

**Form follows Function:
Management and governance of a formal knowledge
network**

Version 1.0

Heather Creech

IISD

**INTERNATIONAL INSTITUTE FOR
SUSTAINABLE DEVELOPMENT**
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International Institute for Sustainable Development
161 Portage Avenue East, 6th Floor
Winnipeg, Manitoba
Canada R3B 0Y4
Tel: +1 (204) 958-7700
Fax: +1 (204) 985-7710
E-mail: info@iisd.ca
Internet: <http://www.iisd.org/>

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Form follows Function: Management and governance of a formal knowledge network

Introduction

*Networks are exercises in structured informality.*¹

*The key principle of networking is focusing on what you do best and delegating other activities to your allies.*²

When a group of individuals or institutions begins to set up a network, it encounters a number of creative tensions: the tension between the mandate of one organization and those of its network partners; the tension between a closed membership and a more open network; the tension between focusing narrowly, on specific actions, and the desire to serve a broader range of interests among all of the network members; the tension between a fixed set of expectations defined by a funding proposal and the inevitable evolution of network interests which comes about through collaboration. The operational framework for a network helps to resolve these tensions, by:

- building relationships with prospective partners,
- establishing the protocols for membership and for decision making within the network,
- setting network goals, objectives, work plans,
- specifying human and financial resource requirements and the sharing of those resources to support the network, and
- codifying these understandings in a network governance agreement.

We begin this working paper with several assumptions:

- first, there are one or two lead organizations championing the need for a network to achieve certain objectives that the organizations could not meet as quickly or effectively on their own;
- second, the lead organizations want to establish a working network rather than an information exchange mechanism;
- third, sources of funding will be sought to support the work of the network. Funding arrangements may consist of:
 1. A large grant from one or two donors, to a lead institution, which then disperses funds for network projects to the members;
 2. Specific project grants from a variety of donors which go directly to individual members for individual projects, or to groups of members for joint projects;

¹ *Beyond Multilateralism: Global Public Policy Networks*, J.H. Witte et al., International Politics and Society, 2, (2000), <http://www.fes.de/ipg/ipg2_2000/artwitte.html>.

² H.S. Dent, *Corporation of the Future*, quoted by D. Limerick and B. Cunningham, *Managing the New Organization: A Blueprint for Networks and Strategic Alliances* (San Francisco: Jossey Bass, 1994), p. 79.

3. A combination of the two.

We examine four stages in establishing a formal network:

1. Forming relationships (choosing partners)
2. Organizing relationships (determining what the partners will do, and how they will do it)
3. Formalizing relationships (codifying network governance)
4. Institutionalizing relationships (managing the internal alignment between an individual organization and the networks to which it belongs)

Other models of institutional collaboration (described in our working paper on Strategic Intentions: Principles for Formal Knowledge Networks) may be constructed and financed differently, but they are outside the scope of this discussion.

I. Forming relationships and choosing partners

Organizations often need critical mass in order to be heard above the cacophony of messages communicated to decision makers every day. That critical mass can be reached strategically through the creation of alliances and networks with other organizations. In the private sector, this is the mandate to “get big or get out”. Similar forces affect civil society organizations, “which may conclude that partnerships...allow them to mount efforts collaboratively and reach a desirable scale that no one of them could achieve alone”³. However, forming relationships with potential partners takes time – in fact, this should be considered one of the most important steps in building a network. The private sector literature on strategic alliances and networks reveals that over 60% of these relationships fail outright or underperform⁴ – and they fail in part because the relationships between partners were not built carefully in advance.⁵ Klijn, in “Public management and policy networks”, calls this process the “selection and activation of actors” within a network⁶.

A. Network Scoping Phase

The difficulty is that in the current project driven environment for research institutes, NGOs and intergovernmental bodies, there is rarely sufficient time taken in advance to explore the common interests that will hold the network together in the longer term. A lead organization may seek preliminary consent from potential partners to create a network. Expectations for the network are then driven by the immediate objective to raise funds rather than by a careful deliberation of whether the organizations are a good “fit”

³ *More Than Bit Players: A Report to the Sundra Foundation*, Andrew Blau, May 2001, p. 16, <<http://www.sundra.org/documents/morefinal.pdf>>.

⁴ *Dispelling the myths of alliances*, C. Kalmbach and C. Roussel, Andersen Consulting, 2000, <<http://www.accenture.com>>.

⁵ J.D. Lewis, *Partnerships for Profit: Structuring and Managing Strategic Alliances* (New York: MacMillan, 1990). pp. 225-228.

⁶ E.H Klijn and J.F.M. Koppenjan, “Public management and policy networks”, *Public Management*, 2 (2000), p.141.

with each other and whether in reality there is support for a common agenda above and beyond the sharing of financial resources raised for the network's first projects.

Every proposed network should begin with a scoping phase to explore interests and define expectations for working together. Strategic alliances in the private sector are typically built one partner at a time. With formal knowledge networks, partner organizations should be sought out with a similar commitment to the exploration of mutual interests, from partner to partner. A form letter or email calling for expressions of interest in a network is not appropriate for a formal knowledge network. Contact should be made personally to each prospective partner; and specifically to those individuals within an organization who will be the champions and actors within the network – not just the heads of organizations. It is far better to have a small number of dedicated working partners than dozens of marginally committed organizations.

In forming relationships with potential partners, one should take the time to learn how each organization works. This becomes even more important when partners represent a cross section of sectors and regions, where organizational cultures vary widely. The objective for the scoping phase is to learn which organizations and staff members will be most committed to working with the network (responsive to correspondence, keeping to workplans, able to promote the network within their own organization and so forth). Understanding levels of commitment will help to build a foundation of trust among the members. It will also help to reduce the transaction costs of co-managing projects across the network.

B. Seeking out both research and communications expertise

Another oversight at the proposal stage is in placing the emphasis on the research expertise of each partner, to the exclusion of their communications capacity. The expectation is set from the beginning that the lead organization(s) will take responsibility for all of the communications functions, rather than integrating the communications and engagement strengths of each prospective partner into the network. And yet, for the network as a whole to achieve real impact, all of the partners will need to contribute their capacity to share the network research findings throughout their own spheres of influence.

In the process of learning how an organization works, one should look explicitly for those individuals who will be instrumental in the communications and engagement process. As discussed in our working paper on engagement strategies, these include three specific roles:

- the mavens – the research experts;
- the connectors – those who have the connections to decision makers which the network wishes to influence; and

- the salespeople – those who can design and communicate the messages most effectively for decision makers⁷.

The scoping phase should also include a preliminary technical assessment of the communications capacity of potential partners. Networks are underpinned by the technology for internal communications among network partners and strategic communications to external audiences. Some capacity to participate electronically in network activities should either be present, or if not present, budgeted for as part of setting up the network.

C. Criteria for Membership

In formal networks, the lead organization(s) should be able to justify the invitation of each member to other organizations inside and outside the network. This requires unambiguous criteria for the selection and invitation of members. Transparency to others is all the more important in a structure where core membership is restricted. In identifying potential partners, consider the following criteria:

Checklist: Membership Criteria

Criterion	Rationale	Demonstrated through:
Shared commitment to sustainable development goals; complementarities of mandates; motivation for joining the network	The goal of the network should be consistent with and further the mission of each organization entering into it. Fundamental conflict between missions works against the efficiency and effectiveness of the network. Partners need to understand the motivations of their colleagues for participating in the network, to understand what the value added is for each partner.	Conversations with key people in organizations. Talk with both heads of organizations and those who will do the work in the network project(s)
Policy research expertise: acknowledged experts within the organization	Each organization has to have more than just an interest in the focus area of the network; it has to have real strength to do quality research on the issue. These will be the “mavens” in the network.	Print, electronic publishing record; staff reputations
Access to decision makers	Each organization has to have a proven capacity to influence the policy process. Organizations have to go to the places where policy is formed and be able to access and shape the opinions of those who form it. Some part of the interaction with decision makers can help to shape research	Participation in local processes, (workshops etc), track record in advocacy with policy makers, consulting work for governments

⁷ M. Gladwell, *The Tipping Point: How little things can make a big difference* (Boston: Little, Brown, 2000).

