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## **Intersectoral Cooperation: Lessons For Practice**

By Archana Kalegaonkar & L. David Brown

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Institute for Development Research  
44 Farnsworth Street  
Boston, MA 02210  
[www.jsi.com/idr](http://www.jsi.com/idr)

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by Archana Kalegaonkar & L. David Brown

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*Steve Waddell, past Director of Intersectoral Programs at IDR, conducted the original research on which this document is based. The analysis has benefited from the comments and feedback of NGO and corporate actors in the cases, as well as USAID mission staff.*

### Abstract

This report examines four examples of intersectoral cooperation for development. They are drawn from India, Madagascar, South Africa and the Philippines and address, respectively, issues of regional economic development, road building, economic empowerment, and housing for the urban poor.

The cases are exploratory, organized around a series of general questions and themes identified at the start of the study. They are drawn from a wide range of contexts with divergent levels of economic development, extent of centralized government, and strength of state, market and civil society institutions. They also focus on a number of different problems; hence, they do not constitute a representative sample and any lessons drawn from them must be treated very tentatively. The intersectoral cooperation examples studied are relatively new—three out of the four cases have been in existence for six years or less; the fourth is twelve years old—so the richness of detail available in more long-term processes cannot be included here.

At the same time, patterns that cut across such diverse cases deserve further exploration. The existence of similarities across these cases strongly suggests that the cross-cutting patterns constitute core findings. This analysis seeks to identify preliminary lessons from a comparison across the four cases on major expected themes. We hope that this analysis will produce ‘sensitizing concepts’ and practical insights that direct attention to important issues involved in intersectoral cooperation. Without claiming to provide full-blown solutions to the problems that exist in fostering intersectoral cooperation, we hope this document offers useful perspectives to USAID staff and others seeking to promote and participate in intersectoral cooperation initiatives.

IDR collected data for the cases through short field visits and interviews with key actors. IDR’s Director of Intersectoral Programs presented the USAID country mission and involved actors with initial findings of the relevant local case. Feedback was incorporated into the analysis of the data. Draft case study reports were then circulated to the missions and case participants for review and comment. Final drafts of the cases reflect the perspectives of IDR and respective case participants.

## **Understanding Intersectoral Cooperation**

USAID's New Partnership Initiative (NPI) puts the agency in a leading position in the promotion of cooperation between agencies of the state, market and civil society. By focusing on the possibilities for "strategic partnering and the active engagement of civil society, the business community, and institutions of democratic local governance" (USAID, 1997). NPI reflects a growing interest among development actors for finding new institutional arrangements that effectively address the basic causes of poverty.

This report explores four cases of such intersectoral partnering and engagement, discussing cross-cutting themes and patterns and illustrating these with examples from one or more of the cases. Its purpose is to identify some of the main lessons involved in initiating and implementing intersectoral cooperation and, additionally, to note the areas where USAID and other international donors can play useful roles in supporting intersectoral cooperation.

### **Definition**

Intersectoral cooperation consists of bringing actors from the state, market and civil society sectors together to achieve mutual understanding on an issue and negotiate and implement mutually agreeable plans for tackling the issue once it is identified.

### **Underlying Rationale**

All development problems possess political, economic and social dimensions; many of these problems are too complex for any single agency to effectively tackle. As a result, it seems that interorganizational cooperation is required to find effective solutions to such problems (Brown & Tandon, 1992; Gray, 1989). There is emerging thinking that *intersectoral* cooperation—cooperation between organizations from different sectors—can often be an effective problem-solving strategy (Tennyson et al, 1994; Brown & Ashman, 1996; Uphoff, 1996; Waddell & Brown, 1997; Waddell, 1997).

Intersectoral cooperation is based on the premise that the state, market and civil society sectors each possess distinctive assets that can be combined in a productive manner to solve complex problems. The *state* is generally understood to encompass institutions and activities concerned with maintaining order and producing public goods (Wuthnow, 1991). It mobilizes resources and enforces authority through a legitimate monopoly on violence. This authority to create and enforce laws and regulations is unique to the state, and can contribute to establishing an enabling environment for society to carry out its functions, such as market transactions or associational activity. The administrative bureaucracy that is spawned by the state's obligations, however, can result in rigidity, which in turn can slow down the state's adaptability to changing environments. At the same time, without administrative and financial capacities it can be difficult to carry out public programs (Evans, 1995). In addition, abuse of power is a possibility where the state is captive to a political elite or where institutional checks are not in place.

The *market* sector consists of private entities that are organized around price incentives in the production and consumption of goods and services (Evans, 1995). The primary motivation for market behavior is the pursuit of profit. As a result, market institutions are apt to seek efficiency and innovation in the production, distribution and consumption of goods and services. This encourages optimal allocation of scarce resources. However, market institutions can also breed inequity, as those who do not have purchasing power are effectively cut off from participating in market exchange of goods and services. Additionally, neglect of public goods, the production of negative externalities and the lack of any inherent mechanisms to hold producers of these externalities accountable are well-known weaknesses of market transactions.

*Civil society* is distinguished from the state and market by its concern with common goods as defined by social groups. The strengths of civil society as a sector include its capacity to be responsive to various issues through the diversity of organizations that comprise it and the values-driven energy of individuals and organizations. In the context of poverty eradication and development the involvement of many civil society organizations in grassroots activities and their closeness to marginalized groups permits them not only access to these primary stakeholders, but also the ability to gain the information and sensitivity necessary for responding to poverty-related issues effectively. At the same time, however, the sector can suffer from fragmentation as organizations compete with each other, duplicate efforts, and miss opportunities for both sharing knowledge and coordinating related activities. The restricted focus that is manifested through the emphasis on narrow constituencies can also limit the impact of civil society organizations. The ability of the sector to address issues requiring sophisticated knowledge is further limited by the mismatch between volunteers and technical expertise, a problem that is exacerbated by a scarcity of resources (Brown & Kalegaonkar, 1998).

In tackling development problems, intersectoral cooperation is a strategy that optimizes the respective strengths of the sectors while limiting the impact of their individual weaknesses. When properly carried out, the roles played by involved actors and the resources brought to the problem-solving process are defined according to their sectoral backgrounds, such as official support or legal mandates from government actors, training in production processes from for-profit firms, or mobilization of volunteers by community organizations. The different strengths possessed by each sector can compensate for weaknesses found in the others. By organizing diverse actors to engage in joint action, intersectoral cooperation attempts to harness these varied strengths in solving key development problems.

### **Summary of Preliminary Lessons**

The case studies discussed here are drawn from India, Madagascar, South Africa and the Philippines and address a range of development issues. A summary of the cases is provided in Table 1 below.

The case studies address various stages of intersectoral cooperation as a development strategy. The first set of analyses in the next section focuses on the question, “When is intersectoral cooperation most appropriate?” Intersectoral cooperation costs the various parties much in time and energy, so it is not always the best way to solve development problems. This analysis suggests that before intersectoral initiatives are launched, initiators should assess factors such as previous efforts to solve the problem, the nature of the information and resources required, and the record of past relations among sector actors. Attention to these issues early on can prevent large investments in projects that are doomed from the outset.

The next analysis identifies the factors involved in starting intersectoral cooperation. In order to successfully get an intersectoral initiative off the ground, it is important to have conveners who are credible to all involved. Such conveners help relevant parties frame the issue so that mutual interests are reflected in the initiative, balance power differences that are likely to exist, and invest in building relationships. Addressing these elements in the initial stage of the cooperation can minimize the likelihood of problems and build commitment and interest in the initiative from the outset.

Following this, the analysis turns to what is required to carry out initiatives in intersectoral cooperation once there is agreement to move forward. The type of organizational arrangements that facilitates cooperation between actors from the same sector may not necessarily be adequate when it comes to actors from different sectors. These new arrangements—operational committees, for example—need to enable involved parties to develop shared plans, participate effectively in decision-making processes, manage crises and identify mutual gains. Without these arrangements in place, cooperation that is agreed to in principle can easily fail in practice.

