Unleashing the power of business:
A practical Roadmap to systematically engage business as a partner in development
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**UNLEASHING THE POWER OF BUSINESS 3**
From climate change to depleting natural resources, from food security to youth unemployment, the challenges the world faces today are unprecedented in terms of both scale and complexity. In our highly interconnected world, these challenges do not respect borders and they affect the wellbeing of society, the health of the environment and the prosperity of economies alike. They are everybody's problems and they require all sectors of society to work together to provide the solutions.

Economic development is the only way countries can leave behind enduring and chronic poverty for good.

In the last two decades the number of people in the world living in extreme poverty fell by half, creating better lives for more than 700 million people.

The real driving force behind this reduction was economic growth. Wherever long-term per capita growth is higher than 3%, poverty falls significantly.

Growth reduces poverty through jobs, raising incomes for individuals through the dignity of work and providing tax receipts for governments to fund basic public services like health and education.

The private sector is central to driving economic growth, in developed and developing countries alike. Business creates jobs, generates tax revenues and provides the engine that drives development.

The role of the private sector as an essential partner in development was fully acknowledged by the international development community at the 4th High Level Forum on Aid Effectiveness in Busan, Korea, 2011. Since then, international processes such as Rio+20, the UN's sustainable development goals and the High Level Panel's report on post-2015 development have all put public-private collaboration at the heart of delivering the new agenda.

However, progress is still slow. Some development actors are still sceptical about the role of business, and business in general still finds it difficult to engage in the development agenda. There are some excellent examples of partnerships, but collaborative approaches need to be scaled up if they are to drive development and help deliver the post 2015 development framework.

This ‘Roadmap’ sets out a systematic approach to engaging with business as a partner in development. It recommends five essential areas for action within which government, development agencies, business organisations and civil society each have their roles to play.

Taken together and tailored to a particular country’s context, these actions have the potential to create a sea-change to achieve the goal of partnerships between governments and business delivering their full potential in the global fight against poverty through sustainable development.

With few exceptions, there are existing examples of each of the individual recommended activities taking place somewhere in the world. Every individual action – every public-private dialogue, every government or donor programme supporting business investment, every multi-stakeholder platform – contributes towards achieving the goal.

Implementing the Roadmap will build a more strategic approach which supports existing individual initiatives, identifies gaps and builds the necessary structures and capacities so that the power of business is harnessed to drive development.

### THE SIZE OF THE PRIZE: WHAT CAN PARTNERSHIPS ACHIEVE?

| The Global Alliance for Improved Nutrition has provided fortified food to 750 million people in just over a decade, and aims to reach one billion people by 2015. |
| The Roll Back Malaria is on track to save 4.2 million lives by 2015 through more than 500 partners implementing its Global Malaria Action Plan. |
| The World Economic Forum’s New Vision for Agriculture has attracted commitments of over $5.7bn from public and private partners. It seeks to reach over 9.5m smallholders in the next 3-5 years. |
| The Global Partnership for Education has helped 21.8 million children access primary education. |
What do we mean by ‘business as a partner in development’?

As discussed above, economic growth is the most effective way to lift people permanently out of poverty. However, the right kind of growth is needed: responsible, sustainable and inclusive.

Business becomes a ‘partner in development’ when it looks beyond immediate short-term financial gain and looks towards building longer-term business and societal value. Business does this in two main ways: by aligning its investments and core business activities with a country’s development priorities; or by investing resources of all kinds to support the development of the social, economic and environmental fabric in which it operates. In both cases, business helps to ensure its own long-term prosperity.

Collaboration between business and other development actors is effective when it can achieve both development impact and business benefit beyond that which could be achieved through unilateral action. By bringing together complementary resources, these collaborations can result in more innovative, more sustainable and more systemic solutions.

A range of public-private or cross-sectoral approaches

Donors and governments may use financial, tax or regulatory instruments to encourage business investment. For example, governments may introduce special tax incentives. Development banks and donors may provide grants, loans, financial guarantees or even take equity stakes in order to share or reduce risk to an investable level. Public-private dialogue can help to ensure that government policies support a stronger enabling environment for business and encourage responsible growth.

Collaboration can also address market failures and support market opportunities – for example through developing sustainable value chains of a particular commodity or through systemic approaches for economic generation in a particular region.