Criterion	Rationale	Demonstrated through:
	priorities, including gaps in policy which may not yet be acknowledged. Look for the “connectors” within organizations: while they may not be directly involved in the research, they will be instrumental in moving the research into the decision making arenas.	
Communications capacity	The partners should collaborate not only on the research agenda but on the communications strategies – and they will need to bring in the advice of the communications staff within their own organizations. Look for the “salespeople”: the strategies will be stronger if each partner has some capacity to provide advice and support. Also look at the technical infrastructure supporting internal and external communications.	Talk to the publishing and communications staff within the organization; learn more about their techniques and successes. A preliminary technical assessment for electronic communications capacity may also be helpful.
Sectoral representation	Cross-fertilization of ideas is stronger when the network includes private sector as well as civil society groups; government as well as academic. The multisectoral composition of a knowledge network can lead to real innovation and practical implementation of policies and solutions. If it is not possible to include other sectors in the core partnership, significant attention should be paid in the engagement strategy to reach and involve representatives from other sectors.	
Regional representation	Cross-fertilization of ideas also takes place when members are drawn from different regions.	
Size of organization; organizational priorities	Working networks are time-consuming; the smaller the organization, the more thinly staff may be spread across projects; networks inevitably get more limited attention when institutional priorities arise; the network then devolves to sporadic information sharing rather than real collaboration with partners.	Conversations with key people; Look for recent restructuring of the potential partner, including any change in focus; Ask what their experience has been in participating in other networks.
Financial, administrative commitment	Ensure that funds will be spent on network activities, not channeled into other institutional activities.	Financial statements; Conversations with key people in organizations, including financial staff.

Criterion	Rationale	Demonstrated through:
Collaborative work culture	Internal work cultures which are innovative, which demonstrate an “ease of working across internal boundaries and high concern for people...such cultures nourish stronger relationship building skills and are more capable of adapting to others” ⁸ in networks and alliances.	Conversations with key people in organizations; Examples of joint projects carried out in previous partnerships

Not every partner chosen will meet all of these criteria in whole or even in part. However, an awareness of the strengths and limitations or challenges facing participation in a network will help to mitigate and overcome obstacles to performance within the network.

D. Extended Relationships

Accommodating donors

We have seen a number of networks wishing to include donors more explicitly in the network. In part, this is requested by the donors, who want to “learn by doing”. And in part, the network itself wants to interact more closely with donors as part of engaging their interest in and contribution to the projects.

In the Sustainable Development Communications Network, donors are considered members of the network and are encouraged to actively learn from the SDCN's experiences by participating in network meetings and on the network extranet. Donors are invited to review and advise on network projects but not asked to take the lead on a network project.

Extending relationships to other organizations

Formal knowledge networks are innovation networks, seeking to accelerate the creation and implementation of solutions for sustainability. While it is important to focus on the specific workplans for a network and to manage financial and human resources for the core membership, the network should not work in a vacuum from other groups interested and involved in similar work. **This is a major challenge networks face time and again: how to keep the network focused on its core business and to keep the transactional costs of managing multiple relationships to a minimum while at the same time learning from others outside the network.** Networks should create mechanisms to respond positively to requests for participation by non-members, to demonstrate respect for the expertise and commitment in other organizations. Networks should find means to include different ideas and perspectives in order to enrich their work. And finally, networks should build their linkages to other networks on similar issues. But this is easier said than done.

⁸ Lewis, pp. 284-285.

The SDCN established two mechanisms to provide opportunities for participation by those organizations interested in joining the network. One was a web ring to link websites of sustainable development organizations (the Sustainability Web Ring). The second was an online community of practice for organizations to share lessons on effective communications practices, without the expectation of working together on projects within the core membership of the SDCN (the SD Webworks). These mechanisms benefited both the core membership and the “petitioning” organizations. The mechanisms served to increase the profile of organizations working on similar issues, without bringing them into the actual work of the network; they brought new ideas and contacts into the network; and they provided yet another avenue for the promotion and dissemination of the network’s products.

The Climate Change Knowledge Network established an observer category to accommodate other organizations working on climate change:

“Observer members may attend meetings of the Climate Change Knowledge Network, offer suggestions for projects, and will have access to the network members. Observer members are organizations, not individuals, that are undertaking climate change research and action relevant to the network. As observers, they are not asked to participate directly in projects but are encouraged to share relevant work. Observers are asked to cover their own costs of participation. Potential observer members must approach a network member if they wish to become an observer. The network will then accept observers based on the following criteria:

- Ability to provide expert advice on network projects;
- Ability to assist the network with meeting its purpose and vision;
- Ability to assist with fundraising efforts for network projects; and
- Ability to disseminate network activities to broad audiences.”⁹

In keeping with the principle that these are working networks, even observers of the CCKN are expected to make an active contribution.

E. Sample relationship models

Note that we call these relationship models rather than membership models. They illustrate both the core and extended relationships which form and evolve over time.

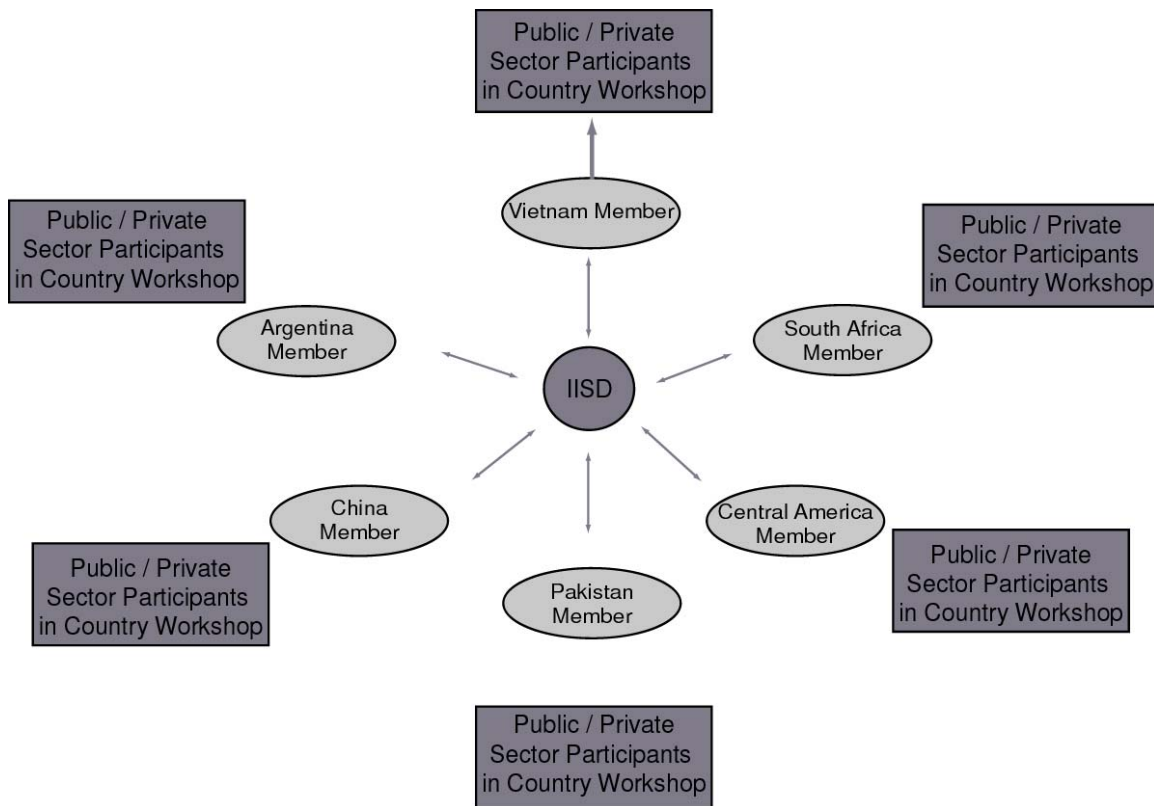
The Trade Knowledge Network (TKN)

In the first phase of the Trade Knowledge Network (TKN), which lasted two years, IISD created a “hub and spokes” model for the network. IISD managed the daily operations of

⁹ Climate Change Knowledge Network Governance Agreement, <<http://www.ckkn.net/members.asp>>.

the network. Each member received funding for research on trade and environment linkages in their country. Each member held an in-country workshop with representatives from different sectors to discuss the research findings. This set of bilateral relationships did not function as a collaborative network, until the end of the first phase when the results of each project were shared and lessons learned in common were identified.

