

5.	**Duration of agreement**
	a. When are all obligations terminated?
	b. Under what situation can either party terminate or extend the agreement?
6.	**Statement that this agreement is non legally binding.**
7.	**Signatures, date**

3. Ensure the agreement is fit for purpose

Ideally, establish whether the MoU will be applied to all participants in order to increase transparency in partnership management.

Have a legal representative review language used in the letter of commitment before it is signed to ensure legality in the dealings.

4. Execute and communicate the agreement

The MoU is vetted and signed by each party. Only persons authorized by their organizations are eligible to sign the MoU.

The formal agreement of cooperation should be communicated to all participants and the public, and wherever possible, a copy of the MoU should be made publicly available.

5. Review and adapt the MoU

Regularly review the MoU to monitor its implementation and comprehensiveness.

As the partnership develops, amend the MoU to incorporate relevant emerging agreements among participants.

Useful References

Barbara Evans, Joe McMahon, and Ken Caplan. 2004. The Partnership Paperchase: Structuring Partnership Agreements in Water and Sanitation in Low-Income Communities. London: Building Partnerships for Development (BPD).

Resources Needed

You need legal advice, and consent from all partners. The time needed to finalize a MoU is generally around 3 months.

Phase 3:
Commit

Template 20: Memorandum of Understanding (MoU)

Complete the table below with the information of your MoU. Refer to the info sheet for further explanations and guidance.

1. Purpose of the MoU

2. Context of the commitment agreement

3. Objectives of partnership

4. Expectations of engagement (Scope of work)

5.   Duration of agreement

6.   Statement that this agreement is non legally binding.

7.   Signatures, date

Phase 4: Act

Tools

Tool 21. Identify experts
Tool 22. Capacity building for running and maintaining activities
Tool 23. Communication strategy
Tool 7. Partnership Action Plan

Tool 21: Identify Experts

Expected result: experts who can help build capabilities and who can advise on selected subjects within the implementation are identified.

Description

Terms of reference are developed for an expert to support the development of the partnership, aligned with its overall objective, and to support the partnership in the operationalization of the projects, monitoring, and reporting. An expert with project management knowledge and expertise in monitoring and evaluation is usually required on a full-time basis and therefore this capacity should be built internally among partners. For other tasks, an external expert is recommended.

Why do this step?

Monitoring, evaluation, and learning require expert knowledge and skills which will require external expertise if not readily available within the team.

Suggested to-do list

1. Develop a TOR for your required needs, for example a Monitoring & Evaluation expert

See template attached.

Resources needed

A consultant/expert or internal advisor provides a service for a minimum duration of 14 days per partnership, provided that internal capacity exists to conduct data capturing and data collection during the year and a person responsible for monitoring exists within the partnership.

Phase 4:
Act

Template 21: Identify experts

Complete highlighted areas

Contract no:	
Project:	
Project no:	
Contractor:	
Date:	

Terms of Reference

These terms of reference are for the appointment of a service provider by the partnership to provide strategic monitoring, evaluation and systems support in support of achieving the assigned indicators for country.

1. Background of the partnership

1.1. The Purpose of Assignment

The partnership is to be embedded in a solid monitoring and evaluation system to achieve the overall partnership objectives. To realise this, established indicators against which the partnership's effectiveness and impact are measured are set. This reporting system lays a solid foundation for a partnership M&E system.

Insert here to customise:

1. Provide background to justify the expert contract

Insert here to customise:

1. Give a description of the partnership
2. Give an overview of high level monitoring requirements (if the partnership is embedded into an overarching programme) and requirements for this assignment

1.2.   Assignment goals

The partnership requires the expertise of an experienced M&E and project advisory expert to assist with the following tasks:

1. Update, align, and execute the M&E system of the partnership for period of (dates) as well as the overall evaluation phase (if required)
2. Capacitate partners to use and apply the partnership's principles and tools
3. Support Project close out and project implementation processes to ensure effective reporting of progress and impact

In order to achieve these objectives, the following activities are envisaged.

Update, align, and execute the M&E system of the partnership for period of (dates) as well as the overall evaluation phase

- Design an M&E strategy for (partnership name) for the period of (time phase) in line with the (year) reporting strategy
- Support the integration of indicator achievements into partnership planning and project implementation
- Design a system of reporting to be used by consultants and advisors in the execution of tasks
- Together with the partnership coordinator, oversee all processes leading to the finalisation of reporting

Capacitate partners to use and apply M & E principles and tools

- Facilitate the training at of least (number of) learning exchanges with project partners and advisors on requirements of the system and how best to apply it in the execution of tasks
- Support the finalisation and updating and use of the NRAF for the partnership

Support Project closes out and project implementation processes to ensure effective reporting of progress and impact

- Facilitate project close-out learning session with advisors
- Document lessons on partnership experience on project close out
- Ensure tool/ lessons learnt are collected and disseminated
- Enhance project close out lessons learnt toolkit

2. Deliverable

The following deliverables are expected from this assignment.

1. Final M&E Annual report for the period (year)
2. M&E plan for (year) in line with the partnership strategy and targets
3. Lessons learnt resource on project close
4. At least 2 M&E learning event reports with partners and or consultants associated with partnerships
5. Presentations on M&E status
6. Final summary report on the entire assignment

1.4. Additional Information

The consultant is expected to travel to partnerships and provide onsite advisory where appropriate.

Tool 22: Capacity Building for Running and Maintaining Activities

Expected result: Ways to fill identified gaps are planned, and corresponding training, workshops, and coaching sessions are carried out to build necessary capacities.

Description

Project management knowledge is required for partners to continuously manage and monitor the implementation of interventions.

Why do this step?

Capacity building for running and maintaining activities helps to ensure the sustainability of measures. Only if regular meetings are held, activities are planned and overseen, and a reliable monitoring is in place to
adjust activities appropriately over time, a partnership can stay active and effective in the long-term.

However, project management is a skill that may not reside within the partnership team. A capacity building workshop that includes a session on project management and monitoring is recommended.