‘Inclusive business’ deliberately includes the underprivileged in a company’s value chain. Development partners can support inclusive business by providing technical assistance or seed funding for new ventures, building employee skills, and developing the capacity of suppliers or distributors to scale up their own operations. Grants from foundations or donors can subsidise development costs for pro-poor products and services; governments may provide support via regulatory permission or connection with their systems (for example for mobile banking, low-cost health or education services, or renewable energy) and NGOs may provide both technical support and deep knowledge of the needs of the people.

Finally, wherever they are engaging on the spectrum from business-critical to more philanthropic interventions, companies can collaborate to address social and environmental issues. Food security, chronic disease, equitable use of (dwindling) natural resources and environmental degradation are examples of issues that inherently require cross-sectoral solutions.

Human capital challenges around health, education and skills limit the prosperity of companies and progressive business is willing to support relevant programmes both financially and in-kind. Further, major companies working collectively can drive business as well as social and environmental standards (for example labour standards in garment manufacturing, or sustainable soya production) within the value chain.
The Roadmap

Achieving the vision of business fully engaged as a partner in development is a journey which will pass through different levels of sophistication along the way. The diagram offers an indicative view of the cumulative levels or milestones that business actors and development actors go through (not necessarily in sync) and articulates a vision of convergence between business and development agendas.

Level 3 is unashamedly ambitious: few, if any, countries can claim to be operating at that level yet, but it needs to become ‘the new normal’ if we are to optimise the role of business as a partner in development.

The Roadmap sets out an approach to support countries to embrace the vision and take the essential steps to move efficiently and systematically up towards level 3.

The SUPPORT SYSTEM

The Support System is necessary to catalyse the five areas of action, achieve the necessary scale, and mainstream the approach.

The Support System includes:

- **Funding organisations**: financially or otherwise supporting the development of public-private partnerships (potentially by supporting intermediary organisations or platforms) and financial support for implementation (donors, foundations)
- **Intermediary organisations**: creating platforms and/or otherwise catalysing partnerships (UN or other development agencies, NGOs, business or other membership organisations)
- **Partnership brokers**: skilled professionals able to take partners through a robust partnering process to ensure alignment of interests and robust, effective partnerships (consultancies, universities or intermediary organisations)
- **Capacity building organisations**: providing training in effective partnering for individuals; supporting organisational development (consultancies, universities, training organisations)
- **M&E and learning organisations**: undertaking M&E of platforms and partnerships; measurement of progress on the Roadmap; drawing out learning (universities, consultancies, development agencies)

In addition to taking an active role (for example through funding or brokering partnerships), donors and international agencies have a significant role in helping to build up the capacities of local organisations and develop a mature Support System.
EXECUTIVE SUMMARY

Putting the Roadmap into practice

Since it requires actions by all sectors of society, a coordinated approach to the Roadmap should be owned and developed on a cross-sector basis, for example by an Action Group – a ‘coalition of the committed’ from government, business associations, donors, civil society and the UN wanting to drive this agenda forward.

Beginning implementation of the Roadmap requires a lead organisation or initiative to convene the Action Group. The initial convenor could be, for example:

- Government’s president / cabinet office or other agency with cross-government responsibility for development cooperation or the post-2015 agenda;
- An existing cross-sectoral platform such as a public-private dialogue;
- A UN or other development agency;
- A progressive business association or civil society network with good connection to government.

The Action Group might start by performing an initial stocktake to understand the existing landscape of initiatives and activities and identify the gaps with respect to the five action areas and the Support System.

Progress could potentially be reported by governments through the GPEDC, or through the post-2015 development goal mechanism if appropriate.

ONE-STOP-SHOP

To be as open and accessible as possible, the Action Group should create a ‘one-stop-shop’ to make it easy for companies and other actors to navigate and engage with the plethora of initiatives and opportunities such as public-private dialogues, donor programmes to support inclusive business, issue platforms and so on.

The one-stop-shop would also provide easy access to the Support System. As the Action Group catalyses more activity, there will be growing demands for support, thereby helping to drive the market of organisations able to provide the supply of the required partnering services.