TKN relationships diagram, phase 1



In the second phase of the Trade Knowledge Network (currently underway), the organizers implemented a combination of a strategic alliance, a formal knowledge network of international research partners, and multisectoral country networks.

The strategic alliance relationship: The TKN is now jointly managed under the alliance of IISD and the International Centre for Trade and Sustainable Development (ICTSD), bringing to the process their complementary knowledge bases on trade and environment together with communications, capacity development and administrative skills. This alliance brings resources to strengthen the individual research institutions from the eight countries in the network.

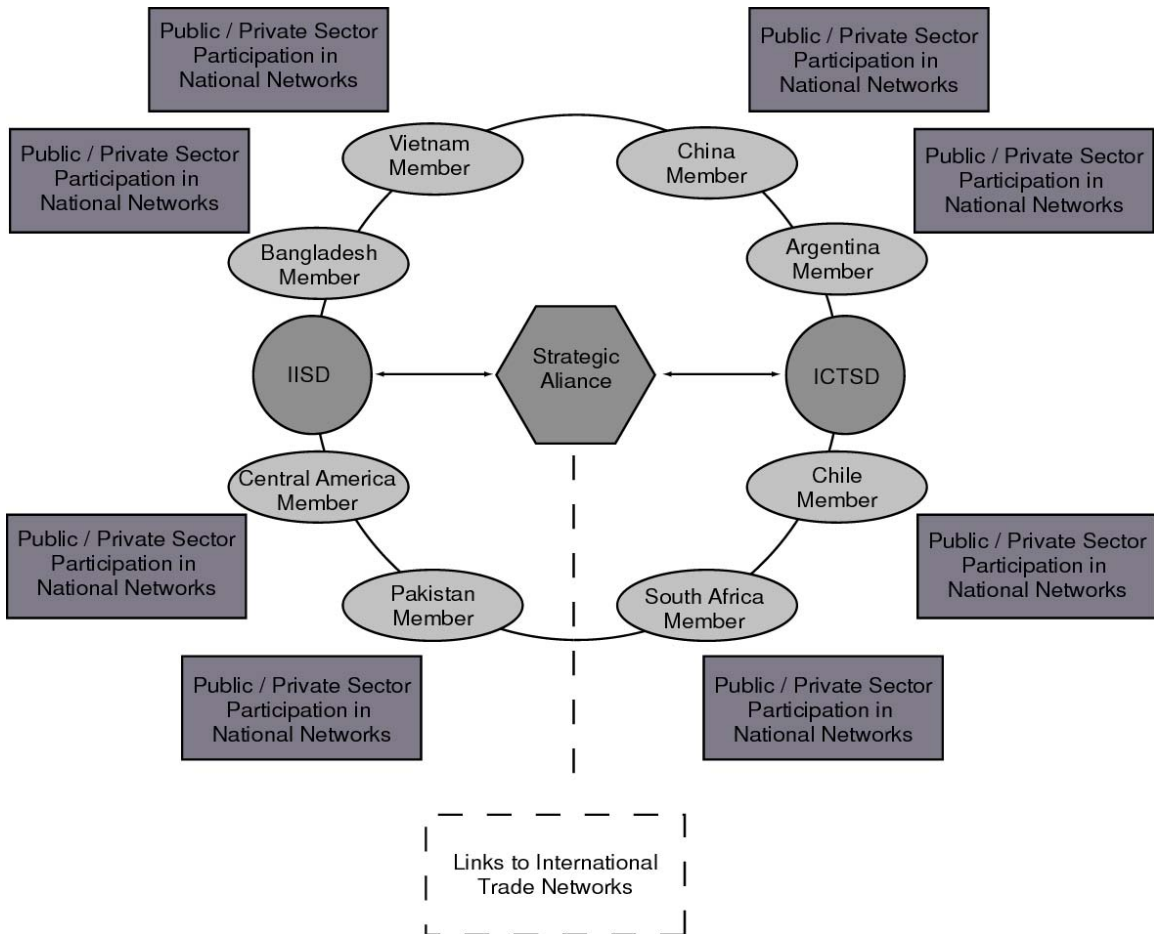
The formal knowledge network: A review process has been instituted, where members review and advise on each other's research proposals, and research findings. Members are also expected to advise on topics and authors for thematic (cross cutting) research.

Collaboration support is being established, through regular meetings, a listserv, and a private website for the network.

The extended relationships: Each of the individual research institutions has significant national level convening power. During the process of their research, they hold policy workshops in their respective countries, to discuss the development of their research with public and private sectors. In order to maintain cross sectoral input to their work, a third “tier” is being included -- national level networks which are groups of interested NGOs, academics, businesses and government officials first drawn together at the policy workshops.

While the country members maintain links to national level networks, the strategic alliance maintains links to international level networks.

TKN relationships diagram, phase 2



The Sustainable Development Communications Network (SDCN)

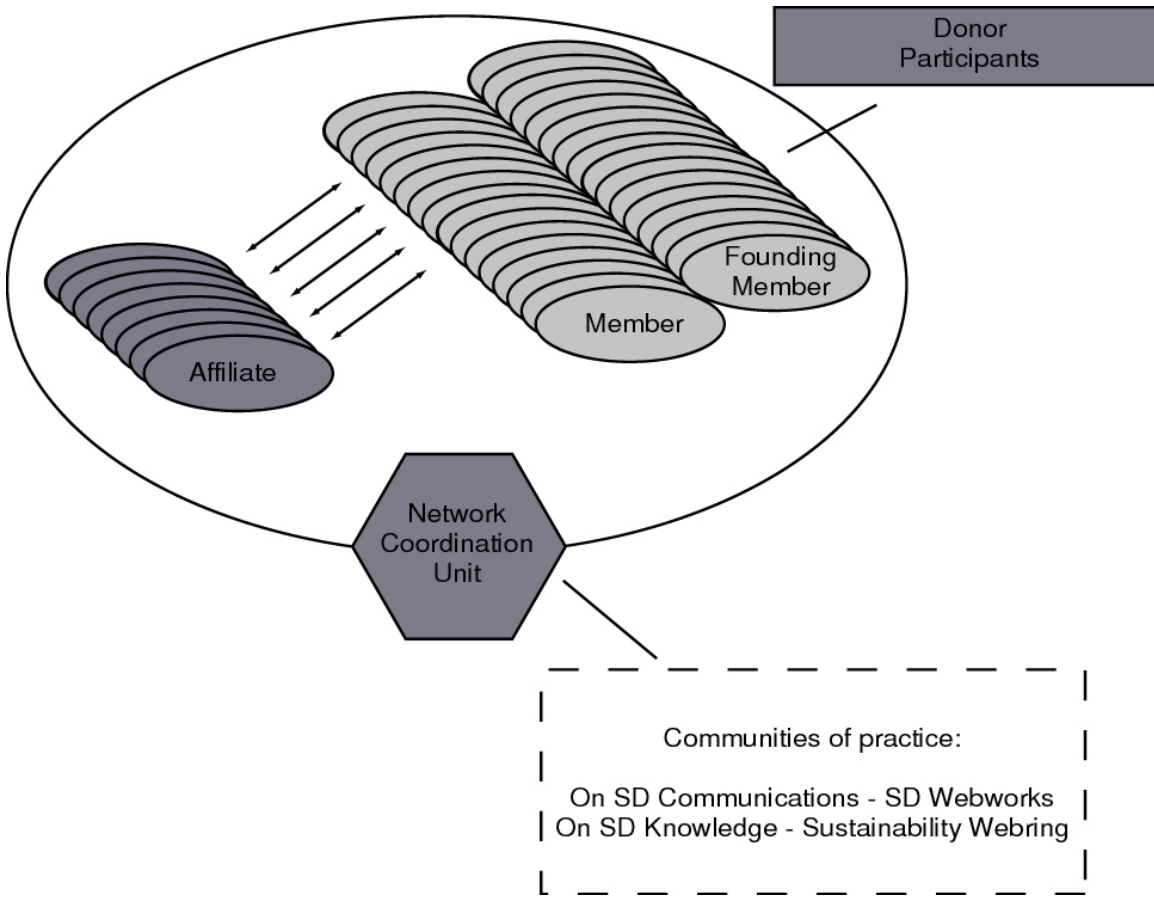
The relationships model for the first phase of the Sustainable Development Communications Network (which lasted two and a half years) also looked very much like phase one of the TKN – IISD as the center of the hub, with bilateral relationships with each of the members.