Suggested to-do list

1. Design and develop a training toolkit

The following are excellent resources for capacity building around project management. It is recommended to include them in capacity building workshops for partners rather than inventing new resources.
- Resource 1: Guide to integrity – Water Stewardship (CEO Water Mandate toolkit)
- Resource 3: Guide to Water-Related Collective Action (CEO Water Mandate toolkit)
- Resource 4: A communication partnership manual for partnership practitioners.
- McManus, S., Tennyson, R., 2008 Talking the Walk: A communication – a partnership manual for partnership practitioners. URL: www.ThePartneringInitiative.org

Resources needed

Consultant/expert or internal capacity (trainer).

Phase 4:
Act

Tool 23: Communication Strategy

Expected result: A communication strategy is developed for the partnership

Description

Cross-sector partnerships are challenging by nature, requiring collaboration between players from diverse organisations that may have rather different priorities, values, and ways of working. These challenges are typically reflected in all aspects of communication, both within and outside the partnership. Therefore, it is vital to identify exactly what these challenges are and how to systematically address them so that communication becomes part of the partnership trust-building process, not a cause of persistent dissent. Already establishing the right channels for the right audience is an important step that is often ignored, leading to inaction or confusion.

Why do this step?

A good two-way communication among all stakeholders is key for the success of a partnership. Effective communication ensures that partners and external stakeholders receive relevant information about partnership activities, challenges and impacts. This in turn builds mutual trust and commitment.

Good communication forestalls surprises, prevents duplication of efforts, and can help to reveal omissions and misallocation of resources early enough to permit corrections. Showcasing successes furthermore keeps the motivation between existing partners high and attracts further partners to join in. Having a communication strategy is important to ensure that a consistent message, based on facts about the partnership, is conveyed to stakeholders. It ensures that the right information reaches the relevant stakeholders at the appropriate time.

Suggested to-do list

Sensitize partners on the necessity of effective and targeted communication. Jointly develop a communication strategy based on partners` goals and target groups. Examples could be a monthly newsletter sent out to core partners to inform them about activities and upcoming events, or a social media channel on which partnership progress is being shared with the public. Both require a different strategy to make their outcome a success.

A draft template has been developed for further refinement. Also, a training on effective communication may need to be organized for partners.

1. Identify the basic elements of your communication strategy

A good communication strategy includes the following core elements:
- Objectives
- Target audience(s)
- Key content
- Method and frequency

2. Build an effective communication strategy

The table below lists some necessary steps for developing an effective communication strategy:

Focus on the following	Questions to ask
Communication objectives	What are you aiming to achieve with your partnership communications? Refer to the objectives established for the partnership.
Target audiences (internal and external) and the characteristics of each audience	Who do you want to communicate with? Refer to the roles established for the partnership. Consider a broad range of stakeholders, also externally.
Purpose of the communication for each audience	Why are you communicating with them? Think about what your audience would like to know from their perspective - "What's in it for me?"
Key communication messages and the content of the message	What do you want to say? The content should address the reason the audience will be interested in the partnership and its activities.
Information sources	Where can you find the information you need for your communication? Some information may be from official sources, and other information will be created as part of the partnership activities and stored in the partnership repository. Make sure you double-check sources and base any communication on facts.
Frequency	How often do you want the communication to be delivered? Weekly, bi-weekly, monthly, at the end of a certain stage, etc.
Format and delivery mechanism	How does the target audience best receive this information? Report, phone, website, meeting, formal presentation, social media etc.
The messenger	Who is the responsible communicator? Who prepares and distributes or presents the communication? Based on different capacities, this is a role to be taken up either by the partnership secretary or any partner interested in and capable of this task.
Communication milestones and measurements of success	How will you know if your strategy is working? Establish some simple performance indicators and evaluation measures to determine if your communication is effective. Examples include the use of a meeting evaluation form after each meeting or the simple monitoring of click rates on a website.

Resources needed

Some excellent resources are:

- McManus, S., Tennyson, R., 2008, Talking the Walk: A communication manual for partnership practitioners. URL: www.ThePartneringInitiative.org
- 5 tips for an effective communication strategy for stakeholder engagement. URL: https:// www. sustainet.com/communication-strategy-for-stakeholder-engagement/

Tool 7: Partnership Action Plan

Expected result: A plan of the major steps/activities for the partnership to achieve its desired outcomes, including the required resources to implement them.

Note: In this Phase (4), please review and adapt your Partnership Action Plan (PAP) to keep it updated with new data, context changes and to incorporate relevant emerging agreements among participants. During the ACT phase focus particularly on step 5 "Monitor and report progress".

Description

The Partnership Action Plan (PAP) is a planning document which reflects the planning and implementation of all the projects, interventions and activities undertaken by the partnership. Initially, the PAP focuses on the main partnership goal and the key objectives to achieve the goal. The PAP also includes indicators defined by the partners on how the achievement of objectives will be measured. The indicators help the partners to set medium- and long-term targets to be achieved during the different NRAF phases. Milestones based on the activities are defined in the PAP to track progress towards the indicator achievement. The partners are encouraged to use the PAP as a budgeting tool as well as a tool to collect data to measure its achievement and to allocate roles to the different partners and actors within the partnership.

Why do this step?

The Partnership Action Plan facilitates the future implementation of activities and creates a mutual understanding of the partnership plans among participants. It is important that all participants have a common understanding of the envisaged processes. Thus, the PAP is vital for partnership participants to keep track of the direction in which they are heading and as a written reminder of why they are heading this way. The main purpose of the PAP is to align resources with objectives.

Suggested to-do list

1. Obtain an overview of what needs to finally be included in the PAP

The table below lists the content that a PAP should include at this phase. For an overview of what an overall PAP includes along all phases, go back to Tool 7 in Prepare phase.

Phase 4: Act

Phase	What should be included in the PAP during this phase?	Key Guiding Questions
All phases	• Name of partnership • Partners from private, public sector and civil society	• Who are the key formation partners? • Has an initial stakeholder map been developed?
Act phase	• Output indicators • Overall targets • Budgets • Baselines • How achievement of indicators will be measured • Update funding column and responsibilities/ • Contributions by respective funding sources • Update the risk assessment (actual)	• How will data be recorded and collected? • By whom? • Who is responsible for reporting and monitoring? • How is reporting communicated to the partners? • How much funding is required to fund initiatives/ projects? By whom, when? • What is the progress vs. actual planning? • Was there a delay in progress Why? (refer back to risks and assumptions)

2. Complete the PAP templates for NRAF Phases 1 – 5, depending on the phase of establishment of your partnership

In the excel file provided as template, you can find some examples of objectives and activities. Modify the table to include the objectives and activities of your partnership and complete the rest of the information in the different columns. Consult partners before assigning responsibilities to them.

