

Four elements of exit strategies for multi-stakeholder partnerships

Multi-stakeholder partnerships (MSPs) bundle the expertise and resources of different stakeholder groups – the state, civil society, the private sector, and the academic and research sector – in the form of a long-term, formalised organisational structure based on the principle of equality. In this way, they develop the potential to solve complex social problems and initiate sustainable change processes. MSPs can be successful in different ways. While some partnerships have contributed (or are still contributing) to major successes in the field

of development cooperation, others have not progressed beyond the design phase or have not fully achieved their objectives.

Considering possible exit strategies is therefore just as important a part of an MSP cycle as the design and implementation phase. An exit strategy outlines the planned winding up or transformation of the multi-stakeholder partnership as soon as its objectives have been achieved or the circumstances require a change. In most cases, MSPs will at some point face one of the four scenarios set out below.

AIM OF THE EXIT STRATEGY



Mainstreaming success sustainably

Scenario 1: The MSP has been successful and achieved its objectives

Scenario 2: The MSP is working successfully but does not have sufficient funds to continue its activities



Minimising damage

Scenario 3: The MSP has turned out to be an unsuitable mechanism for collaboration

Scenario 4: The MSP does not add (or no longer adds) any value or cannot achieve its objectives

Developing a well-thought-out exit strategy is crucial for all these scenarios to ensure that the knowledge and outcomes generated through collaboration are preserved, that resources are used responsibly and that a consensus is reached on how to proceed. It can also be useful to clarify right at the start of an MSP which procedures are to be followed and which roles performed in a future exit process and to record these in the governance documents.

The four key elements of an exit strategy described below are based on the consulting experience of Partnerships2030 and can be used by MSPs to create an initial framework for their individual exit strategies. The exact nature of each element may vary depending on which scenario emerges.

1. Jointly recognising the current situation and reaching a decision on how to proceed

When a multi-stakeholder partnership reaches a point where the circumstances require a substantial change, a process is needed in order to bring about a common understanding of the MSP's current situation and the available options and to produce a **decision** on the MSP's future. While this sounds rather straightforward in theory, in practice it is often a challenge. In many cases, the change processes required and the discussions and exchange of (usually) differing views that inevitably accompany those processes are initiated too late or delayed. To avoid a

situation where the partnership is left with fewer and fewer options and intensifying stakeholder frustration, MSPs should prepare well in advance by establishing open and well-structured change processes. The MSP secretariat usually takes on this process management role – preparing options, facilitating the work involved in making decisions and finding compromises, and ensuring that all stakeholder groups are engaged and have a voice. In certain cases, it may be helpful to obtain external support for this process from an impartial source.

The MSP has been successful and achieved its objectives

Scenario 1



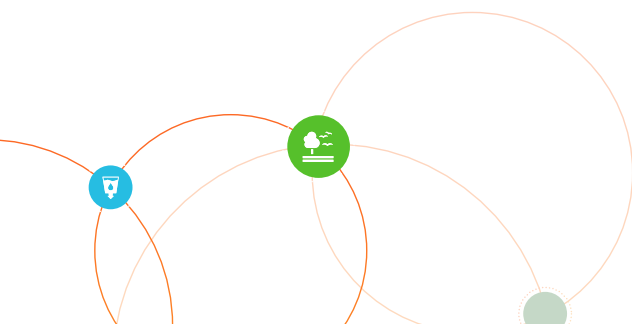
Once an MSP has achieved its adopted goals, it is vital to promote collective recognition of that success and to acknowledge the contributions of individual members. Based on the results of the **MSP's monitoring system**, this process can be initiated through a decision of the steering group or membership body, depending on the MSP's governance structure. In this scenario, an MSP generally has three options to choose from: wind up the MSP; transform it into another, less formal, **partnership** structure; or set new (even more ambitious) targets.