During the second two year phase of the SDCN, it was decided that the membership should be expanded in order to increase representation from other regions of the world. New partners with complementary technical and substantive expertise were also needed to enrich the activities of the network. At the same time, the network wanted to ensure that new members understood that this was a working network, not just an information exchange network. The following accommodations were made. Three categories of network membership were created for organizations depending on the length and intensity of their working relationships with other network members:

- Founding members: seven organizations that have been involved in the original networking project since 1996; oversee network vision and objectives
- Members: civil society organizations that have been active in two or more network projects over the past two years.
- Affiliate members: Affiliate members include other organizations that are approached by an SDCN member to participate in a single network project, or that approach the SDCN with a project idea of interest to at least one founding member. These members retain their affiliation with the network only for the duration of the project.

The Sustainability Webring and SD Webworks provide the means for connection and interaction with organizations outside of the core membership.

SDCN relationships diagram, phase 2



F. Lesson from these models

Both the TKN and SDCN began with a “hub and spokes” approach, with IISD engaged more with individual institutions on a bilateral basis rather than with fostering the network as a whole. We realized that more collaborative models support sharing and creation of new knowledge, better linkages to policy processes and extended relationships, and improved capacity development across the network. We call this the “network advantage”, and explore it in more detail in the next section.

Summary: Forming relationships

Action	Comments
Allocate time to seek out appropriate partners and begin to build relationships	Networks fail or under perform because relationships are not built in advance. It is better to have a small number of dedicated working partners rather than dozens of marginally committed partners.
Explore common interests that will hold the network together in the longer term.	Expectations for the network should be driven by whether the organizations are a good fit with each other and support a common agenda, not by the

Action	Comments
	dividing up of financial resources raised for the network.
Learn how prospective partner organizations work	Build foundation of trust based on realistic expectations of partner performance in the network; mitigate transaction costs of co-managing projects
Look at both research and communications capacity in prospective partners.	All partners need to contribute capacity to share network findings through their own spheres of influence in order to lever engagement strategies.
Develop and apply criteria for membership	Justification for the invitation of each member to the network, and transparency to those not invited; awareness of strengths and limitations can mitigate obstacles to performance
Extend relationships beyond core membership	Keep donors actively informed; donors may wish to learn by doing; networks should not work in a vacuum; innovation can come from others outside of immediate membership; engage target audiences in work of the network.
Move relationships beyond “hub and spokes” approach	More collaborative models support sharing and creation of new knowledge, better linkages to policy process and extended relationships, improved capacity development across the network.

II. Organizing Relationships

A. Setting goals and objectives: the network advantage

“The identification of a concrete, widely shared problem or goal is ... generally highlighted as one of the key pillars supporting networks. Networks that fail to develop such a focus do not survive their infant years...”¹⁰

As we stated in the basic operating principles for formal knowledge networks, these are working networks. The network as a whole needs to have a shared understanding and ownership of goals and objectives, over and above those stated in specific project proposals. It needs a shared plan of action to achieve those goals. Members need to focus on realizing the “network advantage”: joint value creation by all the members within the network (aggregating and creating new knowledge); linking that knowledge to policy processes and action, and capacity development across the network.

Too often, a network is designed by a single institution at the project proposal stage in order to obtain the funding to get the network off the ground. The risk with this approach is that the goals and objectives in the funding agreement may not correspond to the expectations of those who eventually join the network. Also, while the proposal documents might describe how members benefit from their participation in the network (financial resources, capacity development, and so forth), the documents might not necessarily stimulate them to consider what they can contribute to the benefit of others in

¹⁰ *Making North-South Research Networks Work*, United Nations Conference on Trade and Development, 2001, <http://www.unctad.org/en/subsites/dite/2_stech/2_icts.htm>.

the network. And finally, the project documents tend to establish the lead grant recipient as the dominant partner in the network.

Once the membership is in place, each member should review the project proposal documents. They should then consider their own views for the vision, mission and objectives of the network as a whole. Objectives for their participation should include what they hope to contribute to the network (to other members and to the network as a whole). Members should then meet (either face to face or electronically) to come to consensus on the strategic intent of the network. The creation of shared vision, mission and objectives can also form the foundation for the evaluation process for the network. This process is described separately in our working paper on evaluation of networks.

Objectives will shift and change over time. For this reason, Klijn recommends that objectives not be nailed down at the beginning of the network¹¹. Our view is that objectives and strategic work plans are necessary and must be written down, but they should be revisited regularly by all members, and amended.

Within the goals and objectives for a network, special attention should be paid to the following elements, to reinforce the network advantage.

Link to policy processes and action

The goals, objectives and work plans of formal knowledge networks should clearly articulate the link to the policy process. **We want to reinforce the point that the ultimate purpose of a knowledge network is to foster change in specific policies and practices to support sustainable development. This is the foundation of the strategic intention of the network.** Therefore those changes desired should be stated up front. The priority areas for work should be selected because a clear outlet for the work can be identified, and not on the basis of the personal interest of an individual researcher alone.

Identifying the link to a given policy process is a precursor to developing the engagement strategy for the network. It is not enough to know which types of decision makers the network wishes to influence. The network needs to determine whether there are pivotal policy and implementation processes in which decision makers are involved, and might benefit from the network's research and recommendations. These might include the ongoing negotiations of an international convention or trade agreement; hearings of an international commission; domestic public consultations on a package of legislative instruments; the development of voluntary or legislative initiatives affecting industry, and so forth.

While IDRC's PAN (Pan Asia Networking) program functions in part as an information network, it has incorporated the link to policy processes into its overall agenda. PAN includes in its membership selected decision makers in the region responsible for the development and implementation of policies on information and communications technologies. PAN's work plans are designed in part to impact and influence these

¹¹ Klijn, pp.148-149.

decision makers, in order to improve access to Internet technologies and development information in the region.

Joint value creation

An underlying assumption of networking is that the whole can be greater than the sum of the parts. If the network serves only as an umbrella for a collection of individual projects, it is not realizing its added value potential: to develop new insights through the interaction of different perspectives and approaches. Objectives should explicitly recognize the opportunity for joint value creation by two or more members of the network. Workplans should identify joint projects in addition to individual member projects. If joint projects are not feasible, then mechanisms should be in place for members to review and advise on each others' work.

At the conclusion of the first phase of the Trade Knowledge Network, members acknowledged that the country studies and workshops held by individual members went well, but that the opportunity to exchange experience and work with other members did not really present itself. The network functioned more as a mechanism to fund and manage six trade research projects in Africa, Asia and Latin America. This is being addressed in the second phase. Members will participate in a peer review process for individual country research proposals, and later for the research findings. In addition to country studies and workshops, members are also working on a series of papers on international issues of relevance to more than one member (such as WTO accession and investment regimes).

Capacity development

Knowledge networks require that all members "acquire networking skills, new research management skills, negotiation skills, effective communications skills and, most of all, leadership skills."¹² This is not a North-South transfer of skills and technology issue: rather, it is a recognition that all participants in a network, no matter where they are from, can contribute to and learn from the others in the network. Again, we recommend that this be articulated in the goals and objectives of the network.

In the Trade Knowledge Network, individual members increase their knowledge through case study research. Participants can review each others' work. There is a regular flow of research-related information from members to the group as a whole, or to specific members, depending on the topics and the members' respective interests. Through this research and interaction, the capacity is being built within each member to become a credible and informed voice on the issues in each country. Through the network, each southern member brings back the results of its work to a Northern audience starved for empirical Southern work. The realities of trade and sustainable development in the south are poorly understood or ignored by most Northern analysts. The TKN is a mechanism for the northern members and broader audiences to increase their capacity for

¹² The Impact Group, "Strengthening Environmental Research in Canada", Discussion Paper (unpublished, 1999), p. 20.

understanding the issues.