3. Facilitate the development of the partnership overall goal and outcomes for the NRAF phases 1-5

Discuss the PAP with all partners. An effective way of communicating the plan and getting their approval is likely a meeting or workshop setting.

In the workshop, partnership participants are invited to give their opinions and suggestion on the plan, which is finally modified to accommodate agreed modifications.

4. Review and adapt the PAP

Regularly review and adapt the PAP in all phases to keep it updated with new data, context changes and to incorporate relevant emerging agreements among participants.

Resources needed

This is the quintessential working document of the partnership. Setting it up initially will take you quite some time – you might to convene a workshop with your main partners. After progressing through the partnership phases, you have to make sure to update this tool regularly.

This tool includes a template in excel.

Tool 7.4 Act phase PAP actions

Phase 4 ACT					
Monitoring and reporting on output level					
Outcome 1	**Indicators**	**Overall targets**	**Annual Targets**	**Baseline**	**Measure method**
Output 1 description					
Output 1 indicator					
Output 2 description					
Ouptut 2 indicator					
Output 2 indicator					
Outcome 2					
Output 1 description					
Output 1 indicator					
Output 2 description					
Output 2 indicator					

Phase 4:
Act

Outcome 3	Indicators	Overall targets	Annual Targets	Baseline	Measure method
Output 1 description					
Output 1 indicator					
Output 2 description					
Ouptut 2 indicator					
Output 2 indicator					

Outcome 4					
Output 1 description					
Output 1 indicator					
Output 2 description					
Output 2 indicator					
Output 2 indicator					
Output 3 description					
Output 3 indicator					
Output 3 indicator					

Phase 5: Exit

Tools

Tool 24. Feedback session
Tool 25. List of lessons learnt
Tool 7. Partnership Action Plan
Tool 26. Decision-making matrix for scale-up
Tool 18. Develop sustainability strategy
Tool 27. Final handover

Tool 24: Feedback Session

Expected result: feedback from all the different partners confirms that the expectations were met and if not indicates where they were not.

Description

Feedback loops are necessary during daily implementation of partnership activities, and for example for trainings or events, feedback surveys should be done for the specific events. However, the scope foreseen here is broader. A feedback session is meant to provide reactions on the overall process and outcomes of partnership interventions from stakeholders that were directly involved or benefited from the partnership. At the end of the session, it should be clear what went well, what did not, and recommendations from stakeholders should be collected. Stakeholders can also provide immediate comments on the interventions.

Why do this step?

A feedback session is highly beneficial and unique because it brings together all stakeholders, including beneficiaries, to an open discussion to review the intervention. It is an opportunity to constructively criticise the process and to have consensus on what worked and what needs improvement from the perspective of stakeholders and beneficiaries of a partnership intervention. It therefore highlights important considerations in future projects with them or while in a similar setting.

It is a 'mini-evaluation' only differentiated from an evaluation by the methodology and depth in detail in which a feedback session goes into.

Suggested to-do list

1. Identify participants for the session

Identify all people, besides the partners, that took part in implementing the partnership intervention(s) and direct beneficiaries.

2. Send an invitation

Send an invitation with the meeting objective and agenda of the day.

3. Prepare and facilitate the session

For honest feedback, have a neutral moderator or organize the session in such a way that allows free and open discussions.

List specific topics for which feedback is required. E.g. problem identification process, procurement

processes, project supervision, funding, etc.

Thank the participants for their feedback.

4. Analyse the feedback

Compile, analyse, and integrate the feedback into learning and henceforth into implementation of future upscaling programmes.

5. Beneficiary stories

The session is potentially a good one to identify beneficiary stories that can be documented since you get feedback from beneficiaries on what worked and what did not.

Resources needed

- Invitation letter
- Session program
- Session Moderator
- Stationery for group discussions and presentations
- Questions for the working groups
- Feedback Report

Invitation letter

DD.MM.YYYY

ABC Development Cooperation Ltd
Naivasha, Kenya

Dear Sir/ Madam,

RE: Invitation to XYZ Phase 1 feedback session

On behalf of the team that was coordinating the XYZ Partnership, we wish to invite you to a feedback session on successes and challenges experienced during the implementation of the first phase of the Partnership which you were part of. This session will be held **from 8.00am - 3.00pm** on **31 March 2021** at **Panorama Conference Hall.**
Your feedback will contribute to improve the implementation of such programmes in future within and outside our Basin.
Other institutions and groups that were beneficiaries or part of the project implementation will also be present. Attached, find the programme of the day
Your participation will be highly appreciated.

[Signed]

Key Questions of discussion:

1.   **What were the major challenges faced during implementation?**

2.   **What was done well?**

3.   **Did the project achieve the objective/impact you expected from it or not?**

4.   **Which projects do you propose for the future and how would you want them done?**

Session Program

PROGRAM
XYZ Partnership Feedback Session
[Date]
[Venue]

TIME	ACTIVITY	FACILITATOR
0800-0900hrs	Registration	
0900-0930hrs	Introduction & Opening Remarks	
	Objective of Partnership	
0950-1015hrs	Brief on Meeting Objectives Formation of Groups	
HEALTH BREAK		
1045-1120HRS	Group Discussion/ Feedback	All coordination members
1120-1245hrs	Group presentations	
LUNCH		
1345-1415hrs	Feedback- Training & SCMP development	
1415-1500hrs	Way Forward for future interventions	
1500hrs	Departure	

Phase 5:
Exit

Questions for Working Groups

Questions for Working Groups
Of the [partnership] Feedback Session

[Date]
[venue]

QUESTIONS		
1.	Did the project solve your initial problem? (Please discuss and explain: initial situation and situation after completion of project)	(PINK cards)
2.	What were the major challenges you experienced while realizing the project?	(WHITE cards)
3.	What went well while realizing the project?	(GREEN cards)
4.	Recommendations for the next phase?	(BLUE cards)
5.	What could be done to improve the water security in the Basin?	(YELLOW cards)

Tool 25: List of Lessons Learnt

Expected result: the factors that led to success or failures in meeting the partnerships objectives are documented and disseminated.