Table 1: Summary of Case Studies

Case Issue and Actors	Description	Outcomes
<p><b>Issue:</b> Local economic development, India</p> <p><b>Actors:</b> Academics, business leaders, state government officials, farmers, manufacturers &amp; entrepreneurs</p>	<p>Widespread poverty in Karnataka prompted retired government bureaucrats and business leaders, academics and US experts to create a new approach to economic development. The Centre for Technology Development was created in 1988 to harness technology being developed in university labs and businesses for use by farmers, small-scale entrepreneurs and manufacturers. It has formed NGOs to pursue opportunities in the agriculture, information technology, materials production and venture capital industries. Government subsidies encourage adaptation of the technology to end-users' needs and its utilization by the NGOs. CTD and the NGOs are governed by their own intersectoral boards and implement their activities through intersectoral arrangements.</p>	<ul style="list-style-type: none"> <li>• NGOs established to lead development activities in selected industries.</li> <li>• Intersectoral committees created to serve as advisory groups and discussion forums.</li> <li>• Creation of businesses, such as potato seed production.</li> <li>• Creation of a food processing network, including analytical quality control lab, product development lab, business incubator, and produce sorting facility.</li> <li>• Replication of the CTD model in Goa and Uttar Pradesh states.</li> </ul>
<p><b>Issue:</b> Road-building and maintenance, Madagascar</p> <p><b>Actors:</b> National, provincial and communal government officials; USAID; private contractors; village road-user groups; international NGO</p>	<p>Madagascar's agricultural growth is significantly hampered by poor physical infrastructure. A cycle of building and deterioration of roads led USAID to promote a program with the government to involve local villagers and private firms in road rebuilding and maintenance. Applications for road projects are reviewed for potential traffic and commerce flow by an intersectoral committee at the provincial level. Villagers are organized into road users' associations and are formally mandated by the government to be responsible for building and maintaining the roads. They learn the technical skills from private road contractors and use volunteer energy to do the physical work. The roads are maintained by the associations, using tolls, government subsidies and membership fees to finance the activities.</p>	<ul style="list-style-type: none"> <li>• Formation of 13 village road users' associations in the province of Fianar.</li> <li>• Rehabilitation and maintenance of 191 km of dirt road within two years.</li> <li>• Devolution of road maintenance authority to road users' associations and increase in association skills.</li> <li>• Road users' associations involved in other activities as well, e.g. linkage to credit union, wholesale purchase of basic foods for members.</li> <li>• Creation of intersectoral committees to review road building and maintenance needs.</li> </ul>

Table 1: Summary of Case Studies (cont'd.)

Case Issue and Actors	Description	Outcomes
<p><b>Issue:</b> Economic empowerment of black community, South Africa</p> <p><b>Actors:</b> International and local businesses, national NGO, government (in supporting role)</p>	<p>In the post-apartheid era, majority white-owned businesses have become aware of the consumer market represented by the black population, as well as the need to create legitimacy among this group. Kagiso Trust (KT) is an NGO that has strong connections to the black South African community, was closely associated with the anti-apartheid movement, and has good access to leaders in the post-apartheid government. KT uses these 'community assets' to connect businesses with government officials and black communities; in return it gets training and assistance in business operations. These skills are used to enhance the performance of KT-owned socially-oriented enterprises. KT also invests in other private companies to influence their human resource policies and business practices in favor of black economic empowerment. Some observers argue that KT has become co-opted by business; KT has addressed this issue by clearly separating its profit-making ventures from the social enterprises.</p>	<ul style="list-style-type: none"> <li>• Investment in an insurance company focused on black customers.</li> <li>• Creation of new black-run businesses focused on filling racial gaps', such as leadership institutes for black managers and an educational television production company focused on realities of post-apartheid South Africa.</li> <li>• Businesses receiving services from KT's leadership institute, hence integrating black leaders into management structure.</li> <li>• Businesses inviting black representation on boards of directors and in senior executive positions.</li> </ul>
<p><b>Issue:</b> Housing for the urban poor, Philippines</p> <p><b>Actors:</b> Corporate foundation, coalition of community based organizations and NGOs</p>	<p>A corporate foundation sought to join hands with a coalition of community organizations and NGOs in order to lobby the Philippines government on implementing policies on housing for the urban poor. The corporate foundation was expected to provide financial and other resources; the coalition was expected to mobilize community organizations and NGOs to support the initiative. The rate of progress and quality of outcomes disappointed the foundation, however, though coalition members felt that the process for mobilizing support was necessarily time-consuming. Coalition members were hired by the foundation to staff the initiative, creating questions regarding their ties to their grassroots constituencies. The forums held to discuss issues failed to resolve the issues. Eventually, differences in expectations, unclear roles and relationships, and a lack of mechanisms to address conflict situations split the relationship before it reached its goals.</p>	<ul style="list-style-type: none"> <li>• Initial optimism about the possibilities of partnership.</li> <li>• Disappointment and blame-casting by both sides for slow progress.</li> <li>• Breakdown of cooperative relationship.</li> <li>• Reinforcement of negative stereotypes on both sides.</li> <li>• Corporate actor has found another civil society partner to continue with the initiative.</li> </ul>

The next set of analyses in looks at the challenges involved in intersectoral cooperation, which can be significant, especially given the stereotypes that exist among sectors and the considerable differences in modes of operation, sectoral cultures and power differentials. Factors that can seriously threaten the cooperative relationship and associated development outcomes include co-optation and inequitable distribution of costs and benefits. Additionally, future cooperation can be undermined by the bad experiences actors may have had in the past.

Finally, the next section identifies some important outcomes suggested by the cases. Intersectoral cooperation can yield innovative solutions to persistent problems, trigger catalytic or multiplier effects that result in broader and more sustainable social change, and create multisectoral social capital and new capacity for joint action among local government, business and civil society actors.

### **Implications for Donors**

The cases allow roles to be identified for donors in enabling intersectoral cooperation at its various stages as well as in promoting local capacities for future intersectoral initiatives. The authors offer the following recommendations for international donors:

***Promote an enabling environment in support of intersectoral cooperation.*** Donors can invest in educational interventions to expose national actors to the possibilities of multisectoral initiatives. Through their country strategies, they can commit resources to intersectoral experiments, encourage key actors to visit pilot programs, and provide seed funding for initial explorations of how to apply an intersectoral strategy to difficult problems.

***Support the start-up and minimize the initial risks of intersectoral initiatives.*** International donors can use their access to funds and diverse constituencies to foster initial contacts among key actors and support collective reflections on what an intersectoral initiative might be—through, for example, future search conferences.\* They can also provide funding for initial planning activities and partial support for implementing initial action plans.

***Strengthen local capacities to implement cooperation and start new initiatives.*** The capacities to initiate and sustain intersectoral cooperation may not be widely distributed among key actors at the outset. Donors can redress this initial gap by providing consultants, training and capacity building support to the intersectoral initiatives. For the long-term, donors should also focus on creating local resources that can continue to foster other intersectoral initiatives.

***Foster and disseminate practical knowledge from intersectoral cooperation experience.*** International donors are well-positioned to foster learning across sectors and geographic regions about the practicalities of intersectoral cooperation. The scarcity of resources in most developing countries makes it particularly important for donors to sponsor systematic data collection and forums that bring diverse stakeholders who have been involved in intersectoral cooperation together to distill useful principles and tools on intersectoral cooperation.\*\* This function is clearly consistent with USAID's commitment to its role as a knowledge and innovations producing agency.

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\* A future search conference brings together stakeholders in a 'whole system' to work on a task-focused agenda. See Weisbord & Janoff, 1995.

\*\* The authors also recommend a process for intra-agency learning within USAID, similar to efforts being taken under NPI.