B. Developing Workplans

A research and communications agenda should be established to guide the work of the organizations in the network. We have observed in some networks the tendency to keep the workplans at the individual project level, tied to disbursement of network funds for the execution of those projects. This tends to happen both:

- a) when a network is driven by an initial grant and a dominant partner (the primary grant recipient) that distributes portions of the grant to members for specific activities;
- b) when members seek and secure additional grants for specific projects under the umbrella of the network.

While the individual projects may be highly successful, they may not serve to drive forward the broader strategic intent of the network. A workplan for the network as a whole is also needed, once again to ensure that the network achieves more than the execution of individual activities. The network plan would at the very least aggregate the individual project plans, in order to monitor timelines, budgets, deliverables and the implementation of communications strategies for each project. But the network plan would also encompass the bigger picture: the checkpoints for reviewing progress on strategic intent and the stages for building relationships with decision makers. This work plan should be agreed to and monitored by the network as a whole.

Some have suggested that work plans mitigate against other benefits of more informal networking and information sharing; in other words, that structure interferes with spontaneity. What we have observed however is that without workplans, members tend to put their own daily institutional priorities ahead of their network obligations. Without a plan to work together, members tend not to participate in informal interaction either. A workplan serves as a reminder of their commitment to network activities.

Ensuring that members actually execute their portion of the workplan is another challenge in managing relationships. UNCTAD notes that “to a large extent, this widespread phenomena of members withdrawing early or not fulfilling their promises can be curbed by securing their commitment to specific, concrete activities, whether it is in the form of an informal verbal agreement [voluntary binding], or a more formal covenant or contract.”¹³

¹³ *Making North-South Research Networks Work*, United Nations Conference on Trade and Development, 2001, <http://www.unctad.org/en/subsites/dite/2_stech/2_icts.htm>.

C. Operational Support

Creation and role of the Secretariat:

Every formal knowledge network needs to decide how the network will be managed. There is only one caveat:

"Those who would presume to manage a network must first understand that it is seldom they, the managers, who will develop the solution to the problem that the network was formed to address. More often it is the stakeholders themselves who find the answers."¹⁴

Network managers should focus on the everyday operations of the network so that the stakeholders are supported in their work. Everyday operations of the network include project management, implementation of the communications and engagement strategies, facilitation of communications among members (including infrastructure development among members where necessary), management of human resources and financial resources, and evaluation and reporting to funders.

A key question is whether responsibility for those tasks should be centralized within one institution, or decentralized and shared among several members. In large part, it depends on how the money flows. Usually, if there is a large grant administered by one organization for network activities, then the co-ordination of network operations tends to fall to that organization, which establishes a secretariat or network coordination unit. The challenge with a central secretariat is to keep the lines of communication open among members so that the institution with the funds does not dominate the network. One solution is to have an umbrella governance agreement which reinforces the ownership of the network and network decision making among all members. And we would highly recommend, should a network manager be put in place, that another individual from the organization administering the grant be nominated to represent that organization in the network. The network manager is responsible equally to all members in the network; the network representative is a stakeholder, responsible for the participation of his or her organization in the research agenda for the network.

The critical role of the network manager

As networks grow and evolve, operations do tend to become more decentralized. Members are more prepared to raise project funds under the umbrella of the network; and members may be more prepared to co-manage projects, including the disbursement of funds to other members, thereby alleviating some of the administrative burden from a co-ordination unit. However, this devolution of responsibilities across network members has its own challenges: once again, lines of communication need to be kept open to ensure that the network advantage (link to policy processes, joint value creation, and capacity development) is not lost in the jumble of individual project activities.

¹⁴ W.H. Reinicke and F. Deng, *Critical Choices: The United Nations, Networks, and the Future of Global Governance* (Ottawa: IDRC, 2000) pp. xv-xvi.

The answer to both challenges in centralization and decentralization lies in the role of the network co-coordinator. As English has stated, “the success of the network depends more than anything else on this individual”¹⁵. Strategic alliance literature often comments on the pivotal role of the “alliance manager” – the individual within the alliance responsible for monitoring the health of the alliance and the compliance of all parties to the alliance agreements. Reinicke, Witte and others agree that the “ability of networks to innovate and produce sustainable results depends on the talent of network managers to keep the ties between actors loose but still close enough to be manageable.”¹⁶ The role of the network coordinator is to:

- manage the flow of information across the network,
- keep the participants engaged,
- balance consultation with members with pushing forward the delivery on network workplans, and
- monitor the financial health of the network.

If resources do not extend to the recruitment of a full or part time coordinator for the network, it might be helpful to prepare a terms of reference for the role, and then establish a management team among network members to ensure the various functions are assigned to individuals.

Communications Infrastructure Issues

We have prepared a separate working paper on internal communications support issues (“Helping Knowledge Networks Work”). But it is important to note here that all members should have equal access to network information and the tools to participate effectively. In the early stages of network development, technology assessments should be undertaken for all members and infrastructure development funded and implemented for those who may not have the same ready access to email and the Web. Consideration should also be given to the publishing and outreach capacities of each member. Will the members be able to assist with the communications and engagement strategies for the network, or will additional support be required to strengthen communications services within one or more members?

¹⁵ P. English, “The Governance of Networks: The experience of IDRC’s Social Sciences Division in Sub-Saharan Africa”, *IDRC report* (Unpublished, 1995), p. 4.

¹⁶ *Beyond Multilateralism: Global Public Policy Networks*, J.H. Witte et al., International Politics and Society, 2, (2000), <http://www.fes.de/ipg/ipg2_2000/artwitte.html>.

Human Resource Issues

Mobility of staff

People move. Technical staff move to the private sector; young professionals go back to school; researchers move to government positions or to other research institutions; government participants may be reassigned to other duties when governments change. Networks need to be designed to accommodate the transitioning in and out of staff. Securing organizational commitment in addition to individual commitment to participate in a network is one step: if a network participant moves on, the organization is obliged to provide another representative to the network, or to withdraw if they have no one else who can take an active role. Network participants should be reminded to keep their organizations up to date on the activities of the network and on the benefits arising from participation so that in the event of change, the organization continues its commitment. A good shared network memory (project documents, records of in person and electronic meetings, workplans) and ongoing evaluation processes can help new representatives to quickly adopt the shared goals and objectives of the network and to become active participants. Nevertheless, there is always a problem with continuity when a key network participant moves on. Good network management can only serve to mitigate, rather than avoid, the impact of such changes.

Role of young professionals in knowledge networks

One of the key components of sustainable development is a conscious consideration of the needs of future generations. Young people will ultimately bear the responsibility for implementing the policies and programs necessary for sustainable development. It is essential that we begin to incorporate their skills, knowledge and ideas into current strategies, as well as develop their capacity to become leaders in the 21st century.

We believe that one of the best tools we have to achieve this engagement of youth is the formal knowledge network. While previous studies of such networks have duly noted the importance of youth, they have not investigated either the significance of youth contributions to networks, or the means to engage and support them more effectively in network operations. In 2000, we conducted a study of the role of young professionals in networks, to determine what their contributions were to networks, what benefits they derived from their participation, and what could be done to strengthen their involvement. Our summary findings from our working paper “Hidden assets: the role of young professionals in knowledge networks”¹⁷ are as follows.

We learned that there are three key benefits to networks from the inclusion of young professionals:

1. Supporting, strengthening and ensuring the continuity of the research
2. Strengthening internal network processes and interactions

¹⁷ Cole et al., *Hidden Assets: The Role of young professionals in knowledge networks*, IISD Working Paper (Winnipeg: IISD, 2000).

3. Strengthening the use of communications technologies within the network

The gains to the young professionals themselves are also significant. We believe that knowledge networks not only support the generation and sharing of knowledge, but they accelerate the professional development of youth, strengthening their ability to contribute to sustainability solutions. Benefits to young professionals include:

1. Building project management and leadership skills
2. Improving access to funds for sustainable development research
3. Strengthening their own ICT skills
4. Broadening perspectives on sustainable development

We observed that there were a number of significant obstacles to youth participation in networks. These can be overcome by implementing a set of recommendations, including (among others):

1. Improve the internal communications of the network.
2. Revise the structure and operations of the network to strengthen the participation of young professionals.
3. Negotiate “youth friendly” budgets and timelines with funders.
4. Be proactive in building the decision-making capacity of the young professionals.
5. Design networks and associated research projects that will be relevant to young people and future generations.