Description

A list of lessons learnt is a communication product that is produced and disseminated together with the partners towards the end of the partnership to communicate factors that led to successes or failures in meeting the partnerships objectives. Coming up with this list is a reflective process, the team and key partners must deliberately sit back and reflect on the whole project or programme in light of the overall objective, and determine which aspects of the project were enablers, or which routes should not be taken anymore. This activity therefore takes place after a significant span of implementation has happened. The objective is to document these factors for the benefit of others willing to undertake a similar type of interventions or to draw on them for the remaining implementation period. These lessons could be in the form of reports, video clips, PowerPoint presentations, brochures, etc.

Why do this step?

An evaluation of the partnership approaches, processes, outcomes, and stakeholder satisfaction is as important as the execution of activities. Lessons learnt not only highlight partnership strengths, but also flag weaknesses and failures for learning and upscaling. Stakeholders and beneficiaries then get an opportunity to discuss how to strengthen good practices and mitigate challenges and failures. Similarly, lessons learnt can support other partnership set-ups to see what can be adopted, strengthened or avoided in their collaboration.

Suggested to-do list

1. **Conduct a document review**
   Conduct a review of the feedback sessions, minutes of the meetings, PAP implementation and other documents related to the partnership.

2. **Collect lessons learnt**
   Conduct a brainstorming workshop with partners or collect lessons learnt via email or phone.
   Decide if further in-depth evaluation is needed (i.e. interviewing key stakeholders).
   In case you decide to conduct interviews with key stakeholders:
   a. Identify the interviewees
   b. Conduct interviews to collect their feedback (recording or notes)

Phase 5:
Exit

Take into account the following points:

- Inclusiveness: Collect views from all sections of the stakeholder map: primary and secondary stakeholders, benefactors and outsiders. Ensure that views from both women and men are taken into account.
- For honest results, feedback may be collected by a neutral person.

4. Analyse the results:

Compile, analyze and discuss the results with the partners. Grouping the lessons learnt thematically can support better understanding and overview.

The table below provides an example of how the lessons learnt could be compiled and grouped:

Partnership			
Implementation activity (max. 40 words)			
Lesson learnt (for each lesson learnt approx. 50 words) — 1. Enhancing resilience and sustainability			
2. Engaging multiple partners			
3. Working with the private sector			
4. Empowering communities			
5. Ensuring continuity of funding			
6. Data availability			
7. Usability and replicability of developed approaches and tools			
8. Influencing planning, policies and management practices			
9. Other lessons learnt			
Link to important documents and developed tools/websites			

5. Disseminate the results

Decide the type of product and channels to disseminate the lessons learnt
Disseminate the finalized product through agreed/suitable channels

Resources needed

- Workshop/ brainstorming with partners or email/notes collection
- A venue for discussion (optional)
- Interviews, which involves field work, stationaries, audio recorder, etc. (optional)
- Depending on the agreed product, there could be designing and printing cost for the published materials.
- Should be done by a qualified person/expert with experience in capturing lessons learned. The expert can come from inside or outside the partnership (e.g. programme personnel/partner personnel/hired consultant). For matters of independence it can be advisable to hire an independent consultant.

This tool includes a template in Excel format.

Tool 7: Partnership Action Plan

Expected result: A plan of the major steps/activities for the partnership to achieve its desired outcomes, including the required resources to implement them.

Note: In this Phase (5), based on the evaluation of impact and lessons, decide if measures or the timeline should be amended by reviewing your theory of change. This will then imply a review and update of the project action plan.

Description

The Partnership Action Plan (PAP) is a planning document which reflects the planning and implementation of all the projects, interventions and activities undertaken by the partnership. Initially, the PAP focuses on the main partnership goal and the key objectives to achieve the goal. The PAP also includes indicators defined by the partners on how the achievement of objectives will be measured. The indicators help the partners to set medium- and long-term targets to be achieved during the different NRAF phases. Milestones based on the activities are defined in the PAP to track progress towards the indicator achievement. The partners are encouraged to use the PAP as a budgeting tool as well as a tool to collect data to measure its achievement and to allocate roles to the different partners and actors within the partnership.

Why do this step?

The Partnership Action Plan facilitates the future implementation of activities and creates a mutual understanding of the partnership plans among participants. It is important that all participants have a common understanding of the envisaged processes. Thus, the PAP is vital for partnership participants to keep track of the direction in which they are heading and as a written reminder of why they are heading this way. The main purpose of the PAP is to align resources with objectives.

Suggested to-do list

1. Obtain an overview of what needs to finally be included in the PAP

The table below lists the content that a PAP should include at this phase. For an overview of what an entire PAP along all phases looks like, go back to Tool 7 in Prepare phase.

Phase	What should be included in the PAP during this phase?	Key Guiding Questions
All phases	• Name of partnership • Partners from private, public sector and civil society	• Who are the key formation partners? • Has an initial stakeholder map been developed?
Scale and Exit phase	• Review and evaluation of results • Evaluation of the status of the partnership at the exit stage (external evaluation) uses the PAP to guide the evaluation	• Have indicators been achieved and if not, why? • Which indicator achievements (targets) are still in progress? • Is a review or evaluation required? • If an external evaluation is required, by whom (Terms of Reference)

2. Complete the PAP templates for NRAF Phases 1 – 5, depending on the phase of establishment of your partnership

In the excel file provided as template, you can find some examples of objectives and activities. Modify the table to include the objectives and activities of your partnership and complete the rest of the information in the different columns. Consult partners before assigning responsibilities to them.

3. Facilitate the development of the partnership overall goal and outcomes for the NRAF phases 1-5

Discuss the PAP with all partners. An effective way of communicating the plan and getting their approval is likely a meeting or workshop setting.

In the workshop, partnership participants are invited to give their opinions and suggestion on the plan, which is finally modified to accommodate agreed modifications.