INNOVATIONS IN PRO-DEVELOPMENT BUSINESS INVESTMENTS

- The World Bank’s Nepal Investment Climate Reform Program (NICRP) was designed in Nepal’s post-conflict period to use private sector development and investment for economic reform and peace-building. The NICRP – with the help of Nepal Business Forum (NBF), including 75 members from across government, business and civil society – has been catalysing action, developing an accountability mechanism for reform decisions, and promoting transparency.
- The InterAmerican Development Bank works in the area of cluster development. This focuses on geographical concentrations of firms in the same industry sector. It has led to dozens of programmes throughout Latin America and the Caribbean. A central element of all these programmes is the participatory approach to engage the private and the public sectors in defining priorities for joint actions and for public policies.
- The AgResults Initiative is a new mechanism developed by a group of donors working in partnership with the World Bank, the Bill and Melinda Gates Foundation, and Dalberg, a global development advisory firm. It uses public financing to reward agricultural innovation in developing countries and, in the process, build sustainable markets for agricultural inputs, products, and services that benefit the poor, while pulling private investment and technological innovation.
### Action areas

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<td>Define a country’s development priorities through open and transparent multi-stakeholder processes, and map the priorities against the resources and interests of business</td>
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<td>3</td>
<td>Create in-country hubs for partnership</td>
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<td>4</td>
<td>Ensure the highest standards of partnership implementation, and measure and disseminate results</td>
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<td>Strengthen institutional capacity and readiness for partnering</td>
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### What each sector can do

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<td>• Work closely with business through public-private dialogue to build a supportive business enabling environment</td>
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<td>• Appoint a representative, from the president’s office or cabinet, to raise awareness across ministries of the role of business in development</td>
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<tr>
<td>• Provide capacity building to governments in engaging in dialogue with private sector</td>
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<td>• Develop country-level, thematic or organisational guides to partnerships to introduce the concepts</td>
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<tr>
<td>• Showcase good practice examples, for example through awards and prizes</td>
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<td>• Encourage individuals in the public eye to become advocates or champions of the role of business in development</td>
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<td>• Convene or participate in cross-sector groups focussing on action on specific issues</td>
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<td>• Map the interests and resources (of all kinds) of business against their own specific missions</td>
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<tr>
<td>• Coordinate public-private dialogue processes to reduce duplication of effort and increase effectiveness</td>
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<td>• International donors can convene companies in home countries to identify where their interests and resources may support development priorities</td>
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<td>• Engage all sectors in development planning, in open and inclusive processes that follow global norms</td>
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<tr>
<td>• For each development priority, map the ways business might contribute to its achievement both through core business and through partnership</td>
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<td>• Extend the remit of existing public-private dialogue to cover broader functions that will drive partnership action</td>
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<tr>
<td>• Actively take part in partnership platforms</td>
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<td>• Where gaps are identified, work together to develop new platforms around particular issues</td>
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<td>• Connect platforms into international support mechanisms and develop the capacity of host organisations to ensure effectiveness</td>
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<td>• Connect existing programmes into platforms and enable funding for new partnerships</td>
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<td>• Follow good practice guidelines or use professional brokering support to ensure partnerships are set up and run as effectively as possible</td>
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<td>• In partnerships, work together to develop common measurement approaches that work for all involved</td>
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<td>• Coordinate and harmonise results measurement frameworks in order to reduce duplication of effort</td>
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<td>• The UN should rationalize rules of engagement across agencies and programmes, and provide a single point of initial contact in-country for companies</td>
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<tr>
<td>• Undertake internal assessments to understand where blockages might occur</td>
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<td>• Build individuals’ partnering skills and internal support structures</td>
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### Examples

**Business**

- Associations can showcase to their members the benefits to business of engaging in partnerships.
- Companies can publicise the development benefits of their business.

**Civil Society**

- Ensure public policy schools and business schools include public-private collaboration for development within their core curriculum.
- Provide capacity building to introduce the concepts through awards and prizes examples, for example governments in engaging in civil society.

**Examples**

- A public-private partnership module is offered within the public policy course at the University of Costa Rica.
- The Nepal Business Forum provides space for public-private dialogue on the business enabling environment, stimulating sustainable growth, and promoting investment.
- Since 2008 the business awards Emprender Paz in Colombia (sponsored by Sida / GIZ / Konrad Adenauer Stiftung) have awarded prizes to businesses undertaking outstanding work to promote peace-building.
- DFID’s Inclusive Business Challenge Fund stimulates private sector-led development, promotion and scaling up of innovative pro-poorn products and service in Bangladesh.
- GIZ and TPI produced and widely disseminated An introduction to cross-sector partnerships for development in South Africa and undertook partnering landscape analyses in Tanzania and Ghana.