## **Some Preliminary Lessons**

The four cases reveal some lessons about when intersectoral cooperation is appropriate. The lessons are based on a comparative analysis across the four cases, and they should be treated as indicators of possibilities and issues rather than firm conclusions. The cases also highlight some of the conditions necessary for starting and managing intersectoral cooperation. This section also discusses some important challenges that arise in initiating and managing intersectoral cooperation. It concludes with key outcomes that arise from initiatives in intersectoral cooperation.

### **When is Intersectoral Cooperation Appropriate?**

Intersectoral cooperation is one strategy among many to address basic development problems. Because of its unique nature—drawing on the assets of different sectors—there may be certain circumstances when it can be a particularly well-suited strategy for solving a complex problem. Some of these circumstances include frustration with past attempts to resolve an issue mono-sectorally, the need for resources that are dispersed among the various sectors, and a history of relations that encourages new intersectoral endeavors. Although not all conditions need to be present, the more they exist the more likely intersectoral cooperation will appear particularly appropriate as a development strategy.

***Intractable problems and frustration with mono-sectoral solutions.*** Past attempts to tackle poverty have often not yielded far-reaching or sustainable results. The failure of governments, markets and civil society to individually effectively address basic development problems, such as health, nutrition, housing and education, is prompting actors from these sectors to try joint undertakings with partners from other sectors. Many of these intersectoral initiatives are being led or accepted by business leaders, influential government officials, and civil society leaders who recognize the failures of past mono-sectoral efforts.

The four cases described below all reflect problems that have not found effective resolutions through the unilateral efforts of government, business or civil society organizations. The dissatisfaction with such existing solutions can lead actors from any (or all) of the sectors to look for alternatives, which includes the option to join hands with nontraditional partners.

Despite various programs run by the government as well as private development agencies, poverty in the state of Karnataka appears unshaken. CTD's founders were impelled by dissatisfaction with existing efforts as well as recognition of opportunities to tackle poverty in a sustainable and far-reaching manner. The initiative grew out of the vision of retired Indian Administrative Service (IAS) bureaucrats, business leaders, academics and USAID staff.

In Madagascar, poor roads are a major problem, hindering commerce and preventing efficient transportation and travel between urban and rural areas. Rehabilitation of roads and their maintenance has been a recurring problem, which the government has not been able to solve on its own due to economic and political constraints. Frustration with the poor state of infrastructure as well as an awareness of the serious hindrance this posed to economic growth and development in the country pushed USAID to promote a strategy of intersectoral cooperation, bringing together government, business and village associations. Local villagers and government officials were motivated to actively participate in the intersectoral initiative by the importance of good roads for local commerce and for spurring economic growth.

In South Africa, businesses faced new opportunities and challenges after the end of the apartheid regime in the early 1990s. Historically largely focused on the interests of the

white population, businesses sought ways to build linkages and legitimacy to black markets and government actors. The sense of urgency around these issues impelled many businesses to link with Kagiso Trust (KT), a civil society organization that is closely associated with the anti-apartheid movement and its leaders (now in the government), has a strong reputation in the defense of black rights, and has a well-established network in the black community.

The problem of urban housing for the poor in the Philippines is severe, with eight million dwellers in Manila alone living in absolute poverty and a third of them without legal, tenured housing. Families live in shacks of corrugated metal and scraps of wood with many living along railway tracks, in flood zones and other areas where safety is a serious concern. Government housing programs have not been able to redress the situation although a new national housing policy set the stage for improvement.

***Dispersed resource distribution.*** Some development problems can be too complex and unwieldy for any one sector to successfully tackle. They may encompass political, economic and social dimensions which may require various resources—information and technical expertise, legislative mandates, access to communities and funding, for example—that are dispersed among businesses, government agencies and civil society organizations.

CTD, in India, involves leaders from the business and government sectors as well as academics and small-scale entrepreneurs and farmers. The different stakeholders bring their unique perspectives on the problem of local economic development, such as the farmers' knowledge on technologies applicable in the fields and businesses' know-how on efficient production systems. The experience of retired IAS officers in public administration allows the project to be maneuvered successfully through bureaucratic hurdles. Subsidies from the government for project-related activities contribute to its success as well.

In Madagascar, the government provides formal authority to village road users' associations to levy tolls on road users and operate the roads. It also contributes financial resources in the form of subsidies to the project. The associations contribute physical labor and voluntary energy to build and maintain the roads as well as knowledge on which roads are likely to have significant commercial traffic and how they should be routed to respect local cultural customs. Private road building contractors come with technical expertise and train villagers in the skills needed to maintain roads.

The government of South Africa provides an enabling environment for Kagiso Trust to carry out its activities for economic empowerment of poor black communities. KT's access to these communities and its close relations with the government are important resources to businesses seeking to adjust to the post-apartheid economic environment of South Africa. In turn, they share business management and efficient production techniques with KT, which then applies them to its own companies.

Addressing development problems comprehensively—politically, economically and socially—often requires resources that are spread among various actors and sectors. CTD's intersectoral group is able to identify industries with particularly high growth opportunities in Karnataka and to fashion strategies for optimizing these opportunities in a way that produces growth and has development impact on local communities. Changing economic and political contexts in South Africa further highlight the dispersed

nature of resources needed by both business and civil society organizations. The complexities of some development issues lend them in particular to the use of intersectoral cooperation for resolution.

***Past relations that encourage intersectoral cooperation.*** While negative stereotypes of others abound in each sector, intersectoral cooperation may still be appropriate if some actors are open to exploring possibilities. Not surprisingly, the potential for cooperation is greatest where there are no or minimal histories of conflict. Past experiences of antagonistic relations can hinder intersectoral cooperation, although these situations still do not completely close off the possibility.

In South Africa, the divide between white businesses and the black population presented a significant challenge for the businesses and Kagiso Trust in carving out a relationship. The urgency of adapting to the post-apartheid environment, however, facilitated the recognition of interdependence among the parties, as businesses required better links to the black communities and those communities wanted more access to and influence with South African businesses.

In the Philippines, relations among urban community activists, government agencies and business interests had often led to high levels of conflict in the past. Despite this, the recognition by a corporate foundation and a coalition of housing-focused civil society organizations of the need for joint action in tackling the urban housing problem led them to engage with one another.

In Madagascar, government, business and civil society representatives were able to arrive at joint action plans without serious discord, in part because of a history of weak interactions among them and a low level of conflict.

The possibilities for intersectoral cooperation are strongest where multisectoral interactions in the past have been positive or at least not negative. In Madagascar, for example, intersectoral action was a relatively new concept since interactions among the actors had been minimal in the past. Subsequently, exploring and agreeing to joint action steps was a process unhindered by negative histories. Histories of antagonistic relations among specific actors or, more generally, sectors, can make intersectoral cooperation more difficult, but not impossible. Crises can motivate actors to cooperate intersectorally even in the face of bad past experiences. The absence of significant cleavage among relevant actors in India and Madagascar made it easier to build cooperation than in the cases of South Africa, with a strong divide between white-owned businesses on the one hand and the black community and government on the other, and in the Philippines, which had traditional divisions between corporate and urban civil society actors.

***Lesson #1.*** Intersectoral cooperation is most appropriate when:

- Previous mono-sectoral problem-solving has been unsatisfactory, particularly to high power actors.
- Problem-solving requires information and resources held in more than one sector.
- Past relations among key actors do not foreclose cooperation.

### **Starting Intersectoral Cooperation**

Intersectoral cooperation is a special type of interorganizational relationship, with dynamics that arise from not only the multiple number of organizations engaging with one another, but also from the different sectoral bases of the organizations. The sectoral differences can be reflected in processes of decision-making and power differences, among other things. Starting intersectoral cooperation requires paying attention to such differences and finding ways to deal with them constructively so as to overcome barriers and build commitment to the intersectoral approach.

