Technical Assistance Facility (TAF) for Industrial Modernisation and Investment

TOOL #1 Inter-regional and collaborative governance

Managing multilateral alliance partnerships across EU regions

What is the tool about?

This tool translates in a simple language the meaning of the term governance as it is used to describe how governments, businesses, managers and public institutions make decisions, allocate resources, coordinate activities, information, technology, and resources. At the heart of governance are rules and procedures that spell out individual responsibilities and accountability in the process of value creation and value capture. Examples of the use of the term are: corporate governance (G), public sector G, participatory and inclusive G, transparent and effective G, project and program G, or multilevel G. Interregional cooperation agreements, interregional investment projects, strategic alliances and partnership agreements, or Memorandum of Understanding agreements all are Multilateral Collaborative Governance (MCG) tools for achieving common goals.

Why is it important?

The design and implementation of governance models equip governments and regional public authorities, clusters, networks and project managers, as well as individual participants involved in collaborative research, with the necessary tools to account for their investments of resources and acquisition of benefits from collaboration in innovation and production. Theis tool outlines a brief methodology for designing and implementing traditional and innovative governance models for multilateral strategic alliances, R&D collaborations, and other interregional and international partnerships.

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Checklist/key steps:

- The first step is the **analysis of stakeholders to identify potential partners for the collaboration agreement**: the selection of partners needs to correspond with specific objectives that are common for the collaboration, specific selection criteria, and clearly identified selection processes. Long lists of stakeholders should be reduced to active partners. Objectives should be clearly defined in terms of technology/product/service/or sector-specific area of cooperation, target customers, or societal needs. The selection criteria for inclusion in the partnership and the selection process should be collectively discussed and agreed upon.
- The second step is to **define the framework of engagement with the partners**: the focus should be on determining the required type of collaboration/participation, the required level of signatory commitment and some principles for dealing with internal competition, different levels of engagement and process agreements. Process agreements should contain an explicit statement of the selection criteria, the time frame and the stages of building the formal agreement with the new governance model. Profiling of all potential partners should be an essential part of the process of soliciting participation. Partner profiles should contain their unique features, resources, capabilities, as well as preferences and strategic aims.
- The third step is to **define the individual resource commitments,** including activities and personnel, time frame, scope of collaborative action, and other context-specific conditions as part of the implementation

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framework. This stage of partnership formation is critical to building a rigorous collaborative governance model. It depends on how well the roles for each partner are specified, how detailed are their resource commitments, and how forward looking is the strategic management framework, including definitions of ownership and IP contributions or protection.

- The fourth step is to **define the source of value added (value proposition), and the mechanisms for value capture (sources of revenue):** at this stage the self-selected partners should determine key ownership principles for the future transformation of collaborative benefits into commercial outputs and any associated IP issues related to individual or collective contributions.
- The fifth step is to **identify the management and leadership structure;** including any appropriate forms of assessment, evaluation tools, accountability targets, principles of inclusion, selection, coordination, and allocation of roles, functions and responsibilities. At this final stage the Multilateral Collaborative Governance model, partners should address any issues related to strategic coalignment under the multi-level policy framework within EU Operational Programs, National and Regional Authorities, other relevant administrative authorities (International Councils), or other horizontal and vertical strategic coalignment across individual organisations, businesses, institutional stakeholders (Universities, public research organisations (PROs), clusters, networks, and funding bodies).


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Methods

A new MCG model is subject to **co-design**, **co-development**, and **negotiations** among all partners and stakeholders. Hence it is equally important to use **intelligent and strategic co-design techniques** for outlining the process, for drafting the agreement, or for negotiating the final document with all partners. MCGs are partner-specific, context-specific, and aims-specific, and all three aspects have to be addressed with a due-diligence to enable durability, sustainability, and effectiveness of the partnership – achieving the set objectives and opening new horizons for development.

Interactive and brainstorming techniques are effective for the **co-design phase** (steps one-two), where multi-stakeholder contributions enable to set the most appropriate scope for the partnership. The **co-development phase** (steps three-five) requires good leadership, systematic approach in developing all necessary pre-conditions, and regular multi-lateral consultations, as well as a clear action plan with deadlines. During this phase all data collection, data analysis, mapping and profiling needs to take place, to enable successful bi-lateral and multi-lateral negotiations. **The first round of negotiations** should be completed before the signing of the MCG (as part of steps one-five), while further negotiations may continue during the implementation phase – within the established governance structure.

Does and don’ts for interregional investment initiative development:

Do’s:

- Each partner should **have clear strategic aims** – to be achieved through the partnership, and internally approved;
- A **balanced view** should be adopted in terms of relevant governance framework and scope for strategic coalignment across partners and their institutional context – not too many, but all significant stakeholders;

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- Uncover pre-set assumptions and expectations of individual partners and address them in the MCG – through definitions and statements;
- Undertake a **detailed profiling** of all partners, stakeholders, institutional and policy frameworks affecting the financing and strategic operations of the partnership;
- Undertake **needs analysis / or market analysis** – to determine the scale and scope for the future operations;
- **Consider future trends** and industry foresights, or regional growth trajectories and public investment strategies;
- Adopt a **project management strategy** with clear time horizon and defined objectives.

Don’ts:

- Send non-decision makers to meetings of decisive nature;
- Invite business partners to sign a Memorandum of Understanding without explicit costs and benefits;
- **Ignore potential competitive pressures** within the partnership and the individual risks of knowledge and know-how spill-over;
- **Limit the growth potential of the partnership** by putting constraints through ownership and IP – for example - unreasonable claims, or ignored contributions.

Case studies:

- European Business School of Social Economy from Social Economy Partnership.

More resources:

- The Memorandum of Understanding (MOU) explained: https://bit.ly/3nxjQVf
- Guide to drafting a MOU for project funding: https://bit.ly/3nwe7z5

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