The MSP is working successfully but does not have sufficient funds to continue its activities

Scenario 2



In this scenario, too, it is extremely important to recognise the successful collaboration of the partners based on the verifiable results of the MSP before discussing any further collaboration. Here, in addition to monitoring activities and achievement of objectives, a member survey (including the question of a potential financing contribution) can serve as a basis for developing options for action. In some circumstances, pro-active external communication with well-prepared results might even open up new potential financing options after all. An MSP usually has three options to choose from in this scenario: wind up the MSP; transform it into another, more cost-effective, **partnership** structure; or adapt the current **financing model**.



The MSP has turned out to be an unsuitable mechanism for collaboration

Scenario 3

If it becomes clear that an MSP is not a suitable mechanism for collaboration, the members should jointly identify the challenges and limitations of the current model at an early stage (e.g. in a workshop). The process should be designed to reach a consensus either on a transformation to another, more suitable **partnership** structure or on winding up the MSP. In this context, it is crucial to limit potentially adverse impacts, e.g. any intensification of existing conflicts between members.

The MSP does not add (or no longer adds) any value or cannot achieve its objectives

Scenario 4

The active involvement of members in a collaborative decision-making process to wind up the MSP is crucial. Every effort should be made to facilitate this process in order to limit damage and avoid tying up resources and capacity unnecessarily. It is also vital to specify a timeline for completing the MSP's activities and finally to send out a clear message that the partnership has been formally wound up.

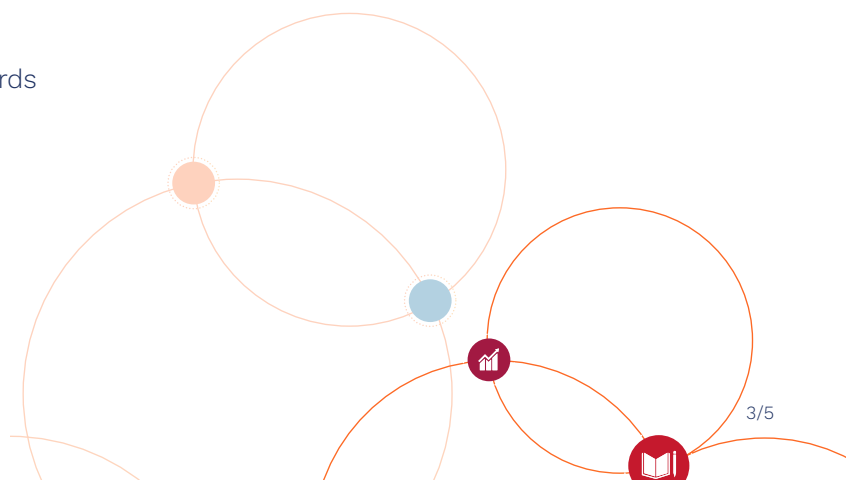
2. Maintaining the knowledge generated as well as sustainability through (local) partner organisations

One key objective of any exit strategy should be to preserve the knowledge generated by the partnership, the products jointly developed by its members and (as far as possible) the impacts that have been achieved. The **four scenarios** outlined above play less of a role here than the decision as to whether the MSP should be wound up, restructured or maintained with a new set of objectives.

Depending on the MSP and the chosen exit strategy, individual members, (local) partner organisations or the restructured partnership can then decide on the most suitable course of action, for example whether to:

- a) maintain selected MSP activities (local, regional or global);
- b) implement new activities based on jointly developed findings and the resulting data;
- c) transfer, supply, disseminate and, if necessary, refine the knowledge products, tools or standards developed through the MSP.

Ideally, perhaps in the form of a knowledge transfer plan, the exit strategy should clearly define individual responsibilities and make sustainable arrangements for each of those roles to be performed. If a decision is taken to restructure the partnership, it is important to make clear which activities can be incorporated into the new structure and which will need to be implemented by other stakeholders. Furthermore, each MSP member will of course be responsible for ensuring that knowledge is transferred appropriately within its own organisational structure.