4. Review and adapt the PAP

Regularly review and adapt the PAP in all phases to keep it updated with new data, context changes and to incorporate relevant emerging agreements among participants.

Resources needed

This is the quintessential working document of the partnership. Setting it up initially will take you quite some time – you might to convene a workshop with your main partners. After progressing through the partnership phases, you have to make sure to update this tool regularly.

Phase 5:
Exit

Tool 7.5 Scale and Exit PAP actions

Phase 5 Scale and Exit				
Achievement of targets				
Outcome	Achievement of indicator targets	Achieved	In Progress	Not Achieved
Outcome 1				
Output 1				
Output 2				
Output 3				
Output 4				
Outcome 2				
Output 1				
Output 2				
Output 3				
Output 4				
Outcome 3				
Output 1				
Output 2				
Output 3				
Output 4				

Phase 5 Scale and Exit				
Achievement of targets				
Outcome	Achievement of indicator targets	Achieved	In Progress	Not Achieved
Outcome 4				
Output 1				
Output 2				
Output 3				
Output 4				

Tool 26: Decision-making matrix for scale-up

Expected result: Decide if and how to scale up the partnership.

Description

The decision-making matrix for scale-up is a tool that helps decide if the partnership has the potential to be scaled-up. It should also help decide where and how this upscaling could take place.

Why do this step?

It is important to decide which parts of the partnership were successful and can be scaled up to other geographical areas or an extended number of partners. Based on this decision-making tool, the partners can have a better understanding of the partnership's success factors that can be applied elsewhere and with new partners. The added value of this tool is to enable partners to take stock of the strengths of the partnership, invest in the future developments and pass on the key lessons for partnership success to others.

Suggested to-do list

1. **List the most successful partnership activities**

   Collect information on the most successful activities of the partnership among partners and list them. Include both success factors and limiting factors to these activities. Which types of partner, resources, communication and context were beneficial, and which one were not?

Scenario A: Upscaling within the partnership

2. Identify the priorities for a next phase of the partnership.
If you haven't done so yet, decide together with partners on which areas the partnership should focus in its next phase.

3. Identify the potential contributions of different activities to the priorities of the partnership.
Which of the past successful activities align most with partners' new priorities.

2. Scenario B: Upscaling in another geography

2. Suggest locations for scale-up

Focus on five main success factors and propose other geographical locations or other partners with similar risks which have potential areas for upscaling past successes. You may do this as a brainstorming or group session in a workshop with partners and key stakeholders.

3. Identify which activities would have the largest impact compared to the smallest effort to implement.

Which of the activities that were successful in the original partnership could be copied to another area? Take into account the different geographical, socio-economic and political contexts.

Resources needed

- Documentation of all the previous phases
- Documentation of the feedback session
- List of lessons learnt
- Partner workshop with group work/brainstorming session (ideally facilitated by a neutral party)

Phase 5:
Exit

Decision Making Matrix for Scale-up

Complete the table below with the data collected to inform your decision about if and how to scale up the partnership.

Top 5 most successful partnership activities	
1.	**Success factors**
	Limiting factors
2.	**Success factors**
	Limiting factors
3.	**Success factors**
	Limiting factors
4.	**Success factors**
	Limiting factors
5.	**Success factors**
	Limiting factors

For upscaling within the same partnership: What are the priorities of the next phase?
For upscaling within the same partnership: What are the proposed activities and their potential contributions to the priorities of the next phase?
For upscaling within the same partnership: What are the available resources?

Phase 5:
Exit

For upscaling in another geographical location: Which locations would be easiest to scale up in?

For upscaling in another location: Which of the activities are easiest to replicate?

Tool 18: Develop Sustainability Strategy

Expected result: a clear idea of how the partnership can be sustainable and self-sufficient in the long-term; a plan of when and how to hand over or transform the partnership; and provisions in case of partners' withdrawal.

For more information, see: CEO Water Mandate. 2015. Guide for Managing Integrity in Water Stewardship Initiatives: A Framework for Improving Effectiveness and Transparency. Oakland, CA: Pacific Institute. http://ceowatermandate.org/files/integrity.pdf

Note: In this Phase, based on the review of your theory if change (if applicable – see more in user manual), review your sustainability strategy and add the actions that are deemed necessary.

Description

The sustainability strategy is a plan that clarifies how the partnership will be sustainable and self-sufficient in the long-term, adapting to changing conditions, challenges and partners. While some natural resources risks might be addressed, others might emerge. A partnership, once established, should be kept active and agile to be able to adapt to changing conditions and partners' goals. A sustainability strategy also provides a plan for the case of a withdrawal of one or more partner(s). Fostering sustainability and mitigating the risks of partnership failure lie at the heart of this strategy. It needs to be designed jointly by partners from the onset and revisited regularly as the partnership evolves.

As conditions on the ground change, so do partners' goals and hence also partnership objectives. Partnerships can also transform into more permanent structures or the main responsibility for the partnership can be handed over to (a) different partner (s). In some cases, partnerships might terminate due to changes in partners' priorities, availability of financial resources (e.g. of one of the main financial contributors to the partnership) or once objectives are reached and no further joint objectives can be identified. However, in most cases the need for a joint sustainable management of natural resources remains valid. To ensure both a partnership's anchorage and adaptability, emphasis must be put into its long-term sustainability from the beginning on. A sustainability strategy guides partners along aspects to not only look into the quick wins but rather the long term impacts this partnership could have. Transparent and open-minded conversations and communication are key aspects in this regard.

Why do this step?

Partnerships need to be able to constantly adapt to change. The adaptation of a partnerships to new conditions or the withdrawal of a partner may generate risks (e.g. reputational, financial) for partners and trigger tensions. The latter can be alleviated by previously negotiated procedures, drawing a clear path toward the resolution of critical issues. A sustainability strategy should also help partners

to effectively respond to severe challenges such as the misconduct of a participant, the unexpected withdrawal of a key funder, or the failure of activities.