Gender considerations

UNESCO has identified what we also see to be a significant challenge: “How can we enable women to take advantage of the fact that the new management style of the information age relies on traditionally female skills: team work, service orientation and communication skills?”¹⁸ In IISD’s formal networks, the percentage of women representing their organizations in a network, actively involved in decision making, project development and implementation, ranges from 20 to 40%. We would of course like to see the level of participation increase over time. This is an area requiring further investigation, similar to our work on the role of young professionals. At the present time, we can only remark that there are several opportunities and challenges which affect the mainstreaming of women in network activities.

- Strengthening communications roles in networks. Strengthening internal communications should serve to improve the interaction of all participants, including women, in the work of the network. Good facilitation by the network coordinator is necessary to ensure that everyone is engaged and heard in network meetings, electronic conferences and research and proposal review processes. Utilizing the traditional strengths of women (as noted by UNESCO above) may serve to improve external communications and engagement strategies for the network.

¹⁸ *Women on the Net*, UNESCO <<http://www.unesco.org/webworld/women/womennet.html>>.

- As we have said earlier, the current proliferation of networks is due in part to the electronic technologies which make possible the interaction of members across distance and time. But the use of ICTs can be either an advantage for women or a barrier to their participation, depending upon the region. In Central and Eastern Europe and Southeast Asia, interest in electronic communications tended up to now to be male dominated because such services evolved from the information technology sector. In Latin America, women are much more actively involved in electronic communications because in part web support services evolved from the library and information field and secretarial services (word and data processing)¹⁹. In Africa, web services are emerging through alternative media outlets with gender support programs. (APC networks, Panos, EcoNews Africa for example).

Financial resources

Network literature often remarks that the basic structure of networks is consistently underfunded, and often jeopardized as networks mature and donors reduce levels of commitment accordingly. Network operating costs should not be underestimated when developing the initial network grant proposals and subsequent project proposals. There is a good discussion of the financial sustainability of North-South research networks in UNCTAD's 1999 paper, "Making North-South Research Networks Work".²⁰ The author reviews a range of options for financial resources, including private sector support and revenue generation through membership fees and sales of services.

Some networks (for example, the Global Knowledge Partnership), have instituted membership dues to raise revenues to support the internal operations of the network (internal and external communications, meetings, management of collaborative work tools). This approach requires a critical mass of institutions with resources from which to pay the membership dues, in order to raise sufficient revenue to cover the operating costs. The transactional costs of soliciting the dues can be quite high. Furthermore, most not-for-profit organizations, particularly in the south, do not have access to funds sufficient to cover membership dues on a regular basis.

In the end, UNCTAD observes that longer term commitments are needed from donor agencies, in particular to "help the research network to continue activities that will never become self-sufficient (such as advocacy work including independent policy research and analysis; special support activities for members in the South)".

In raising revenues for the network, it is therefore extremely important that the network advantage be argued effectively, and that the co-ordination function be seen to be more than administrative overhead. Members themselves may need to be reminded of this, if they are raising funds for specific projects under the umbrella of the network. However, the network as a whole should discuss and agree to a formula for flowing revenues to the coordination function from specific project grants. The agreement to do so is a measure

¹⁹ Interviews with representatives of the Association for Progressive Communications and International Women's Tribune Centre, September, 1995.

²⁰ *Making North-South Research Networks Work*, United Nations Conference on Trade and Development, 2001, <http://www.unctad.org/en/subsites/dite/2_stech/2_icts.htm>.

of the success with which the network has succeeded in becoming more than the sum of its parts.

The allocation of funds, once raised, can be potentially contentious, if the relationships among the members have not been well formed, and if agreements for the division of resources have not been reached in an open and transparent fashion. A representative of one Canadian network, the Atlantic Cooperative Wildlife Ecology Research Network (ACWERN), believes that highly centralized networks, where one agency gets the major grant, results in the other participants getting “the short end of the stick” – the distribution of resources is unequal, and works against both the spirit and practical research efforts of the network²¹. It takes time and effort to prevent this from happening.

In the first phase of the Sustainable Development Communications Network, funds for four developing/transitional country partners were divided equally among the organizations that agreed to participate. The four signed virtually identical contracts with IISD for use of the funds. While this was a highly efficient way to proceed, it had two major flaws:

- The accountability of members for performance on their projects was only to IISD, as the provider of funds, and not to each other as network collaborators.
- The actual needs of the members for funding varied widely. As a result, there was no synergy (no joint value creation) among the member activities. The network value added took place at the top end of the network, by the coordination unit, rather than at the membership level.

In the second phase, the members met in person to review the budget lines in the grants received for the second round of activities. Rather than divide the pot equally, as IISD did in phase 1, the members themselves did a scan of complementary research activities across their organizations, discussed which merited support for joint communications on those activities, and allocated different levels of funding according to the needs expressed by the members. Several members took the lead on individual projects, disbursing funds and monitoring workplans. Interactions among members increased significantly; and the quality of joint projects improved considerably as a result. However, the management of contracts across the network became much more onerous. The challenge in a third phase of SDCN activities will be to reduce the transactional costs of financing and executing collaborative work.

It has been the experience of the CCKN that the network context is a useful way to lever funds for specific projects. In the first phase of the CCKN, the network grant covered network operations (meetings, coordination, communications) and seed funding for proposal development. Members then sourced funds from other donors for specific projects which had been reviewed and approved by the network as a whole. This approach has transferred some of the challenges of revenue generation to the members, strengthening the sense of ownership of members in the network, and reducing some of the pressures on the coordination unit for revenue generation, project management and

²¹ Meeting of the Canadian Environmental Sciences Network (March 2001)

reporting.

Summary: Organizing Relationships

Action	Comments
Reconcile funding proposal/grant agreement with partner objectives	Leads to shared ownership; partners should focus on what they can contribute as well as gain; downplays lead organization (grant recipient) as the dominant partner; lays the foundation for evaluation
Focus on the network advantage in developing goals, objectives, workplans	
<ul style="list-style-type: none"> Link to policy processes 	Purpose of a knowledge network is to foster change in specific policies and practices; priority areas for work should be selected because a clear outlet for the work can be identified
<ul style="list-style-type: none"> Identify opportunities for joint value creation in the workplan 	Develop new insights through the interaction of different perspectives and approaches
<ul style="list-style-type: none"> Include process for capacity development in the objectives 	Recognize that all participants in a network, no matter where they are from, can contribute to and learn from the others in the network.
Set in place a master workplan for the whole network	Ensure that the network achieves more than the execution of individual member activities; reinforces the importance of network obligations as part of, rather than in competition with, day to day institutional priorities.
Decide how the network will be managed	
<ul style="list-style-type: none"> Role of Secretariat (consider centralized and decentralized operating modes) 	Support the stakeholders in their work .
<ul style="list-style-type: none"> Role of manager 	Monitors the health of the network and the compliance of partners to their obligations; keeps the lines of communication open
Review technical infrastructure and communications capacity of members	All members should have equal access to network information and the tools to participate effectively; members need to assist with the communications and engagement strategies.
Human resources	
<ul style="list-style-type: none"> Mobility: Design networks to accommodate the transitioning in and out of staff 	People move. Good network management can only serve to mitigate, rather than avoid, the impact of such changes.
<ul style="list-style-type: none"> Young professionals: Recognize and capitalize on their pivotal role in supporting and strengthening networks 	Build the capacity of the next generation of decision makers; Strengthen both the substantive research and the internal and external communications processes of the network.
<ul style="list-style-type: none"> Take gender considerations into account: reinforce the communications roles 	Utilizing the traditional skills of women (team work, service orientation and communications skills) will strengthen the network.
Explore options for financial resources, raising revenues; in particular to support the co-ordination/network management functions.	Basic structure of networks is consistently underfunded, and often jeopardized as networks mature and donors reduce levels of commitment accordingly.

III. Formalizing Relationships: Network Governance

“The importance of governance structures is often underestimated.”²²

Network governance is not network management. Network management addresses day to day activities, such as planning, handling of staff and financial resources, monitoring workplans and so forth. Governance is the formalization of the relationships among the members. A governance structure is rarely put in place at the beginning of a network. Form follows function: in networks, it may take some time for network members to work through how a network will operate, what its goals and objectives should be, and how to achieve those most effectively. In the process of operationalizing the network, the governance arrangements will become more clear, and can be codified in a governance agreement.

