

# Intervention stages

## 03

### Contracting with partners

When structuring a partnership it is important to balance flexibility with accountability. Business processes are very different to donor or programme processes and are generally faster and more responsive to market signals. Bring a useful partner to these type of players requires that your systems reflect this dynamism. Nonetheless, being able to hold partners accountable to donor funds will always require a certain level of paperwork. Below are some good practise tips from the [M4P Guide](#):

- › Try to spend programme funds on activities rather than transferring funds or making them accountable grants
- › Structure things by arrears as reimbursements on the completion of defined milestones
- › Pay in tranches so you can withhold installments if partnerships falter
- › Your internal procurement and finance systems should function as effectively and efficiently as possible; you don't want to spoil a partnership because it takes three months to pay a disbursement
- › Place any legalities in the annexes of a document; keep the main document short and sweet and emphasise the behaviour change and/or innovation.

#### **Private sector engagement**

Toolkit for effectively building and sustaining programme partnerships with the private sector.

Partnerships can come in a number of different forms: from a Memorandum of Understanding (MoU), a Framework Agreement, or a Cost-Share Agreement, to a more formal contract. Deciding on what type of agreement to engage in depends on

This **blog** outlines the relative merits of different types of partnership agreements, with guidance on increasing the likelihood of a partnership's success

All partnership agreements should have the following components:

- > **Statement of purpose:** Both parties establish their goals and objectives for entering into the agreement together
- > **Relationships among parties:** Establish the roles and responsibilities of each part
- > **Activities to be undertaken:** Description of all activities, deliverables and reporting requirements covered under the MOU
- > **Financial responsibilities:** Detailed description of all financial expectations and obligations
- > **Timeframe of events:** Timeframe with clearly established milestones attributed to each party and a clear exit strategy outlining the withdrawal of the facilitator's involvement
- > **Legal liabilities:** Establishment of jurisdiction, guiding law and language for contract enforcement, and mediation process for dispute resolution; and define ownership of any property at the end of the agreement developed as a results of the activities
- > **Monitoring and evaluation procedures:** Establishment of the right (roles and responsibilities and expectation) to collect and report on project activities and participants

(From **GROOVE Topic guide**: *engaging with LEAD firms*).

Note that in your agreement, you need to be clear about cost-sharing over funding activities outright. Part of the whole process is for your partner to demonstrate ownership. Agreements need to ultimately be structured around what behaviours you want to see from the partner and ways to measure whether or not these are occurring.

BEAM's **How To Note** outlines GROW Liberia's experience in developing partnership agreements that balance flexibility in allowing the partner to co-design targets with the need for standardized reporting and accountability structures.