Four key factors to starting an initiative in intersectoral cooperation can be identified:

1. Finding conveners with credibility across the sectors.
2. Framing the problems as issues of interdependence.
3. Balancing power differences to enable shared problem definition.
4. Building relationships across the differences.

***Finding conveners with credibility across sectors.*** The rationale behind intersectoral cooperation is that differences among the sectors can be used productively to resolve important basic development problems. Often, however, ignorance about the possibilities of cooperation can prevent even initial exploration of intersectoral activity. Additionally, the differences among sectors can be perceived to be so great that the parties do not easily reach out to each other across sectoral boundaries. Perceptions can range from a belief that actors from other sectors do not have anything to contribute towards solving the problem at hand, to uncertainty about how to engage with potential partners, to outright resistance to cross-sectoral engagement because of difficult experiences in the past. Third party conveners, sometimes referred to as bridging organizations (Brown, 1996) or bridging persons, can be an important catalytic agent in all these situations, bringing unaware, unsure or skeptical actors to the table to explore the possibilities of cooperation.

In the case of CTD in India, retired government officials, corporate leaders and academics used their contacts and networks to bring together industrialists, academics and government officials to think about utilizing technology for the sake of local economic development. Prior to this, there was no systematic means of convening actors from different sectors to explore possibilities for joint action in the area of agriculture and food processing.

In Madagascar, USAID and its contractor, Chemonics International, both played convening roles at different points in the road-building and maintenance program. USAID brought together government actors and representatives from community based organizations to discuss the problem of road building and maintenance and negotiate joint action plans. Previous to this, the two had little to no contact with one another, especially in regard to the problem of poor roads. Chemonics convened private road-building contractors with government and community actors at a later point in the project, bringing together parties that were generally unaware of each other and the subsequent potential for collaboration around road improvement. Both USAID and Chemonics helped the government, private contractors and villagers create an alternative vision which cast the issue as one requiring multi-stakeholder participation.

In order to be effective, conveners need to have credibility with all the parties relevant to the intersectoral endeavor. Familiarity with the local situation and the issue can enhance the convener's credibility as a knowledgeable intermediary. Also of importance is the perception that the convener is a balanced party who will facilitate interactions among the actors without distortion or bias. Particularly where the actors are distrustful of each other, the effectiveness of the convener rests on the belief among all the actors that the convener will not sacrifice their interests. An 'outsider' position can be helpful in extricating the convener from local tensions among relevant parties.

The credentials of CTD's founders as former leaders in business, academic and government organizations are likely to have bolstered their credibility as individuals experienced in and knowledgeable about local economic development issues in Karnataka. They were also well informed about meaningful roles for the different

sectoral actors in relation to the problem. Their image as individuals without biased agendas to push on the convened parties was aided by their retired statuses as well.

In Madagascar, USAID and Chemonics were external agencies serving as conveners of local actors. This 'outside' position removed them from local tensions and dynamics, lending a sense of neutrality to their position and hence enhancing their appeal as balanced intermediaries to the various actors.

Because of the differences among actors, it is vital to have conveners that can attract the right parties to the table and facilitate interactions in a way that encourages growing trust and comfort among the parties. Subsequently, starting intersectoral cooperation on the right foot is significantly dependent on the existence of individuals and organizations that have this credibility with the relevant parties as well as the skills for facilitating relationship-building and joint problem-solving processes.

***Framing problems to emphasize mutual gains from multisectoral participation.*** Dissatisfaction with the way an issue is being addressed does not necessarily motivate parties to try and build intersectoral ties; a more compelling motivator can be reframing the issue so that finding an effective solution to the issue *requires* engaging across sectoral boundaries. Reframing the issue can convince relevant parties of the need to work with 'traditional adversaries', as well as justify the investment of resources necessary for engaging multisectoral partners.

In Madagascar, reorienting the road building project from rehabilitation to road building and maintenance expanded the scope of the project. This had the important effect of presenting the problem of poor roads as one requiring not only government action but the participation of private firms and villagers as well. It also allowed the government to devolve responsibility for the roads to the village associations, once it became clear that the latter were critical to maintaining the roads. With a new perspective on the problem, all relevant parties felt they had a legitimate role in the problem-solving process; they subsequently invested financial as well as physical resources into it.

Framing problems to emphasize mutual gains is another critical factor for initiating intersectoral cooperation. Actors are more likely to voluntarily engage with one another if they are aware of the benefits that can be reaped from the joint activity.

The initiation of cooperation between Kagiso Trust (KT) and local businesses was framed by the knowledge among the actors that businesses would be attaining legitimacy through their association with KT and KT would be achieving its social mission of black economic empowerment.

In the Philippines, the corporate foundation and civil society coalition were able to enter into a partnership in part because both actors were interested in pressuring the government to implement a national housing policy. In this case, the mutual gains promised from the partnership were actually a shared goal for both actors.

Intersectoral cooperation requires that the rationale for becoming involved and putting up resources must be obvious to each sector. Actors need to be aware of why their resources and those of others are necessary to solve the problem as well as to assess the likely benefits that will accrue from the cooperative activity. Otherwise, commitment to the partnership can be difficult to create and sustain. Reframing issues can be important in facilitating the willingness of actors to put up resources and engage with actors from other sectors in a partnership mould.

***Balancing Power Differences to Enable Shared Problem Definition.*** Where intersectoral cooperation requires bringing together actors that perceive themselves as unequal in power, there are often special difficulties in launching and managing cooperation. Actors who see themselves as less powerful, in particular, are likely to feel vulnerable to cooperation or domination, and so may be skeptical about arrangements that seem self-evident to more powerful parties. The latter are often blind to aspects of their own behavior that trigger the political sensitivities of their potential partners. The success of cooperative ventures often depends greatly on initial efforts to establish and maintain mutual influence over the definition of problems, the planning of solutions, and the mobilization of resources to implement those solutions. It is vital that all the parties agree on a process for framing the issues that articulates their interests, recognizes the critical resources they bring, and provides them with some influence over the course of the cooperation.

In South Africa the change in political regimes reshaped power relations among white-dominated business and black communities. The election of the new regime dramatically increased business interest in gaining access and credibility to black communities and so significantly enhanced the power of the Kagiso Trust as an agency with credibility in those communities to negotiate with business interests.

In Madagascar the road users' associations at the outset had little influence over either the government or the road contractors. But the framing of the project made it clear that building and maintaining new roads would not be possible without the active commitment of time and energy by users' associations. Thus the government had legal authority and funding capability, the road users' associations brought a grassroots perspective and manpower for implementing plans, and the contractors brought road-building expertise.

When power differences are an important aspect of prior relations among the parties, the start-up process must balance, but not necessarily equalize, those differences so all the parties feel some ability to influence key decisions. Relatively powerful parties, in particular, need to clearly recognize the need for the resources of others to allay the fears of less powerful partners. Emphasizing active participation in start-up processes, clarifying the special resources of the parties, and careful consideration of multiple interests in decision-making can all contribute to power-balancing at the outset.

***Building relationships across differences.*** Intersectoral cooperation involves bringing multiple parties together who have different values and interests as well as diverse skills and capacities. Businesses, for instance, are concerned with efficient delivery of goods and services; governments are concerned with public order and public goods; civil societies are concerned with serving particular visions and values. Such underlying differences can impede the mutual understanding that is essential for successful cooperation. Multiparty forums where information can be exchanged, differences can be explored, and trust can be built enhance the possibility of forming productive cross-sectoral relations.

CTD in India organized intersectoral committees to connect those developing new technologies with those applying them. These committees also serve as advisory groups to ensure the technologies are commercially viable. The committees provide a space for actors from different backgrounds to listen to different perspectives and work on solutions that take all the parties' information and needs into account.

In Madagascar, provincial committees of government, village, and donor representatives review applications for road-building loans. These committees are unique forums for

people with very diverse priorities and needs to share information and negotiate mutually acceptable solutions.