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<tr>
<th>Business organisations can use their networks to develop platforms in response to specific business and development issues</th>
<th>Business Unity South Africa is one of a number of business networks that helps to engage the private sector in development planning processes in South Africa.</th>
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<td>Incorporate triple bottom line reporting standards</td>
<td>Tanzania sought input from industry groups and chambers of commerce into the planning of The Tanzania Development Vision 2025; a similar process is underway in Kenya.</td>
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<td>Where there is a clear rationale, build capacity for measuring socio-economic impacts of business activities</td>
<td>The government agency, ANSPE, works with local communities and companies in Colombia to eradicate extreme poverty including through the coordination of different public-private dialogue processes.</td>
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<td>Work with scientific research establishments and technical institutes to advance the field of results measurement and actively take part in measurement</td>
<td>The Kenya ICT Action Network is a multi-sector network acting as a catalyst for reform in the ICT sector towards ICT-enabled growth.</td>
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- The Business in Development Facility (Sweden, the Netherlands, UK, TPI) supports the creation of locally-run partnership platforms including in Colombia, Zambia and Mozambique.
- UNDP has facilitated a national multi-stakeholder platform to collectively address the negative environmental and social impacts of pineapple production in Costa Rica.
- The PIND Foundation is brokering cross-sector partnerships for economic development in the Niger Delta.

- Business Unity South Africa is one of a number of business networks that helps to engage the private sector in development planning processes in South Africa.
- Tanzania sought input from industry groups and chambers of commerce into the planning of The Tanzania Development Vision 2025; a similar process is underway in Kenya.

**Examples**

- DFID is working to reduce duplication of effort and costly ad hoc project-based results measurement exercises by funding systematic research on large, open questions through the Research for Development Fund.
- The DCED is currently developing eight process principles of ex ante additonality for donors to apply before providing funding for cross-sector partnerships. Its evaluation standard for challenge funds has been widely applied.
- WBCSD’s ‘Measuring impact’ framework provides a list of existing tools that companies can use to measure the socio-economic impact of their activities.
- GIZ has developed a report capturing 12 good practice examples for measuring business and development value from partnerships.
- TPI has developed a ‘health check’ and continuous improvement process to support good partnering practice.

- In 2013, the International Fund for Agricultural Development undertook a ‘fit for partnering’ assessment and is further developing its approach to partnering.
- The World Food Programme established a new Partnerships and Governance Services department in 2013, developing a comprehensive partnership strategy.
- The UN Food and Agricultural Organisation developed a benchmarking tool and initiated an exercise to measure its partnership performance against other leading institutions.

- The Better Cotton Initiative developed an internal manual providing advice on creating and managing partnerships. The manual also contains tools to help create an agreement, manage communication and monitor partnerships.
- The NGO Technoserve has undertaken a series of internal workshops to develop a five-year partnership strategy, with support all the way up to the board of directors.
CONTEXT FOR ACTION
1 Why do we need a Roadmap?

From climate change to depleting natural resources, from food security to youth unemployment, the challenges the world faces today are unprecedented in terms of both scale and complexity. In our highly interconnected world, these challenges do not respect borders and they affect the wellbeing of society, the health of the environment and the prosperity of economies alike. They are everybody’s problems and require all sectors of society to work together to provide solutions.

The debate about whether business can contribute to sustainable development is over. The question is how best to entrench approaches that routinely, and in appropriate ways, align business strengths with national and global development imperatives and aspirations. The role of the private sector in development was fully acknowledged by the international community at the 4th High Level Forum on Aid Effectiveness in Busan, Korea, 2011. Since then, international processes such as Rio+20 and the UN High Level Panel’s report on the post-2015 sustainable development agenda have put partnerships with business at the heart of delivering the future we all want. The multi-sectoral Global Partnership for Effective Development Cooperation (GPEDC), which came out of Busan, in part aims to make this happen: helping to drive effective, regular engagement with business as a true partner in development.

This is a heavy burden to place. A rich tapestry of partnerships has arisen – from global collaborations to local partnerships, from multi-stakeholder groups to bi-lateral business-NGO or business-donor arrangements. Yet we are still only scratching the surface of partnering, compared to both the scale and urgency of the challenges worldwide, and (more positively) the considerable unexplored opportunities to identify and foster links that might unlock major potential. Rhetoric on collaboration has significantly outpaced the implementation and impact of partnerships, particularly at country level.

