



International Partnerships - A Step By Step Approach

by Elise S. Back, M.A.E.S., Ec.D.

INTRODUCTION

Without a doubt we are living in a very challenging and competitive environment. The globalization of the world economy has rapidly changed the way we live and do business. New global forces are quickly changing the landscapes of our local, national, and international economies.

Communities are beginning to realize that they are not islands; rather, they are linked into a network of global relationships. Economic Development Departments across Canada and around the world realize that world trade offers great local economic potential and is becoming an increasingly important element in the economic health of cities. Export trade, and direct foreign investments create new investment, jobs, business profits and thus tax receipts.

One tool that has been receiving increasing attention from local governments in their attempt to foster international business development is the concept of "twinning" or the formation of "international partnerships". This involves a local community ("community") seeking a foreign community or municipality ("international partner") as a potential international partner. Later references in this paper will use this terminology.

AN ECONOMIC DEVELOPMENT TOOL

The primary goal in establishing international partnerships with foreign communities is to create new employment opportunities and new taxable assessment for the local community. New investment and expansion can take place in two forms:

1. New, direct investments in a community by setting up new businesses;

2. Indirect investments by local businesses pursuing business opportunities such as joint ventures, technology transfers, licensing and export opportunities.



Elise S. Back is the Senior Economic Developer with the City of Vaughan. Prior to her position with Vaughan, Elise worked for the City of North Bay and the Town of Markham Economic Development Departments. Elise's education includes a Bachelor of Arts from York University, a Bachelor of Applied Arts from Ryerson Polytechnical Institute and a Master of Applied Environmental Studies degree from the University of Waterloo. Elise is a member of the Economic Developers Association of Canada, and is actively involved with the Economic Developers Council of Ontario. She was the Student Coordinator and a member of the Ontario Marketing Awards Committee in 1990 and 1991. Elise is a Director of the Vaughan Manufacturers' Association and the York Region Tourism Marketing Agency. She is also a committee member of the International Business Program Advisory Committee at Seneca College.

The establishment of international partnerships, whether they be the more formal twinning arrangements or simply friendship agreements, also assist in setting a stage of trust and cooperation between two cities. This stage may open the necessary doors for the local community's private sector interests to pursue potential business opportunities which in turn helps ensure the overall prosperity of the local community. In addition to the economic spin-offs, there are also cultural, recreational, professional, educational and social benefits that can result from international partnerships. An international partnership helps the citizens of

both the local and foreign communities to become directly involved in international relationships by participating in unique and rewarding exchanges which can benefit everyone.

Evidence has revealed that forming international partnerships can result in economic and other spin-offs for the local community. However, establishing these ties takes a considerable amount of time and commitment. A community contemplating the idea of forming an international partnership must realize that it will not happen overnight and that a sequence of steps must be undertaken in order for a community to choose an "appropriate partner".

Elise S. Back is the Senior Economic Developer with the City of Vaughan. Prior to her position with Vaughan, Elise worked for the City of North Bay and the Town of Markham Economic Development Departments. Elise's education includes a Bachelor of Arts from York University, a Bachelor of Applied Arts from Ryerson Polytechnical Institute and a Master of Applied Environmental Studies degree from the University of Waterloo. Elise is a member of the Economic Developers Association of Canada, and is actively involved with the Economic Developers Council of Ontario. She was the Student Coordinator and a member of the Ontario Marketing Awards Committee in 1990 and 1991. Elise is a Director of the Vaughan Manufacturers' Association and

THE STEPS

In order to undertake a successful international partnership program, a number of key steps are necessary for the program's successful development and operation. Each of these ten steps are crucial to the longevity and success of the program. These steps will now be considered in turn.

1. SETTING OF GOALS

If a community decides they want to pursue an international partnership, they should establish what is being sought from the partnership and what means they

are going to use to achieve their goals. If the organizing group is the local municipality, council should adopt an "International Partnership Policy" to identify the municipality's objectives for an international partnership, to establish a procedure to implement a program and to establish criteria for evaluating a potential international partner. Essentially, the policy will act as a guideline for the partnership process.

2. THE INTERNATIONAL PARTNERSHIP COMMITTEE

Ideally, an international partnership program is set up by a local municipality in consultation with the overall community and then developed jointly. The reason for this is that such a partnership is essentially a grass-roots initiative, and the driving force behind it over the long-term should be the community's citizens.