In the Philippines there were no on-going forums where all the sectors could meet to identify ways to address emerging problems as peers in an atmosphere of mutual respect and openness. Instead their primary coordinating mechanism was organized hierarchically, with the corporate foundation representative supervising the grassroots representatives. Subsequently, difficulties in the relationship festered and led to a breakdown in the partnership.

Building relationships can require investing significant resources, including time and energy commitments from busy individuals, perpetually scarce financial resources, and rare skills and capacities for dealing constructively with differences to create relationships characterized by mutual understanding, respect and some level of trust. This is particularly true if some or all the parties are eager to focus resource expenditure on problem-solving rather than on their own relationships. Organizational structures and processes that provide a forum for addressing issues and building relationships, like those in India and Madagascar, may be vital.

**Lesson #2.** Starting intersectoral cooperation requires:

- Conveners with the credibility to bring all the relevant parties together.
- Framing problems to emphasize the need for and mutual gains from multi-sectoral participation.
- Balancing power differences among the parties at the outset.
- Investing in relationship-building as well as problem-solving.

### **Managing Intersectoral Cooperation**

Once there is agreement on undertaking intersectoral cooperation, the next step involves translating this agreement into an executable form. Often, the individuals who provide the institutional commitment are not the same ones involved in carrying the cooperation out. Managing the intersectoral relationship and moving it towards agreed-upon goals requires carving out arrangements that clearly apportion roles and responsibilities, enable mutual influence and problem-solving and assess mutual gains. In doing this, the cooperative ventures are more likely to satisfy the needs of all involved parties, have mechanisms for dealing with differences as they arise, and result in positive experiences for the parties.

***Developing shared plans that identify roles, responsibilities and resources.*** Because intersectoral cooperation involves bringing together parties with their own interests, goals and ways of working, it is important that plans and roles are jointly developed and agreed to. Often, moving from shared general goals to specific plans for implementation raises a host of issues that are not initially obvious. But developing agreements on implementation is essential to holding each other accountable for program performance. Not all disagreements can be foreseen, of course, but negotiating action plans and division of responsibilities at the outset can reduce the potential for misunderstandings and conflicts later that undermine the partnership.

CTD in India develops plans and organizational mechanisms for new NGOs that use technological innovations. The different types of knowledge brought by academic technical experts and grassroots end-users are used to mould the technology to fit customer needs. NGOs organized to pursue opportunities in different industries are staffed by individuals from business, government and civil society sectors, using resources available to each of the sectors towards fostering regional economic development. CTD has used that experience to foster many ventures that apply new technology to create agricultural businesses.

In Madagascar, provincial committees of government and village representatives invite and review contractor applications for road building and maintenance. This committee looks at economic as well as development considerations, and mandates that contractors are obliged to train villagers in maintaining the roads. The village associations are responsible for road maintenance. The projects make use of government mandates, builder technical knowledge, and villager physical input and local knowledge. All the parties understand each other's roles and contributions.

In the Philippines, the lack of mutual understanding around expectations and pace of activity resulted in friction between the parties. While the community coalition believed that the slow pace of results was a necessary cost of community participation, the corporate foundation thought the delays represented failure. Moreover, many members of the coalition began to consider themselves as employees of the corporate foundation, thus obscuring their roles in the relationship as well as weakening their access to the grassroots, which was the key resource they brought.

Differences provide the rationale for coming together, but they can also threaten to undermine the relationship if not addressed properly. Clear plans and assignment of responsibilities can help parties understand fundamental organizational and sectoral differences and find ways to work together around them. Lack of such understanding can lead to misunderstanding, conflict and inability to appreciate each other's contributions.

***Fostering mutual influence in decision-making.*** Mutual influence in decision-making is central to successfully carrying out an intersectoral initiative, since it enables action plans and agreements to be made that have commitment from the involved parties. Jointly setting directions, determining work plans and identifying roles, responsibilities and resources are important building blocks to implementing the vision of intersectoral cooperation. Consequently, organizational structures or processes that enable all parties to participate in shaping the outcomes are critical.

In the case of CTD, intersectoral committees and advisory groups were structured into the collaboration. These forums allow business, government, academic and grassroots actors to jointly discuss ideas on agricultural technology ventures, create businesses to market new technologies, and focus on strengthening linkages between technology developers and end users.

In Madagascar, the provincial intersectoral committee includes USAID staff, government representatives and members of the village-level road users' associations. Among other things, it exists to enable key stakeholders to define activities surrounding road improvement and recommends to the national committee applications received for road building. In this way, formal organizational structures and requirements ensure the space for traditionally low-power parties, such as, in this case, the village associations to effectively influence the decisions relating to the road improvement project.

The recognition that multisectoral parties bring key resources to the table fosters the space for their effective participation in the problem-solving process. At the very least they are able to influence how the resources are utilized; more broadly, they can affect decisions relating to the larger activity. Creating formal processes or organizational structures, such as forums and advisory groups, can foster mutual influence in decision making and maintain it throughout the life of the initiative.

***Managing conflicts in implementation.*** Even after agreement is reached around the need for intersectoral cooperation, disagreements in the course of implementation are highly likely. These challenges can emerge from differences in how the parties organize themselves or carry out program activities, from unanticipated implementation questions or issues raised by changing circumstances. Few intersectoral cooperation initiatives continue for long without having to deal with conflicts and differences.

In India the intersectoral committees created by CTD provided a forum for resolving a problem around revenue sharing. The availability of this structure enabled a satisfactory solution to be cooperatively designed in the shape of a new joint venture that would share profits among the various partners. The intersectoral committees also identified weak engagement with business players as a challenge before this became a debilitating problem.

In the Philippines, while the commitment to cooperation was shared by both the corporate foundation and people's organizations, implementation of their agreement brought to surface serious differences around the pace of work and expectations around achievements. Without an effective forum for dealing with these differences, the partnership eventually broke down.

Given the likelihood of conflicts arising in the case of intersectoral cooperation, it is critical to have mechanisms for managing conflicts between involved parties. These can include intersectoral forums for airing concerns. By reviewing and revising the nature of the relationship among the parties, cooperative initiatives can improve performance, recognize contributions of different parties, and deal with conflict situations and issues that might undermine the cooperation if unaddressed.

***Seeking and identifying mutual gains.*** Given the underlying rationale for multi-sector cooperation—that mutual gains can be realized by working with other sectors—it becomes important to review the gains actually being realized. Mutual gains are a key element to driving and sustaining intersectoral cooperation, therefore assuring results throughout the life of the cooperation can improve the chances of realizing full benefits as well as improving implementation of joint activities and keeping parties engaged.

Kagiso Trust in South Africa found that the resources being generated by cooperating with businesses were being distributed unevenly, and took steps to ensure that some profits as well as credit came to the Trust. This redistribution made it possible for the partnership to expand to other beneficial activities.

In Madagascar, the road users associations benefited from rehabilitation of roads that linked them to 'trunk' roads, facilitated the urban–rural flow of commercial activity, thereby enhancing their earnings. These associations have also begun other initiatives to benefit their members. The government passed on authority to maintain roads to these associations, thereby relieving itself of a responsibility it was finding difficult to carry out while ensuring the provision of public goods and services. The intersectoral arrangement is enabling the government to reach its economic growth and development goals. Private businesses benefited from the contracts received under the program.

In the case of CTD, the intersectoral process has produced gains for key parties. Participating universities have earned added income through joint ventures with other actors and product development labs. Farmers and entrepreneurs have benefited from new technology that increases their production and improves the quality of produce and

products. Businesses have found new sources of income through joint ventures undertaken with other actors.

In order to assure realization of gains by all parties, processes for monitoring accrual of gains, adjusting and negotiating the distribution of gains, and promoting transparency should be structured into the cooperative initiatives, as described above. The existence of arrangements to assess and adjust gains throughout the life of the partnerships can contribute significantly towards ensuring their success.