Jointly developing a sustainability strategy in the early phases allows partners to clearly outline what each of them wants the partnership to achieve and how they envision the partnership's positioning in the long-term. Critically, the process will also highlight discrepancies in participants' levels of involvement and expectations with regards to the sustainability of a partnership, providing a window of opportunity to foster shared understanding of potential constraints of the partnership but primarily to enhance its design in the first place. As activities carried out as part of sustainability strategy development (e.g. capacity building of local partners, project monitoring) require planning, budgeting, and sometimes the mobilization of extra funds, it makes sense to elaborate this strategy once the broad objectives, structures and processes of the partnership have been defined and before they have been implemented.

Suggested to-do list

1. Identify important sustainability criteria

Organize a brainstorming session for partners to jointly identify important criteria to make the partnership self-sufficient and durable in the long-term. This includes ways of enhancing the partnership's resilience, e.g. reducing dependency on one-sided funding or developing necessary skills to divide tasks equally among various partners and the adaptation to changing circumstances, priorities and overall conditions.

Draw up a list of important criteria on how to achieve the partnership's sustainability, by creating different scenario plans, including potentially changing responsibilities and tasks that will for part of the sustainability strategy.

These plans should include mechanisms (e.g. accountability mechanisms; procedures for conflict resolution, etc.) that are jointly agreed upon and formalized under the partnership's rules and agreements.

2. Design the sustainability strategy

Conduct a facilitated discussion among partners to explore what their expectations about the overall outcome(s) and the outcomes for each work stream and activity are. In doing so, partners share expectations, clarifying what they mean by success (of the partnership), how they would measure it and how they potentially contribute (in a short period of time as well as in the longer run, depending on resources- financially, in-kind, etc). It is advised to use a proper monitoring and evaluation system to gain clarity over achievements along the course of the partnership.

Benchmarks to be achieved before moving on (e.g. percentage of water user associations reaching a given level of functionality, number of partnership meetings held to discuss a topic, level of soil health reached etc.) may be adjusted during the partnership cycle to reflect potential implementation constraints.

Choose metrics and define benchmarks for milestones, to either celebrate successes or adjust measures in case of non-achievement. This also allows partners to fulfil their commitments for a certain activity, to either make new commitments or adjust their engagement.

Ensure regular and timely monitoring of benchmarks and the conditions influencing a partnership to ensure a successful implementation of the sustainability strategy. This can be integrated into the overall monitoring and evaluation framework of activities to avoid duplication. A checklist for a sustainability strategy is provided in the table below.

Selection of activities

- Which are the key activities of the partnership that should definitely be sustained? Are we running out of time/resources for any activity?

- Have we developed scenarios to illustrate the potential impact of activities and why they make sense?

- Have all stakeholders been involved in discussion on partnership activities to ensure mutual agreement that their outcomes will be beneficial to the relevant stakeholders and their community?

Selection of partners

- Did we agree on an institutional structure at the beginning of the partnership? (e.g. mission, priorities, funding, governance structure)

- If yes, did that landscape change during the partnership?

- If no, do we need to assess our current and potential new partners?

- Do the identified sustainable activities match with the mission/priorities/interests of the partners?

- Have we considered political realities and been responsive to them? (e.g. government priorities)

Funding & resources

- Do we have a stable financing mechanism for the partnership? Are the current financers willing to continue?

- Whose responsibility is it to seek additional funding?

- Have we identified the potential funders at local, country or regional level?

- Have we identified international organizations/donors with potential interest in further funding the partnership, if necessary?

Planning

- Do we have a schedule for handing over different activities so that not everything happens at once?

Phase 5:
Exit

Communication

- What are the core results and policy messages from the partnership? Who needs to know these core messages?

- Do we have a communication plan that enables clear delivery of the core messages in the right format and on the right channels (radio shows, social media, videos etc.) to the reach not only a targeted but also broader audience and create awareness and bring on board potential new partners?

- Are gender, language, and cultural sensitivities taken into account?

- Have we planned for hand-over events?

Gender & Inclusivity

- Have we conducted a gender-and inclusivity needs assessment? If not, when will we do it?

- How should gender realities and concerns (e.g. community and decision making roles) be taken into account in our sustainability strategy from communication and handing over assets, information & resources to capacity development?

Lessons learnt

- Have we allocated responsibilities and resources for capturing the lessons learnt?

- What are the successes s of the partnership and what were and might still are challenges that are important to capture for future learning by other partnerships and by other similar initiatives?

- Which lessons will help us in the formulation of the sustainability strategy?

- Have we submitted our lessons for feedback and peer review to the/ a broader group of partners/ participants of the partnership?

Roles and responsibilities

- Which institution will be responsible for which activity?

- Within the institution, who/which position will be responsible and for what?

- Have we considered all stakeholders in the set-up of our activities (e.g., government, civil authorities, municipality departments, local community, UN partners, media, private sector, and other partners)?

- Have we considered the promotion of gender equality and inclusivity in our allocation of roles and responsibilities?

Capacity development

- How can the human capacity that has already been built (though e.g. trainings) be sustained?

- Have we identified the gaps between the current human capacity and what is needed to successfully carry out the agreed activities?

- How will any capacity gaps be closed? Do we have a training plan? How else will gaps be addressed? Which human capacity is available among partners and can be taught to others?

- Do the stakeholders need assistance proposal writing or other skills for the promotion and fundraising for the partnership?

Knowledge transfer

- Have we encouraged the relevant partners to clearly articulate what kind of capacity, information and knowledge they want and need to actively engage in the partnership?

- Have we identified the gaps between existing and needed capacity, knowledge and information?

- How will we close the thosegaps?

- What will happen to the (potentially) data & databases generated? Who do we hand it over to? Who of the current partners will sustain them and how? Who owns them?

Risk assessment & management

- Have we prepared a risk assessment for the partnership`s changing conditions & prepared a risk management plan to deal with them?

- Have we prepared a risk assessment for the sustainability strategy itself & prepared a risk management plan?

- Have we included risk management aspects into our financial planning?

- Have/ should we create an exit strategy (in case of the event it is clear the partnership wont continue due to the above mentioned changing circumstances)?

Asset management

- Which are the assets to be retained by whom?

- How will we transfer common assets and when?

Monitoring & accountability

- Have clear indicators been set for measuring the success of the implementation and impact of the activities?