In order to foster and build the local community's participation and to understand the city's partnership, it is crucial that a group representing the local business, cultural, financial, recreational and educational community be established to work with the local municipality in both planning for and carrying out the international partnership arrangements. The composition and mandate of the committee will be largely dependent on the level and on the types of activities involved. For example, a city whose specific mandate may be economic, may have a committee made up of individuals representing the business community, such as the local Chamber of Commerce and industrial associations.

An international partnership committee structure enables the partnership participants to raise funds; provide professional or volunteer staff; focus community interest and support for the program; and tap a wide range of community resources. Such a structure also facilitates project planning and implementation for the international partnership program.

3. PUBLIC AWARENESS CAMPAIGN

The ideal international partnership requires a combination of public and private support. Committed backing from the municipality formalizes the relationship and also opens the door at every level. At

the same time, the active involvement of large numbers of citizens and organizations engaged in a variety of projects assures both breadth and depth for the relationship. Without grass-roots support, an international partnership can become an arid exercise conducted between officials (FCM. A Practical Guide To Municipal Twinning. Ottawa: May 1988). Community involvement also helps to secure a long-term relationship.

It is important to sensitize the public about this process. In the preparatory stages, the public is usually not fully aware of the partnership, or its deeper motives. The most difficult problem that may be encountered is the public's level of willingness to accept and support the partnership program. This is why it is impossible to over-emphasize the need to inform the public at an early stage in the international partnership process.

The responsibility of sensitizing the public may be with the international partnership coordinator and/or the international partnership committee. Various means can be used: public meetings, press releases, information leaflets, posters, and so forth.

The public awareness campaign is critical for the longevity of the partnership program. Like any human endeavour, the energy of an international partnership wears down with time. It is, therefore, necessary to find fresh angles and to diversify the activities. Continual promotion will remind the public that the international partnership program is on-going. Such reminders will hopefully motivate some people to keep participating in the program and at the same time allow new individuals to become part of the program.

4. STAFFING

An international partnership requires considerable resources: financing, time and staffing. A community wishing to become involved in such an initiative must ask itself how the program will be administered and how much staffing will be required.

With the exception of Vancouver, where an international office has been set up, the majority of communities involved in twinning or international partnerships in Canada, have an individual on staff to coordinate their twinning or international

partnership programs. For example, the City of Calgary's twinning program is coordinated by the Director of International Relations; the Senior Public Affairs Officer is responsible for Mississauga's program, while the City of Vaughan has an International Business Consultant on staff to coordinate their international partnership program.

With the increased work load and complex nature of having international partners, it is recommended that an additional staff person be hired to accommodate the new program whose responsibility would not strictly lie with the international partner, but could be utilized in other facets of international development/promotion including the follow-up of leads resulting from trade missions, etc. The coordinator would be responsible for the research, marketing, scheduling, travel arrangements and follow-up. Other municipal departments, such as the Clerk's, Recreation and Culture, and the Office of the Chief Administrative Officer could assist with the protocol requirements.

5. SELECTING AN INTERNATIONAL PARTNER

The first step in choosing a partner is to establish the criteria for identifying an appropriate partner. In general, it is considered desirable that the partners have similar economic and cultural backgrounds, and that they have approximately the same population size. For example, a large industrial town may have little in common with a small tourist town. With similar interests, exchanges and activities will be easier to coordinate. The key point is to avoid great differences between the two communities.

Since there are significant costs associated with international partnerships, it is important to consider this initiative only if there is a reasonable "expectation" of economic returns.

The following criteria can be used to assess a potential international partner; the potential partner should

1. have a similar population size
2. be economically compatible so as to provide opportunities for trade and business exchanges
3. be situated in an economically

and politically stable environment

4. have similar industrial sectors, so that opportunity for business expansion exists
5. be accessible so as to minimize travel time and allow for frequent and convenient travel for exchanges
6. have the full support of the business community, municipal government and the community as a whole, and
7. lend itself to cultural, educational and professional exchanges.

One final comment concerning choosing a partner - it is strongly advised that one partner be chosen at a time. An international partnership is a learning experience, you have to learn to crawl before you can walk! Time is required for the program to flourish. Selecting more than one partner at the outset of the experience may dilute an existing partnership.

6. BACKGROUND RESEARCH

Once a foreign community is chosen as a potential partner, it is important to gather all the necessary background information, e.g., demographics, key industries, economic conditions, etc. This information will allow the community to assess the feasibility of forming an international partnership with a foreign community.

7. EXPLORATORY VISITS

Exploratory visits allow the local community to make informal contact with the potential partner's municipal administration. Such visits enable the community to assess the other city's level of interest in forming a relationship, to exchange ideas and to develop conclusions about the potential rewards of an international partnership for both communities.