**Lesson #3.** Managing intersectoral cooperation requires organizational arrangements that:

- Develop shared plans that identify roles, responsibilities, and resources.
- Foster mutual influence in decision-making.
- Manage conflicts in implementation.
- Seek and identify mutual gains.

### **Challenges to Intersectoral Cooperation**

As a relatively unfamiliar development strategy bringing together non-traditional partners, intersectoral cooperation can present significant risks and challenges to the parties involved. The most obvious threat is posed by the possibility of co-optation, which can deter participation and also undermine the benefits potentially realized from intersectoral cooperation. Inequitable distribution of costs and benefits can also hinder enthusiasm and commitment to an intersectoral initiative. Last, unsuccessful endeavors in intersectoral cooperation can erode the base for future such cooperation.

***Co-optation that reduces contributions of party differences.*** If one party is co-opted to the interests and perspective of another party, the advantages of making use of their diversity can be lost. The problems of too much conflict among the parties are usually quite obvious; the disadvantages of too little conflict as a consequence of cooptation—where one party adopts the agenda of another to preserve their relationship—may be more subtle. Nevertheless, such domination erodes the basis on which the cooperative relationship is founded.

Even when the parties remain independent and able to challenge one another, they may be perceived by their constituencies as 'selling out' or 'going soft'. Where there are vivid histories of division and antagonism between sectors, the likelihood increases that at least initially any cooperative initiative will be misperceived. Parties will be suspicious of one another, and others in the sector will question the meaning of any connections.

This is a serious threat to the appeal of intersectoral cooperation as a strategy. If cooperation threatens an organization's credibility or legitimacy with its constituencies, such a cost may be perceived to be too great to explore the benefits of cooperating with other sectors. Since one of the key assets brought to the intersectoral table is legitimacy with other actors, its loss by any of the involved parties is important to all of them.

Kagiso Trust in South Africa was considered by some to be losing its connection with the poor black communities as it adopted business-like strategies of economic development. But its credibility with communities was the reason that business sought its participation in alliances. KT has taken steps to address this problem by separating its for-profit ventures from its socially-oriented enterprises.

Co-optation can undermine the use of diversity to create better solutions that is fundamental to effective intersectoral cooperation. After all, the assets of an organization that are derived from its particular constituencies and sectoral characteristics are what make it an attractive partner in an intersectoral

partnership. The costs associated with cooptation make it crucial for organizations to be able to maintain their autonomy while still engaging across sectors.

***Inequitable distribution of costs and benefits.*** In intersectoral cooperation, each party brings resources that are important to achieving mutually agreed goals. However, it is possible for the costs of implementing the agreements or the benefits of success to be distributed disproportionately among them. This problem can be particularly intense where histories of conflict and power discrepancies have left a residue of suspicion and mistrust. In such circumstances, unequal distributions of costs, benefits and credit may be quickly interpreted as predictable exploitation by members and constituents of parties who are dissatisfied, and create significant problems for continuing the partnership.

In the Philippines, the corporate foundation grew increasingly dissatisfied with the slow progress and relatively small early return from its partnership with community organizations. The community organizations felt the foundation did not understand the necessity for bringing all the community actors on board before moving ahead. Expanding costs and few benefits both contributed to the eventual dismantling of the partnership. The ill-will that accompanied this failure has made it difficult for the participants to find other ways to work together, even though they are both still committed to the housing goals that brought them together in the first place.

In the immediate post-apartheid period, Kagiso Trust in South Africa faced a steady stream of inquiries for advice and contacts from South African and international businesses wanting to engage the new market represented by the black population. As a civil society organization closely grounded in the black community and intimately connected with the leaders of the new government, KT had the information and contacts that were in demand. It realized early on that these 'assets' did not need to be shared without reward. Consequently, businesses such as Rothschild's and COWI lent their experts and shared their business management knowledge and skills to KT, which enabled it to strengthen its own for-profit ventures. JP Morgan gave KT a loan without requiring collateral; the risk premium was traded for a positive public image through association with KT and access to the black community.

The distribution of costs and benefits is understandably a high profile issue among the parties, particularly where there are grounds for suspicion and distrust. Participants, and particularly high-power parties, need to remain sensitive to emerging concerns about these issues, and all parties need to engage each other to preserve transparency about distributions, recognition of each others' interests and concerns, and procedures and tools for ensuring that fair distributions of costs and benefits will be achieved over time.

***Past experiences that shape future cooperation.*** When parties see intersectoral cooperation as a success in solving otherwise intransigent problems, they are likely to use intersectoral relationships, organizational arrangements and experience to solve other problems in the future. A successful cooperative venture can catalyze many future initiatives.

The experience of CTD in India produced a network of interpersonal relationships and an organizational mechanism for applying technological innovations to agribusiness development. The leaders of CTD then reapplied those relationships, skills and organizational tools to fostering many new businesses in the region and began discussions for disseminating the model in other countries and regions.

The success of the road-building initiative in a few regions of Madagascar demonstrated that the approach could mobilize local resources to build and maintain roads effectively. The government and local associations then moved to expand use of the model to many other communities in need of roads.

On the other hand, failed attempts at intersectoral cooperation can damage future prospects by reinforcing negative stereotypes about the other sectors, raising questions about the risks of joint work and casting the payoffs of joint action in doubt.

In the Philippines, the relationship between the corporate foundation and the coalition of community organizations did not produce the outcomes anticipated and led to mutual recriminations among the partners. While the corporate actor has managed with great effort to build relationships with other grassroots civil society organizations, the original civil society partner has chosen not to work with other corporate entities.

Both the gains and the costs of initial intersectoral cooperation experiences reverberate into the future, so it is worth emphasizing that participants who undertake such initiatives should be prepared to invest significant time and energy to make them work effectively. It is probably not worthwhile in the long term to make half-hearted attempts, since the costs of failure can be quite high.

**Lesson #4.** Challenges to intersectoral cooperation include:

- Co-optation that reduces contributions of party differences.
- Inequitable distributions of costs and benefits.
- Past experiences that shape future cooperation.

### **Outcomes**

The cases discussed here suggest that intersectoral cooperation can be an effective way to tackle difficult yet important development issues. It can produce outcomes that resolve persisting problems, create catalytic or multiplier effects in the local community and beyond, offer sustainability, and create multisectoral social capital that enhances the possibility of local joint action in the future.

In some situations, intersectoral cooperation can produce *innovative solutions* to intractable problems. Through the sharing of diverse resources—including, among others, information, financial resources, volunteer energy, and official sanction—intersectoral cooperation enhances the chances of finding solutions to problems that address their economic, political and social complexities.

Poor physical infrastructure has been a serious impediment to economic growth and development in Madagascar. The intersectoral intervention initiated by the USAID country mission has resulted in a new approach to the problem, involving local stakeholders in the construction and maintenance of roads. Village-level road users' associations were created, since the involvement of communities and volunteer energy were necessary for the success of this initiative.

In India, CTD has fostered a unique approach to local economic development in the form of NGOs that are governed and operated by intersectoral committees. These NGOs are able to maneuver through bureaucratic demands, harness cutting edge technology, utilize efficient production processes, and tailor their services to the needs of grassroots groups. Involving key stakeholders in the process of economic development has been a critical ingredient in CTD's success.

Intersectoral cooperation can also have *catalytic or multiplier effects*. Replicable processes and the fungibility of structures created as part of an intersectoral initiative translate into social change that extends beyond original intentions.

The CTD initiative in India has resulted in a network of five NGOs, each pursuing unique economic development opportunities. What started as a network of academics, business leaders and retired government officials has grown into a system for realizing economic development through the joint action of businesses, government agencies, universities and community end-users. The success of the pilot NGOs implies scope for dramatic scaling up of impact across more industries and geographic regions. Replication has already begun through similar initiatives in two other Indian states, Goa and Madhya Pradesh.