It may be wise to wait a year or more before formalizing governance, particularly in larger networks. In the interim, the funding agreements from donors may provide a sufficient framework for accountability. If governance discussions are undertaken too early in the life of the network, there is the risk that the strongest or most vocal members will dictate the governance arrangements without a clear picture of how the network will really function over several years. While establishing the governance structure is of strategic importance, it does not necessarily take a great deal of time to configure if much of the work has already been done in forming and managing the relationships within the network.

A. Vision, mission, principles

Governance begins with finalizing agreement among all members on the vision, mission, goals, and objectives of the network (what is the network all about). Governance also includes the articulation of network principles (“partnership principles” or “operating principles”) – the fundamental or underlying values of the members that determine how they participate in the network in order to achieve the mission of the network. These principles become the values of the network as a whole.

The Global Development Network developed a set of principles for informing its governance structure²³:

- a) Independence – quality or state of being independent; self governing
- b) Openness – completely free from concealment; exposed to general view or knowledge
- c) Effectiveness – producing a decided, decisive or desired effect
- d) Democracy – measures to include representativeness and broad participation
- e) Plurality – encompassing a diversity of disciplines and paradigms

²² P. English, *Governance Structures of Networks in Sub-Saharan Africa*, and A. Bernard, *IDRC Networks: an Ethnographic Perspective* (Ottawa: IDRC, 1996) p. 53.

²³ *Final Report of the Governance Working Group*, The Global Development Network, 2000. p. 2, <<http://www.gdnet.org/pdfs/finalgovreport.pdf>>.

The operating principles proposed in our working paper “Strategic Intentions: Principles for Sustainable Development Knowledge Networks” can provide a starting point for a network discussion on principles.

With the vision and values recorded in the governance agreement, the network provides its members with a consistent reference point agreed to by all if they appear to be drifting off mission.

B. Roles of members, decision making parameters

Governance sets down the membership arrangements (who is part of the network) and the duties and responsibilities of members (what in general are the members expected to do). The governance structure makes clear the decision making process: what types of decisions does the membership have the authority to make, or to delegate their representatives to make:

- On what issues does the Network require consensus (eg, changes in strategic intent)?
- On what issues does the Network require a simple majority, or 2/3 majority vote (eg, admission of new members; review and acceptance of project proposals)?
- On what issues does the Network require only the input of the membership to other members or the secretariat serving the network? (eg, review of research findings)?

Depending on the size of the network, the decisions are made either by the membership as a whole, or by representatives nominated to a decision making body (a board or council).

The Sustainable Development Communications Network determined that certain decisions should be taken only by the Founding Members, acting as an Executive Council for the Network. Other decisions could be taken by the Members. The following decision matrix is part of the governance agreement²⁴.

Issue	Who can vote	Process		
		<i>Consensus</i>	<i>Vote</i>	<i>Input</i>
Establishing vision of the Network	Founding Members	X		
Amendments to the Network Agreement	Founding Members	X		
Selecting new Full Members	Founding Members		X	
Selecting new Affiliate Members	Members			X
Developing Specific Projects	Members			X
Pursuing funding for Network and	Members			X

specific projects				
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Consensus - Members must reach agreement before a decision is taken.
Vote – The decision will be made based on 2/3-majority vote
Input – Where one full member has primary decision-making responsibility in respect of a matter delegated to members, it must solicit input from all members prior to acting. Other members are expected to adopt a proactive response on the issue. Received input will be considered when making the decision. If input is not received within a reasonable time, it will be assumed that the member does not wish to provide input on the issue.

C. Network structure

The more recent literature on alliances and networks reflects a shift away from more rigorous legal agreements, in part because networks change and evolve. As functions change, so too will the form of the network:

The best governance approaches are tailor-made to fit each alliance, but they still share at least one common theme: the traditional, paternalistic definition of governance—the CEO and the board—is obsolete. Today's alliances are better governed through several layers of decision makers.²⁵

However, some formally defined understanding of the structure of the network is still important. In the section on forming relationships, we presented several examples of the sphere of relationships that can be formed and fostered within a knowledge network. In the section below, we describe three different network structures, in order to compare the mechanics of decision making, roles of members and the lead organization(s), options for various committees, and governance documentation.

Strategic alliance

Strategic alliances in the private sector are "long term purposeful arrangements among distinct but related organizations that allow those firms to gain or sustain competitive advantage vis a vis their competitors outside the network."²⁶ Alliances are formed to improve the business position of each of the individual firms in the alliance. In the civil society sector, each partner must ask itself how a proposed alliance will further its competitive advantage and strengthen its position in the marketplace of ideas. Alliances can either be built around a shared goal or to further the individual goals of the respective partners. An alliance results in real value appropriation from one partner to another across the alliance. Whether the partners have a shared goal, or enter the alliance in order to improve their own performance, the driving force is survival: the need for size and speed against the competition. Strategic alliances with clearly stated objectives to acquire skills and know how from each partner are more successful. Partners do not necessarily need to have equal status in the relationship; alliances can function with a dominant partner or partners.

A formal knowledge network structure might adapt the following elements from the strategic alliance approach.

- The decision making structure would be grouped around functions within the network's "value chain": that value chain might include members involved in research activities; members specializing in participatory processes and communications; the donors group acting as investors in the network. Depending on the size of the network, each group might have its own committee to monitor work plans.
- An assurance group for the alliance might be established with experts outside of the alliance membership.
- An alliance oversight council might include one representative from each alliance committee plus the assurance group. If the alliance has a limited number of members then the council might include all members.
- The lead organization would retain the role of alliance manager.
- Documentation: Depending on the size of the network, each group might negotiate its own agreement with the alliance manager detailing obligations and levels of decision making. If the alliance has a limited number of members, then it might be sufficient to have one alliance agreement for all parties to sign.

Research network model

This is the approach most frequently taken by not for profit organizations. Members tend to view themselves as equal partners in the relationship.

- Members (core membership) consist of the change agents within the network: those organizations which will be doing the work of the network. By focusing on them as the heart of the network, it becomes much easier to put evaluation mechanisms in place which focus on development outcomes (changes in actions, approaches, behaviours).
- Depending on the size of the network, core members might act as a governing council of the whole, or they might elect representatives to the governing council or executive committee.
- In keeping with the engagement strategies of the network, members might choose to appoint representatives of their target audiences to the governing council.
- Other categories of members (donors, observers) might form separate advisory committees, which would give advice to the governing council.
- The lead organization(s) establishes the secretariat as services provider to the Network. The secretariat has decision making authority over the services it provides. The lead organization then becomes a member within the appropriate category of membership defined by the network.
- The secretariat could be moved from one member to another.
- Documentation: Usually in this model, there is only one governance agreement, or a Memorandum of Understanding or Statement of Principles to be signed by all members.

Autonomous legal entity

At some stage in the evolution of a network, members may wish to establish the network as an autonomous legal entity, separating the network completely from the original founding organization(s). The new entity would be formally incorporated in the jurisdiction of choice by the members. The new entity would become the legal proprietor of the network's brand name, intellectual and financial assets and liabilities. The staff of the new entity would be responsible for network management. A CEO would be appointed, reporting to a Board of directors. The Board would be composed of representatives of network members. There may be several reasons for taking this approach:

- Members wish to reduce the influence of the founding organization(s) in the network.
- Members believe that the sourcing and distribution of grants to support the network's activities may be handled more effectively through an independent entity. Donors may not, for some reason, be willing or able to fund the lead institution, and individual members might not have the interest or capacity to seek and manage funds from donors for network activities. Consequently a new institution may be required to manage the financing of the network. Also, the independent entity may reduce the potential conflicts of interest which exist when the member institutions themselves source grants under the umbrella of the network for network activities, but then apply those resources for their own institutional objectives.
- Members wish to apportion the risk and successes involved in operating the network across the membership, rather than allowing the lead organization(s) to assume the risk and success.

Nevertheless, we are cautious about this model. Our view is that setting in place a new organizational structure in many ways defeats the purpose of networks and alliances. The approach centralizes rather than distributes responsibilities. Members are connected to the organization rather than to each other. The network advantage – links to policy processes, joint value creation, and capacity development -- is diminished, as the network looks inward to its organization rather than outward to those it wishes to engage and change.