8. DEVISE AN INTERNATIONAL PARTNERSHIP AGREEMENT AND ACTION PLAN

Once it is determined from the exploratory trip that there is potential benefit in establishing an international part-

nership with a selected partner an international partnership agreement and a detailed action plan should be devised. This agreement is a general purpose document that sets out the goals of the partnership. The action plan sets out exactly the priorities of both communities and how and when the priorities will be carried out. The agreement and action plan should have been developed out of the discussions held during the exploratory visit.

The action plan should have a sunset clause, this way both communities can go back and assess their priorities and make the necessary changes. A sunset clause thus allows both communities to have the option to continue with the "marriage" or make external and internal changes.

9. FINANCIAL REQUIREMENTS AND BUDGET

An international partnership entails certain expenses. How much a municipality spends on a partnership is directly related to the type and level of activities planned, the number and the complexity of the partnerships, and at which stage the municipality is in the process.

• FINANCIAL REQUIREMENTS

International partnership expenditures usually fall within three groups. They are:

1. SETTING UP A NEW PARTNERSHIP

This expenditure pertains to the exploratory visit discussed earlier. A few key people visit the prospective partner to create goodwill and understanding, to collect information, and to establish channels of communication. For such visits, it is usual for hospitality to be provided by the host city.

Hospitality in private homes is often the most appropriate and cheapest, but when this is not possible, financing may be needed for hotel accommodations and entertainment. Expenses for travel and hosting delegates should be non-recurring and might be seen as an investment.

2. CEREMONIES/RENEWALS

Once a partnership has been established, many places like to have an "official ceremony" where an "international partnership agreement" is signed and exchanged. Some places also feel there is value in special visits by a few key people from time to time, perhaps in alternating

years, to keep the contacts alive and to plan future visits, exchanges or developments. To reduce costs, many local communities link these promotional visits to special local events (e.g. official opening of a new city hall, or a fair).

3. MAINTAINING A PARTNERSHIP

Whether the partnership is maintained by the local municipality, a partnership committee, or by both, there will usually be some administrative costs - staffing, information, receptions, gifts, etc.

• METHODS OF FINANCING

The most appropriate and effective method of financing an international partnership program appears to be joint-financing. Joint-financing could be based on three types of contributions: participant contributions, local sponsors, and corporate sponsors. Such cost-sharing could alleviate the burden for the taxpayer. However, it is difficult to raise such funds from specific groups when considering an international partner which does not have the same culture backgrounds as your community.

• THE BUDGET

Budgets will vary significantly depending on the commitment by the community and the level of activities undertaken. It must also be kept in mind that the budget may increase substantially depending on the location of the partner.

The following items should be included in an international partnership budget.

1. EXPENSES:

• TRAVEL

-airfare, hotels, meals (time element and number of people)

• HOSTING

- local hosting, gifts, hotels, meals, tours, transportation (time element and number of people)

• COMMUNICATIONS

- printing, mail, long distance telephone, business seminars, translation

• STAFFING

- international partnership coordinator (contract or permanent staff)

2. REVENUES:

- PUBLIC/PARTICIPANT CONTRIBUTIONS
 - travel expenses
- REVENUE FROM LOCAL SPONSORS
 - printing, donations
- CORPORATE SPONSORS
 - airfare, hotels

Harm has been done to twinning or International Partnership Programs by the press and by public misunderstanding of "twinning" related trips. Care should be taken to see that any visits funded with public money:

1. have a sound purpose;
2. that the results will be beneficial to the community;
3. that their purpose is understood by the community;
4. that there is wide local support;
5. that they are made only by those who are interested in and will promote the partnership;
6. that the trips are reported accurately in the local media.

10. EVALUATION MECHANISM

An international partnership is very costly and municipalities should therefore assess its cost-effectiveness. Starting after the third year of the program, an extensive evaluation should be undertaken with regard to the program's goals, including its effectiveness as an economic development tool.

CONCLUSION

Communities planning an international partnership program must realize that this process takes time and a considerable amount of preparation, or else the International Partnership process may fail. There is a considerable amount of work involved in developing a viable partner. If an International Partnership Program is going to be successful it has to incorporate a variety of steps in its planning, implementation and operational phases. These include selecting an appropriate

partner; setting up an International Partnership Committee; getting the community involved; undertaking a public awareness campaign; devising an international partnership agreement and action plan; incorporating a multi-purpose partnership program; expecting the selection of a partner to take more than a year; establishing joint-financing; and hiring a coordinator. The greater the number of these steps that can be incorporated into the program, the greater chance of success the partnership will have!