3. Communicating with partners, donors and other sector audiences

Exit strategies need good communication at the right time – in other words, a detailed and targeted communication plan. Once a decision has been made on the planned winding up or transformation of the MSP, the next step is to differentiate between the partnership's various stakeholders and target groups to ensure that communications are tailored to their respective information needs and designed in each case to achieve a specific outcome. For example,

clearer messages are needed for MSP members and partners in order to gain broad acceptance of the decision. By contrast, donors generally need information about the sustainable impacts achieved through the MSP using their money. In many cases, depending on the reason for the exit decision, it also makes sense to address the general public with a view to strengthening or maintaining the reputation of MSP members.

The MSP has been successful and achieved its objectives

Scenario 1



As well as recognising the MSP's achievements internally, it is crucial to publicly celebrate its success and provide a clear message about the exit decision. Public events, press releases and other communications (using a variety of channels, including social media) can help to showcase the positive results of the partnership. By sharing success stories, impacts and testimonials, the MSP can express its gratitude to donors, partners and the public while also motivating individual stakeholders to support or get involved in future partnerships.

The MSP is working successfully but does not have sufficient funds to continue its activities

Scenario 2



If an MSP has to discontinue its joint activities or switch to another form of partnership due to a lack of long-term funding, it is essential to communicate very clearly not only its achievements but also the reasons behind the exit decision. This is particularly important to avoid giving the impression that the MSP is being wound up because it has failed to add any value. In particular, appropriate and informative communications should be directed at an early stage towards partners who have benefited from the MSP's work to date so as not to damage the prospects for future collaboration.

The MSP has turned out to be an unsuitable mechanism for collaboration

Scenario 3



Even in this scenario, it is crucial to emphasise the positive results and successes achieved by the partnership as much as possible. If the aim is to switch to a more suitable **partnership structure**, the MSP will need to communicate the reasons for changing the current model while also stressing its commitment to ongoing collaboration in order to retain the motivation of existing and potential donors and of its current members.

The MSP does not add (or no longer adds) any value or cannot achieve its objectives

Even if it becomes necessary to wind up an MSP, it is still important to recognise any positive aspects and successes. At the same time, clear messaging to explain the reasons behind the decision to wind up the partnership and the challenges it faced will ensure transparency and generate understanding among stakeholders, allowing them to process and come to terms with the decision.

Scenario 4

4. Evaluating the work of the MSP and identifying lessons learned

Evaluating the work performed by the MSP and establishing which lessons have been learned are important components of an exit strategy. As well as identifying tried-and-tested practices, processes and success factors, this step involves conducting a thorough analysis of mistakes and challenges to help avoid similar problems in future collaborations. Ideally, the lessons learned should be shared

transparently with all MSP stakeholders. If it is anticipated that this process will lead to 'critical' findings, it may be helpful if the evaluation is carried out by external consultants. Parts of the evaluation can also be shared with other sector audiences in an appropriate form. A decision will need to be taken on a case-by-case basis whether to conduct the evaluation before or after winding up the MSP.



The four key elements examined in this guide can be used by MSPs as an initial basis for drawing up their own individual exit strategies. This document does not claim to be exhaustive and does not address the legal provisions for terminating institutionalised MSPs. The guidance offered is no substitute for developing a comprehensive exit strategy tailored to the MSP in question. Partnerships2030 will be happy to assist you with our expertise and advice.



Published by:
Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH
Registered offices: Bonn and Eschborn

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Design/layout:
DIAMOND media GmbH,
www.diamond-media-pr.de

On behalf of
German Federal Ministry for Economic Cooperation and Development (BMZ)
Division G 40
Principles Cooperation with civil society, private organisations

Bonn, 2024

Note: As this is a translation of the original text, errors may occur.

On behalf of
 **Federal Ministry for Economic Cooperation and Development**