D. Additional issues to be addressed in formalizing governance

Not all of the issues noted below will be relevant to all networks, but they should be considered in developing a governance agreement.

Issue	Comments
Approval of network project proposals and results	How does the network approve a project proposal brought forward by a member? Once the project is complete, does the network review and approve the results of the project before it can be published or released? Under what circumstances would a network not approve a member's work?
Roles for special interest committees, task forces and advisory groups	Again, this is contingent on the size and complexity of the network. A larger network may wish to establish a committee to monitor, for example, the inclusion of young professionals or women in the work of

Issue	Comments
	the networks. Usually, it is sufficient in the governance agreement to make provision for the establishment of ad hoc committees, the terms of reference for which can be established by the membership at some later date.
Documenting the functions of the Secretariat	In addition to the roles and responsibilities of members, the role of the Secretariat should also be described.
Procedures for withdrawing from the network	The governance agreement should require certain terms and conditions to be met before a member can withdraw. Usually, if the member has received funding for executing a network project, withdrawal from the network may only occur upon conclusion of their obligations as set out in their contracts with their funders. Provision should be made for members who do not have any contractual obligations related to network projects to withdraw from the network at any time by giving a notification of intent of a specific time period prior to withdrawing (for example, 30 days).
Dispute resolution	UNCTAD recommends that formal procedures be established within a network “to deal with situations in which no consensus on important (policy) issues can be achieved within the governance structure. Without such mechanisms, research networks will be unable to take strong, consistent positions on important issues, and they will be ineffective in situations that require energetic leadership.” ²⁷
Clarity on intellectual property rights	Unless the network is a separate legal entity, the governance agreement may be silent on this. The assumption is that the assignment of intellectual property rights is determined in the funding agreements for specific projects and activities undertaken by members. However, it may be important to include in the governance agreement a clause that requires members to acknowledge in publications, software or other products and processes that the intellectual property was developed under the auspices of the network.
Clarity on assets and liabilities	Again, unless the network is a separate legal entity, the governance agreement may be silent on this.
Limitations on advocacy positions and other public statements	Members may wish to consider whether and how the network can speak on behalf of the members, and whether there needs some clarity on how to represent positions of the network which may not be the positions of individual member organizations.
Avoiding shadow governance	Experts in strategic alliance and relationships planning warn against falling into the trap of setting up shadow governance, “when those managing the alliance must defer all real decisions to other parts of the company.” ²⁸

E. Lifespan of a formal knowledge network: closure and renewal

Once networks have been established, members are often loath to terminate them, even though the network may have outlived its purpose, or is no longer functional. But often the network is established without a clear view of what the lifespan of the network should be. Our experience shows that networks may take up to five years to become established, produce concrete work, and begin to have real influence through their engagement strategies. The most productive period for the network may in fact be the five to ten years after the network was originally conceived. Too often, we see networks planned for the short term, around funding agreements, but with an underlying assumption that the network will exist in perpetuity once established.

We strongly recommend that network designers estimate the life span of the network in the planning stages, and that checkpoints be built into the structure to either renew or wind down the activities of the network. The governance structure should be established for a set period of time (three years, for example), with a sunset clause or a preset period of evaluation incorporated into the governance agreement. In the final year of the agreement, the governance structure should be evaluated, and decisions taken about whether to wind up the network, or amend or transform the structure. A sunset clause in the agreement provides a graceful means for members to not renew their participation rather than activate notice for withdrawal from the network. It also provides the opportunity to renew the vision of network.²⁹

Summary: Formalizing Relationships

Action	Comments
Governance should be discussed after members have worked together for a period of time, organizing their activities and their relationships with each other.	Members need to work through goals, objectives, workplans, responsibilities and so forth. Governance codifies these parameters rather than dictates them in advance. If governance agreements are prepared too early in the process, they will require significantly more revision throughout the life span of the network.
Begin with finalizing agreement on goals, objectives; articulate network principles.	Records what the network is all about and the underlying values of the members in the governance agreement. Provides the reference point if the network appears to be drifting off mission.
Codify the membership arrangements (who is part of the network).	See section 1 on forming relationships.
Set the decision making parameters.	Makes clear what requires consensus by the network as a whole, majority vote or merely input to other members or the secretariat
Customize and finalize the network structure.	Describes the mechanics of decision making, roles of members and the lead organization(s), options for various committees, and governance documentation.
Scope out and resolve additional governance issues and record in governance agreement.	See table on additional issues above.
Agree to the lifespan of the network. Include a sunset	Provides a graceful means for members to not

Action	Comments
clause or preset period of evaluation in the governance agreement.	renew their participation; provides the opportunity to renew the vision of the network.

IV: Institutionalizing relationships: managing organizational change in response to network participation

In the private sector literature on strategic alliances and business networks, writers have observed a natural progression from corporate, hierarchical structures, to more decentralized, collaborative approaches within companies, and finally to networks and alliances. Networks and alliances are more successful if the individual members have begun to move toward collaborative approaches within their own organizations.

*Collaborative individualism and the emergence of strategic networks go hand in hand. They are part of the same mindset – part of the reaction against hierarchies, the focus on individual competence, and the search for collaboration.*³⁰

Within an organization, collaborative individualism requires that the organization constantly keeps its mission at the forefront, in order to maintain the individual commitment to achieving the mission. This becomes even more critical when forming alliances and networks: the mission of the network or alliance has to be complementary with the mission of the member organization. Without this internal alignment of the member organization with the network, one begins to run into mixed loyalties and goal ambiguity, both of which will eventually undermine the network.

We have observed that this trend to move from hierarchical structures towards the networked organization is taking place more slowly within civil society organizations. There still appears to be a separation between institutions, with their internal management structures, and networks which have identities of their own – rather than organizations internalizing and capitalizing on their participation in networks.

Some part of this is due to the chronic under-resourcing of most civil society organizations relative to corporations that leads to short attention spans for activities like networks, unless the work is well integrated into the organizational priorities. When an organization is invited or seeks to join a network, it should consider in advance what impact the network may have on the organization itself. The introduction of external partners, with their own viewpoints and management processes, inevitably clashes with existing corporate cultures. Institutional priorities may well clash with network priorities unless they are proactively aligned.

Participation in the network has the potential to transform the member organizations, in terms of work processes, the introduction of new ideas and values, their own outreach to target audiences. Recognition that there will be these impacts, and that there will be a transition period as an organization becomes attuned to network processes, will serve to mitigate transaction costs.

Assessing the performance of individuals within networks is another area requiring some thought. Usually, people working in a network are evaluated by their institutions with respect to their performance against institutional objectives rather than network objectives. If institutional priorities are clashing with network priorities, it is unlikely that the individual participant will receive the support and recognition for his or her contribution to a network – even though that contribution may be significant, valued by other participants in the network, and funded. Even more problematic is the situation where a participant is not in fact meeting his or her network commitments. If the network is not seen to be integral to the objectives of the member institution, it is more difficult for other members and the network manager to persuade the individual to meet timelines and produce deliverables.

Finally, an organization should look carefully at all the networks and alliances and partnerships it is committed to. We would recommend that organizations, on an annual basis, review all of their relationships in networks, alliances, and partnerships, and consider which ones are performing well, which relationships need strengthening, and which have run their course and should be concluded.

*A few solid high performing alliances would be easier to manage and grow than hundreds of non-performing partnerships.*³¹

Summary: Institutionalizing Relationships

Action	Comments
Ensure that institutional mission and network mission are complementary.	Avoid goal ambiguity, mixed loyalties of staff working both for organization and network.
Integrate network priorities into institutional priorities	Reduce or avoid conflicting priorities and mixed loyalties of staff.
Be open to change processes that come with collaboration.	Mitigate transaction costs. Networking with other organizations has the potential to transform internal work processes, cultures and values.
Staff should be evaluated on their performance/contribution to the networks they are involved with, not just on performance within their institution.	When network and institutional priorities are aligned, staff should be supported and rewarded equally for contribution to both networks and to their institution; poor performance within networks should be reviewed and dealt with.
Review all relationships annually; focus on solid, high performing relationships; strengthen relationships where necessary and conclude or withdraw from non-performing relationships.	A few solid relationships are easier to manage and grow.