In many cases there is a cultural divide between business and government, often leading to mutual suspicion and lack of trust. Suspicion of business from government and civil society may be both understandable and justifiable, especially where business has a history of irresponsible practice. From the business side, a partnership with government may be difficult where government is at the same time regulating and taxing the business activity, or where there exist perceptions of corruption, political interference or overwhelming bureaucracy.

There is a well-known anecdote where a lost tourist asks a local man for directions to the capital city. After a lot of head scratching, the reply comes: ‘If I was going to the capital, I wouldn’t start from here’. The same is true for partnerships. If we wanted to design collaborative societies, we would not start with organisations designed to operate in competition, often in a culture of mutual mistrust and miscommunication. Scaling up partnerships calls for a fundamental overhaul of what we mean by development, the purpose of our institutions, and the role of business in society. Such change cannot happen overnight, and we must work with what we have. Yet often merely a new mindset or conversation can reveal readily obtainable ‘wins’.

This ‘Roadmap’ sets out a systematic approach to scaling up the engagement of business as a partner in development at the country level. It recommends five essential action areas within which government, development agencies, business entities and civil society each have roles to play. Taken together and tailored to a particular country’s context, these actions can create a sea-change in the use and impact of any country’s untapped potential for cross-sector collaboration, in order to realise the vision of partnerships delivering their fullest potential towards the post-2015 development agenda.

With few exceptions, examples of each of the individual recommended activities are already taking place somewhere in the world. Every individual action – every public-private dialogue, every government or donor programme supporting business investment, every multi-stakeholder platform – contributes towards achieving the vision.

Active implementation of the Roadmap provides a more strategic, measurable drive that builds on, connects, and supports existing individual initiatives, identifies gaps, and builds the necessary structures and capacities (the architecture) to help a country more rapidly and systemically to fulfil the vision.
Towards systematic engagement of business as a partner in development

That vision is one in which business, government and civil society understand their mutual interdependency, and consciously choose to align their priorities, seek out each other’s views and contributions, and work collaboratively to define and achieve benefits for all. The route to get there requires action, not words. Dialogue is immensely valuable to finding shared interests and building trust. Yet trust typically comes from ‘doing’, and unless collaboration moves beyond dialogue to focus on achieving specific aims together, its impact will be limited. It is only by committing to collective action (however small initially) and following through on that commitment, that the trust necessary to achieve real scale of action, and therefore of impact, can be built.

The good news is that pockets of good practice are rapidly appearing. Businesses everywhere realise that their own long-term financial success depends increasingly on their ability to factor wider social, environmental, governance and economic issues into their strategies. Foreign direct investment flows and the tax proceeds of strong, enabled private sector activity increasingly dwarf official development aid in many countries. The vision of a collaborative society is not about short-term philanthropic hand-outs or public relations opportunities. It is about building long-term relationships whereby businesses are internalising global development goals as relevant to their core value propositions, while policymakers are looking out for ways to unleash the private sector’s latent potential to help deliver public goods. Development then becomes a two-way street, and business (operating responsibly and transparently) has an essential role in shaping and delivering these goals.

This is not about everything being new: a lot of work is going on in various areas already, but a much more coordinated, deliberate approach will support more effective, systemic change. And yet this greater coordination certainly does not require having to wait around for some overarching bureaucratic infrastructure to be put in place first.

Business is in effect a development actor, whether it wants to be or not. As one of our interviewees put it: ‘Development has always been the business of business: they don’t think like donors, but that doesn’t mean they haven’t contributed to development.’ The question is therefore around the degree of sophistication and understanding of development impacts that business brings to its operations. Aligning with local development priorities can help firms reduce long-distance supply-chains, stimulate local demand, and mitigate the risk of political or populist pressure.

For example, an automotive manufacturer setting up a new factory in an emerging market may have the choice of shipping in technology, labour and materials from abroad, or it may decide to (or be legally required to) find ways to build capacity in-country in order meet demands locally where possible. Both options may be viable: the difference is the strategic, and conscious, choice that a firm makes about the degree to which it will contribute proactively to national development aspirations, even if this entails greater short-term costs. Governments and others, understanding the potential development gains, may look to partner with business to reduce the risks and obstacles to allow business to choose the more pro-development option.