- What information is collected and how do we verify the achievement of indicators and who is going to measure these achievement in the long-term, once the secretariate function of a partnership is handed over to another partner?

- Who is responsible for the monitoring and who do they report to?

- Are regular meetings held/ monitoring activities carried out to monitor the implementation of these activities?

- Should the acting secretariate still be involved and monitor activities after handing over? If yes, how?

Administrative Procedures

- Do we know what is needed for the administrative closure and handover (from HR, assets, accounts, reporting etc.)?

- Have we planned for an audit? What type (e.g., management, financial, compliance)?

- Who is going to conduct the audit? What is the scope of the audit and when is the appropriate time for this?

Phase 5: Exit

Before the initial facilitator hands over to partners, clarify open points. After answering the questions on the table, an action plan should be created, including all necessary activities to ensure sustainability. See template below with examples of activities.

Exit Activity	By When?	By Whom?	How monitored? What indicators or benchmarks will be used?	Who will do the monitoring and when?	Budget cost
Form a group taking over current partnership secretariat tasks					
Creation of handover strategy					
Meetings with staff, partners, other relevant stakeholders					
Presentation of sustainability strategy to stakeholders					
Necessary budget					
planning					
Handover of monitoring					
tasks					
Etc.					

3. Moving on

Exit criteria are drivers that prompt participants to make critical decisions affecting the course of the partnership or the relationship with selected partners.

The table presents common scenarios of challenges for a partnership and activities to be taken to handle such challenges. For the full table, see Tool 18: Sustainability Strategy in Phase 3: Commit.

DRIVER	ACTION BY PARTICIPANTS	KEY CHARACTERISTICS OF THE SUSTAINABILITY STRATEGY
1. Reduction in or withdrawal of resources	Redesign partnership activities, structures, and processes	Increase self-reliance (e.g. new partners bringing different resources to the table) or handing over activities to local institutions.
2. Completion of goals & objectives	Discuss new objectives adjusted to current conditions	Publish success stories, internalize and share lessons. Design a way forward for further collaboration on new objectives.
3. Continuation of projects beyond original timeframe	Continuation	Continue and adjust (e.g. recruit new partners if the responsible partner for an activity drops out).
	Handover	Hand the activities over to another institution or create a new mechanism to complete activities (transition or transformation).

Resources needed

No clear time frame can be set. Developing a sustainability strategy is a task that should be continuously adjusted while the partnership is advancing and being formalized. It takes various months (approx. 3) to develop a document to which every partner can refer. However, discussions must continue afterwards.

Template 18: Develop sustainability strategy

List in the table below the key information for your strategy based on the above guiding questions. The most frequent case for handing over activities and reflecting on a way forward for the partnership is the (gradual) handover from an initial, neutral facilitator to the partners.

Selection of activities
Selection of partners
Funding & resources
Planning
Communication
Gender & Inclusivity
Lessons learnt
Roles and responsibilities
Capacity development

Phase 5: Exit

Knowledge transfer
Risk assessment & management
Asset management
Monitoring & accountability
Administrative Procedures

List in the action plan below the activities to perform your exit strategy. Refer to the info sheet for further explanations and guiding questions.

Exit Activity	By When?	By Whom?	How monitored? What indicators or benchmarks will be used?	Who will do the monitoring and when?	Budget cost

Tool 27. Final handover

Expected result: the management/coordination responsibilities are officially transferred to the right/selected people within the partnership.

Description

A final handover is the official and effective transfer of management responsibilities to the right people within the partnership, including documentation, equipment, tools and templates for the partnership being sustainably managed by the new coordinator.

Why do this step?

If the partnership has the potential to be scaled up, it is necessary to identify who will take over the management/coordination of the partnership. The right person has to be identified for the coordination. Without a clear handover process and the right tools at hand, it would be difficult for the new coordinator to take over efficiently.

The Final Handover is, however, also a process that requires prior capacity building or other form of preparation of partners that are taking over. The intention to transfer roles should therefore be communicated and planned from the beginning of the partnership on, and functions transferred gradually over time. This goes hand in hand with the sustainability strategy. A final handover event could be a brief official session with key partners for formal wrap-up and agreements upon handover activities.

Ensure that the handover process comes with the least possible disruption to the continuity of the partnership. Make sure you are sealing any possible capacity gaps beforehand.

Suggested To Dos

1. **Communicate the intention to exit early**

   Inform partners of your plan to exit the partnership as soon as you are certain of your exit. This goes particularly for the neutral facilitator.

2. **Define the profile of the new management**

   Define the profile needed to take over the coordination/ management of the partnership.

3. **Identify a good candidate for the position**

   Identify within the partners and key stakeholders who fits the desired profile and is willing to take over.

Note that the coordination/ management role can be handed over to an individual or to a group of people or to an organization. It is not necessary that all coordination and management tasks are handed over to a single entity; they can as well be distributed.

4. **Determine training needs**

    Jointly (with partner) determine whether there are training needs that need to be met for them to take up the new roles in the partnership.

5. **Compile the required documentation**

    Compile the documents and tools needed for the handover process.

Resources needed

- Official document/ handover letter – this needs to be prepared in line with your organization's asset management procedures.
- Checklist of documents and tools that need to be handed over

Checklist for final handover

Equipment	
What equipment do I need to hand over to partner/s taking over?	
Documentation	
Are there documents, templates, publications, copy-rights, photos, videos etc. that need to be handed over?	
What documents, templates, publications, copyrights, photos, videos do I need to prepare for handover?	
Training needs	
Are there training needs among the partner/s taking over that require to be met?	
Introduction and linkages to networks	
Which networks do I have that would be useful to link the partner/s taking over?	
Other steps	
What other steps have the partner/s taking over requested for?	