In Madagascar, the road users' associations have expanded their activities to cover wholesale purchase of vegetables that are then resold to members at lower-than-market retail prices. They are also trying to create easier access to credit and savings services for their members through linking with a credit union.

A third outcome that can arise from intersectoral cooperation is *sustainable change*. The benefits arising from intersectoral problem-solving are likely to continue accruing as solutions respond to the needs of stakeholders, the involvement of relevant actors is maintained, and resources for sustaining the solution are generated locally.

In the case of CTD, the potential for sustainable economic development is high. The adaptation of agricultural technology to the needs of farmers and entrepreneurs, the commercial viability of the adopted technologies and the committed involvement of key local stakeholders strongly suggest that the CTD approach to creating local economic development and accompanying benefits will continue.

In Madagascar, 191 km of roads have been constructed to date to link rural areas to markets in other towns. The importance of roads to involved stakeholders, formal mandates by the government to work with village groups and private firms, and the local resource generation strategies indicate that the process of intersectoral cooperation as well as benefits of expanded commerce arising from the program will persist. Roads are more likely to be maintained with the creation of village road users' associations which are specifically focused on that function.

The changed context for businesses in the post-apartheid period supports sustained relationships with KT as KT uses its access to, credibility with, and influence over the black community and government officials to link businesses to black markets. Kagiso Trust's influence in corporate human resource policies and corporate behavior is also likely to continue with its role as a shareholder in the corporations and the existence of its socially-oriented enterprises. Through these activities, the potential for sustained social change appears strong.

Finally, a key outcome arising from intersectoral cooperation is the creation of *multisectoral social capital and new local capacity for joint action*. In carrying out an intersectoral initiative, actors from the different sectors build relationships that transcend sectoral boundaries, develop new norms, values and practices for relating with each other, and acquire added capacities for joint action.

Kagiso Trust in South Africa has acquired skills for negotiating with for-profit firms which enable it to claim rewards for the information and community access it provides to the firms. These skills are likely to be useful in future engagements with the private sector. The satisfaction of both KT and its corporate partners from the cooperative relationship suggests that the way is paved for more intersectoral partnerships in the future.

The programmatic committees and governance boards of CTD's various NGOs all have intersectoral representatives, thus building relationships across sectoral boundaries in a systematic way. The ability to work successfully in intersectoral groups and attain mutually beneficial goals reinforces the potential for further multistakeholder activity as relevant problems arise.

In Madagascar, the institutional arrangements of the road program brought government, business and grassroots actors into systematic contact with one another whereas previously such interaction used to be sporadic at best. The multisectoral provincial committees and partnerships between contractors and road users' associations are established as integral components of the project. The success of the multi-stakeholder process in the case of roads carries a strong potential to be carried into other infrastructure programs—and possibly other development areas.

The creation of multisectoral social capital, joint action by actors from multiple sectors, and innovations in problem-solving can comprise a mutually reinforcing virtuous cycle, with success in one strengthening the others and thereby triggering the cycle once again. Of course, it is also possible for the cycle to spiral downward, as failure in one area undermines the possibilities in the other two. With careful nurturing and support, however, the virtuous cycle can be catalyzed and subsequently produce problem-specific gains as well as institutional conditions that will support future efforts on collective action.

**Lesson #5.** The positive outcomes of intersectoral cooperation include:

- Innovative solutions to intractable problems.
- Catalytic or multiplier effects for broader social change.
- Sustainable social change.
- Creation of multisectoral social capital and new capacity for joint local action.

### **Summary**

Intersectoral cooperation involves high stakes. Such partnerships can build organizational and institutional capacity for innovative and large-scale sustainable change, but they can also seriously damage the possibilities for future intersectoral cooperation. Initiating intersectoral cooperation requires significant resources—time, energy, funds and skills. Managing these relationships also requires considerable resources. Because of differences in underlying rationale, purposes and organizational processes, intersectoral cooperation is a challenging strategy in terms of design and implementation. If carried out carefully, however, the pay-offs are significant, especially through finding solutions to difficult yet important development problems, triggering catalytic or multiplier effects, fostering sustainable change and creating multisectoral social capital that promotes new local capacity for joint action.

The five lessons discussed above are summarized in Table 2. While the first three lessons discuss different stages of an intersectoral initiative, it is nevertheless useful to also think about challenges and outcomes at the outset. By recognizing early on what is involved in intersectoral cooperation, participating actors can also tailor their role and activities to reap optimal benefits from the partnership.

**Table 2: Summary of Lessons**

<p><b>Lesson #1:</b> Intersectoral cooperation is most appropriate when:</p>	<ul style="list-style-type: none"> <li>• Previous mono-sectoral problem-solving has been unsatisfactory, particularly to high power actors.</li> <li>• Problem solving requires information and resources held in more than one sector.</li> <li>• Past relations among key actors do not foreclose cooperation.</li> </ul>
<p><b>Lesson #2:</b> Starting intersectoral cooperation requires:</p>	<ul style="list-style-type: none"> <li>• Conveners with the credibility to bring all the relevant parties together.</li> <li>• Framing problems to emphasize the need for and mutual gains from multi-sectoral participation.</li> <li>• Balancing power differences among the parties at the outset.</li> <li>• Investing in relationship-building as well as problem-solving.</li> </ul>
<p><b>Lesson #3:</b> Managing intersectoral cooperation requires organizational arrangements that enable parties to:</p>	<ul style="list-style-type: none"> <li>• Develop shared plans that identify roles, responsibilities, and resources.</li> <li>• Foster mutual influence in decision-making.</li> <li>• Manage conflicts in implementation.</li> <li>• Seek and identify mutual gains.</li> </ul>
<p><b>Lesson #4:</b> Challenges to intersectoral cooperation include:</p>	<ul style="list-style-type: none"> <li>• Cooptation that reduces contributions of party differences.</li> <li>• Inequitable distributions of costs and benefits.</li> <li>• Initial experiences that shape future cooperation.</li> </ul>
<p><b>Lesson #5:</b> Positive outcomes of intersectoral cooperation include:</p>	<ul style="list-style-type: none"> <li>• Innovative solutions to intractable problems.</li> <li>• Catalytic or multiplier effects for broader social change.</li> <li>• Sustainable social change.</li> <li>• Creation of multisectoral social capital and new capacity for joint local action.</li> </ul>

## **Implications for USAID and Other International Donors**

We have identified four general areas in which international donors may have special contributions to make to foster intersectoral initiatives. Below we present the four areas and suggest briefly some of the activities that may be possible within each. In particular we are concerned with activities that take advantage of the special positions and resources of international donors and recognize the constraints and limitations they face as well.

### **Promote an Enabling Environment to Support Intersectoral Cooperation**

In many countries, the idea that governments or businesses might cooperate with civil society organizations to achieve common goals or mutual gains may be greatly at variance with past experience. To the extent that NGOs and other civil society organizations are seen as critics or competitors with business and government agencies, for example, the institutional and policy context may be quite hostile to intersectoral cooperation.

As an outside agency that may have relatively little past history or stake in intersectoral conflicts and with access to extensive experience in other settings, USAID missions may be in a good position to present the possibility of synergies across sectors to otherwise skeptical actors. In some of the cases discussed earlier, USAID initiated the idea of intersectoral cooperation to local actors who were unfamiliar with the concept. Recent studies suggest that external actors may be particularly important as sources of ideas and new technologies when the institutional and policy contexts make heavy financial investments unwise (World Bank, 1998). Providing examples of success from other countries and fostering policy contexts favorable to intersectoral experiments can be an important role for external donors.

From this perspective, USAID missions might invest in educational interventions to show national actors what has been accomplished in other settings. This role might include support for workshops and other educational initiatives within the country to acquaint key actors with what has happened elsewhere, or that bring together representatives of different sectors to explore what resources they might contribute to problem-solving. Promoting an enabling environment might include support for visits and study tours to other countries where cooperative initiatives have been particularly effective. Mission interest in building an enabling environment might be reflected in country program strategies that commit resources to experiments with multi-sectoral initiatives, encouraging key actors to visit and assess initial programs, and providing seed funding for initial explorations of how intersectoral strategies might be applied to particularly intransigent problems.