VII. Glossary

Terms and concepts	Definition / Explanation	Source
Affected entity / Stakeholder (groups)	Stakeholder groups include resource users, polluters and regulators. These user groups have a substantial effect on the quality and quantity of resources in the area under consideration. To assess the risks, the demand and impacts of these groups need to be considered. Most approaches distinguish between corporate actors, civil society and public/ government institutions as the three main stakeholder groups. Some approaches include the environment or ecosystems as a fourth stakeholder group, as the environment also has a certain demand (such as water) and can have positive and negative impacts on the quantity and quality of water.	Adelphi
Business Case	The business case aims to explain the financial feasibility of the stewardship partnership, ordering and analysing all project costs and revenues	WIN & NatuReS
Collective Action	Joint action in order to achieve a common objective. For example, natural resources stewardship partnerships let different groups of people work together in understanding and mitigating their common natural resources threats.	WIN & NatuReS
Damage	Damage (or partial impact) caused by a particular harmful event or condition to a particular stakeholder (group) or asset.	Adelphi
Drivers / Causes	The underlying source of a threat. It is important to understand all the specific drivers/causes for each threat in order to develop risk-mitigation measures.	Modified from Adelphi
Geographical Scale of the Risk Assessment	Geographical scale refers to the area the methodology is applied to, such as a local municipality, community, neighbourhood, watershed or ecosystem. Geographical scale can be as far reaching as a regional, national or international level, or as small as an area surrounding a company and its neighbouring communities.	Adelphi
Impact	Impact refers to the entire range of damages caused by a harmful event or condition to all stakeholder (groups) or assets	Adelphi
Likelihood	A probable estimate of the occurrence of a single event or of an outcome, for example, a climate parameter, observed trend, or projected change lying in a given range. Likelihood may be based on statistical or modelling analyses, elicitation of expert views, or other quantitative analyses.	IPCC 2012
Market Scan	Refers to an identification of all relevant companies that rely or influence the resource of focus (water, a specific crop, wood, etc.)	NatuReS & WIN

Natural Resources	Materials that occur in nature, which have inherent value based on their use in sustaining individual livelihoods, community life and economic activities.	NatuReS
Natural resources risk categories	The most relevant risks to the corporate sector are physical risks, financial risks, reputational risks and regulatory risks. The public sector and civil society face an even broader spectrum of risks, e.g., health risks, livelihood risks, resources quality and quantity risks, economic risks.	Adapted from Adelphi
Natural resources risks	Elements that jeopardise the sustaining of individual livelihoods, community life or economic activities. Natural resources risks are caused by natural resources threats. Stakeholder groups in a basin or common locality might face the same natural resources risks, yet with different consequences. For example, a river polluted by wastewater could lower the quality of health among residents in surrounding communities, and also reduce the quality of water local factories need for the production of goods.	NatuReS
Natural Resources Security	The state of having relatively adequate natural resources to sustain, for a designated foreseeable amount of time, individual livelihoods, community life and/or economic activities.	
Natural Resources Stewardship	A concept where all users of natural resources take responsibility for their impacts on shared resources and work together to ensure these resources are managed sustainably. This concept of stewardship is based on the understanding that these resource challenges cannot be resolved by individual organisations, but must be addressed using concerted, collaborative action.	NatuReS
Natural resources stewardship initiatives or partnerships	Natural resources stewardship initiatives or partnerships are coordinated engagements among interested parties to address specific shared natural resources challenges; they typically involve structured collective action, joint decision-making and joint implementation.	WIN & NatuReS
Natural resources threat	Any element that has a potential to destroy or deplete natural resources. Natural resources threats affect natural resources in such a way that they can lead to risks to future growth for businesses, communities and governments. As an example, degraded wetlands and sealed surfaces are threats to natural resources. They can lead to the risk of flooding that, in turn, can affect companies by destroying property, and communities by diminishing life quality.	NatuReS

Risk Assessment	For the risk assessment, threats as well as impacts need to be identified for all elements defined under the scope of application. One can always start from questioning which activities depend on a sufficient amount and quality of water. To assess risks it can help to develop impact chains from the impact to the cause. It is important to have in mind that threats from inside and outside the system under investigation must be considered as well as the impacts resulting from them.	Adelphi
Risk Identification	Water risks can be identified by analysing the threats and impact chain for each stakeholder. The relevant risks very much depend on the stakeholder groups involved in the assessment as well as the socio-economic and natural conditions that are at the centre of attention. Categorizing risks can be the starting point for identifying threats and impacts.	Adelphi
Risk Rating	Risk Rating is done by multiplying Likelihood by the expected Damage Level using a matrix. There are different risk rating matrices (e.g. 3x3 or 5x5) available. Please refer to Sheet 2a Risk Rating.	Modified from Adelphi
Shared risk	Shared Risk refers to impacts or damages resulting from a threat or condition which affect different stakeholder groups.	Adelphi
Stewardship	A situation where one or many people are entrusted to the care of a common object.	NatuReS
Threat	A threat is anything that can exploit a vulnerability, intentionally or accidentally, and obtain, damage, or destroy an asset.	https://www.threatanalysis.com/2010/05/03/threat-vulnerability-risk-commonly-mixed-up-terms/.
Timeframe of the Risk Assessment	Time is relevant in different dimensions for the risk assessment. First of all, the timeframe during which risk impacts are looked at has to be defined. However, under the timeframe criterion are the period of risk projection and accordingly, the timeframe of benefit streams occurring. The definition of the timeframe is especially relevant for the economic evaluation. Possible timeframes for which the assessment could be conducted are short-term (< 5 years), mid-term (5-20 years), or long- term (> 20 years).	Adelphi
Uncertainty	An expression of the degree to which a value or relationship is unknown. Uncertainty can result from lack of information or from disagreement about what is known or even knowable. Uncertainty may originate from many sources, such as quantifiable errors in the data, ambiguously defined concepts or terminology, or uncertain projections of human behaviour. Uncertainty can therefore be represented by quantitative measures, for example, a range of values calculated by various models, or by qualitative statements, for example, reflecting the judgment of a team of experts	IPCC 2012

Vulnerability	Vulnerability determines the degree of damage a threat or condition can cause to a particular stakeholder (group) or asset. Vulnerability may differ between localities; for example, a flood under similar conditions in two watersheds may lead to varying damages due to the varying institutional capacities to deal with such an event. Vulnerability implies exposure to a threat and includes aspects related to coping capacity.	Modified from Adelphi
Water risk	Risks that are related to, caused by or impacted by water. All stakeholders in a watershed face specific water risks that are bound to their role, function and overall features. At the same time, they have common, shared water risks.	Adelphi

VIII. References

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