The emphasis here is on creating a national and local policy climate that is receptive to intersectoral initiatives rather than actually launching and supporting major programmatic activities. It is central to the success of multi-sectoral initiatives that they are 'locally owned' rather than seen as foreign initiatives. So setting the stage for local actors to take major responsibility for launching and implementing programs is a critical role for foreign donors.

### **Support the Start-up and Minimize the Initial Risks of Intersectoral Initiatives**

An important drawback to launching intersectoral cooperation on development projects that affect the very poor is that often there is no obvious initial 'client' that can be supported to launch a joint initiative. By its nature, intersectoral cooperation involves diverse agencies that do not at the outset recognize their potential interdependence in solving the problem. So the risks of failure or unrewarded effort are quite high to any single potential participant who is not sure that the other relevant players can be recruited for joint action.

International donors have access to funds and diverse constituencies that position them to support the early stages of intersectoral cooperation. Outside actors cannot easily take active responsibility for launching such initiatives, since intersectoral cooperation depends on ownership by the cooperating institutions, but they can reduce the risks of start-up by fostering initial contacts among key parties, supporting preliminary discussions of the problems, and facilitating visions of multi-sectoral solutions. Picking up the tab for initial 'future search' conferences, for example, may make it possible for initially-suspicious stakeholders to reflect on what cooperative efforts might accomplish and to articulate shared principles and goals for collaboration. Outside donors can also provide seed funding for high-risk initial planning activities and partial support for implementing initial action plans. Over time, such small initial investments may pay large dividends.

In the long term, of course, the success of intersectoral cooperation depends on the sustainable commitment of resources by stakeholders, so it will be important to recognize that external support should be focused on early stages. As the payoffs of cooperation become increasingly obvious, the need for external support to reduce the risks of start-up should decrease.

### **Strengthen Local Capacities to Implement Cooperation and Start New Initiatives**

The capacities for launching and implementing intersectoral cooperation may not be widely distributed among key actors at the outset. There may be very few individuals and organizations that understand the perspectives of different sectors, have the skills for mediating among them, or have reputations for credibility and trustworthiness across different sectors. International donor agencies may be able to provide consultants, training and capacity-building support that are simply not available within the country to support intersectoral initiatives.

Part of the challenge is providing support to key actors in new intersectoral initiatives whose ability to work across sectors will determine the success or failure of the collaboration. International donors, like USAID missions, can identify consultants and trainers with skills and experience that cannot be replicated within the country to work with key actors and with the intersectoral collaboration as a whole to initiate collaboration—through shared goal setting, action planning, and organizational arrangements—and to help manage conflicts in cooperation that may undermine early success. An important part of the support for initiating intersectoral initiatives may be providing technical assistance to the cooperation process itself, especially when there are histories of conflict and misunderstanding among key parties.

A second important element of building long-term capacity for intersectoral cooperation in a country is creating local resources that can provide support to intersectoral initiatives. In effect, the Center for Technology Development in India created a resource for many future business–university–farmer initiatives by building a center with knowledge, skills, and experience in promoting intersectoral cooperation that was committed to using its resources to foster many further initiatives. External donors are positioned by their mission and resources to promote such capacities in the countries they support. Building such institutions can have very wide multiplier effects in catalyzing future development.

### **Foster and Disseminate Practical Knowledge from Intersectoral Cooperation Experience**

International donor agencies are also well-positioned to foster learning across sectors, countries and regions about the practicalities of intersectoral cooperation. This kind of learning is desirable from the point of view of assessing donor investments in specific projects, and it is also very valuable in the development of similar projects in other countries and regions. Investments in building practical knowledge about what works in intersectoral initiatives can benefit donor programs in general as well as the particular clients of one project.

At a minimum, donors can learn from careful assessment of specific efforts to promote intersectoral cooperation. Assessing immediate results in terms of problems addressed, longer term impacts, institutional outcomes and consequences for future intersectoral initiatives by key actors can develop a variety of implications for both the project involved and its replication in other settings. Such learning can shape both the future of the specific program and the development of other intersectoral initiatives in the country.

More generally, international donors can foster and support learning that spans national and regional experiences to build more widely applicable understanding of necessary preconditions, effective start-up interventions and good practices for continuing effectiveness in intersectoral cooperation. Sponsoring systematic data collection and forums that bring together stakeholders from several countries to distill the lessons of experience can produce highly useful principles and tools. The resource scarcities that confront most developing countries make such investments very controversial, even when they might be extraordinarily valuable in terms of long-term effectiveness of development initiatives of the future. International donors can play central roles in the articulation of improved development policies and practices, a role widely recognized in USAID by its commitment to remaining a leading edge agency in producing development innovations and knowledge.

### **Summary**

Intersectoral cooperation may increasingly be an appropriate strategy for many vital development problems as the intermingling economic, social and political complexities of these problems call for resources and innovations that will support impacting and sustainable solutions. The need for new institutional arrangements is apparent, as the results of state-led and market-led development approaches have failed to adequately meet the most basic needs of the poor. Declining amounts of foreign aid further reinforce the need for solutions that are capable of generating their own resources, meeting the needs of local stakeholders, and sustaining themselves. Intersectoral cooperation should be an attractive strategy for USAID and other international donors because the payoffs from investments are potentially immense. Perhaps the most important aspect of intersectoral cooperation is that it is the local actors that are the primary decision-makers, implementers and beneficiaries in realizing social change and development.

The four areas of implications reflect different stages of promoting the use of intersectoral cooperation: promoting an enabling environment; supporting initial high risk experiments; building local capacity to support intersectoral initiatives; and catalyzing the production of practical knowledge about intersectoral cooperation. Building an enabling environment may precede support for any specific initiative, and may involve work with potential participants well before specific goals are identified. Supporting high-risk initiatives emphasizes the early phases of program development, when initial skepticism inhibits investments by local participants. Building local capacities assumes interest in continuing old initiatives or in fostering new ones while catalyzing learning about cooperation assumes that projects are in place to learn from. That learning may of course then be used to enhance the enabling environment that support further initiatives. So donors may support different phases to enhance the development of a larger cycle for disseminating intersectoral cooperation as a development strategy.

These roles of international actors emphasize their ‘enabling role’ to support local and national initiatives rather than a main role in actually ‘doing’ the work. In these initiating activities, the resources and outside positions of international donors give them the opportunity to play a catalyzing role. Promoting intersectoral cooperation calls for a mix of donor activities that puts less emphasis on the design and delivery of specific services and more emphasis on creating local capacities and institutions to solve critical problems. This emphasis can create challenges for defining results and indicators that capture the impact of donor resources, but it also has great promise for increasing the long-run sustainability of any resulting development improvements.

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<sup>1</sup> NPI Resource Guide, p.1

<sup>2</sup> E.g. Brown, L.D. and Tandon, R., 1992., Gray, B., 1989.

<sup>3</sup> Tennyson et al. 1994, Brown, L.D. and Ashman, D., 1996, Uphoff, N., 1996, Waddell, S. and Brown, L.D., 1997, Waddell, S., 1997.

<sup>4</sup> Wuthnow, R., 1991.

<sup>5</sup> Evans, P., 1995.

<sup>6</sup> Ibid.

<sup>7</sup> Brown, L.D. and Kalegaonkar, A., 1998.

<sup>8</sup> A future search conference brings together stakeholders in a “whole system” to work on a task-focused agenda. See Weisbord, M. and Janoff, S., 1995.

<sup>9</sup> We also recommend a process for intra-agency learning within USAID, similar to efforts being taken under NPI.

<sup>10</sup> Brown, L.D., 1996.

<sup>11</sup> World Bank, 1998.