Business is as interested as government in seeing a country develop and prosper. And this recognition of shared interests is a global trend, not one confined to the North. A recent report showed that corporate chiefs with operations in emerging nations are even more convinced of the need for cross-sector collaboration and tackling sustainability issues than their developed-world counterparts. Those business leaders are particularly affected by the proximity of development challenges: the most urgent issues are on their own doorsteps and underpin their ‘bottom line’.

Partnerships are of course not the only way to achieve development objectives: business contributes ‘indirectly’ to development through job-creation and tax-paying. However, partnering for more direct impacts may offer the best option to address issues that are inherently systemic, that defy conventional policy approaches, and where business innovation and skill can add value and unlock growth (such as moving from subsistence to commercial farming, or tackling the causes of chronic disease). Partnerships may also be appropriate in cases where issues could be addressed unilaterally by either government or business, but where it would be much more expensive, slow and inefficient to do so. And in both situations, effective partnerships can typically provide a more enduring, innovative solution than any single sector could have identified or provided alone (see box: ‘The size of the prize’).
Moving from rhetoric to action

This Roadmap seeks to amplify and celebrate existing good practice, to reduce duplication of effort and learn from mistakes, but most of all to help the move from rhetoric to action. It does not suggest that partnerships are a cure-all for development problems, and as noted business can contribute to development progress without actually partnering. Indeed, if there is a clear vision of respective public and private sector roles and these actions are well aligned, there may be no need to combine resources. In fact, such ‘loose’ cooperation can be more effective and quicker than closer partnerships, which require much joint decision-making and management.

This Roadmap also does not suggest that, given reduced aid budgets among many rich countries, business now needs to fill the gap left by a retreating public sector. The Roadmap makes no claim in any way for any watering-down of the role of government, nor does it suggest that business has the same qualities as government, whether of representative legitimacy or public duty. Indeed, it is squarely premised on the public sector fulfilling its obligations for development. Partnering for development is not an abdication of duty and relies on government continuing its essential role of setting and monitoring standards in society, and regulating in ways that encourage and reward a responsible, pro-social and vibrant private sector, while preventing irresponsible businesses from unreasonably benefitting at the expense of people or the planet.

THE SIZE OF THE PRIZE: WHAT CAN PARTNERSHIPS ACHIEVE?

- The Global Alliance for Improved Nutrition has provided fortified food to 750 million people in just over a decade, and aims to reach one billion people by 2015.
- Roll Back Malaria is on track to saving 4.2 million lives by 2015 through more than 500 partners implementing its Global Malaria Action Plan.
- The World Economic Forum’s New Vision for Agriculture has helped achieve commitments of more than $5.7 billion from public and private partners, with the intention to reach more than 9.5 million smallholders in the next 3-5 years.
- The Global Partnership for Education has helped 21.8 million children access primary education.

Finding scope to harness the pro-development contributions of private business activity does not necessarily require taking any particular ideological stance. Whatever a country’s preferred development model in terms of the relative roles of the state, business and other actors, it is undeniable that strong private sector economic activity can be a significant driver of inclusive growth. This points to policies that support and enable a flourishing private sector alongside whatever role is envisaged for the state.

The objective of the Roadmap is to support countries in moving up different levels of sophistication in their approach to partnership. There is a lot of talk about partnerships, and indeed there are many activities that describe themselves as partnerships, but these are often isolated, ad hoc, competitive and expensive. Through more effective, deliberate partnering, there is an opportunity to achieve a far more meaningful impact on global development challenges.
Business becomes a ‘partner in development’ when it looks beyond immediate short-term financial gain and looks towards building longer-term business and societal value. Business does this in two main ways: by aligning its investments and core business activities with a country’s development priorities; or by investing resources of all kinds to support the development of the social, economic and environmental fabric within which it operates. In both cases, business helps to manage its own risks and to ensure its own long-term prosperity.

The term ‘partnership’ itself is commonly used to describe a whole variety of relationships. Often what is called public-private partnership is simply a philanthropic donation or brand-enhancing opportunity. These are not in themselves problematic activities, but should be seen merely as an early stage of evolution towards more aligned, strategic, substantive, longer-term forms of collaboration. In this report, we define development partnerships as:

“Cooperation between government, business, NGOs and other stakeholders in which they agree to work together, jointly assuming risks and responsibilities, combining their resources and competencies to achieve common partnership goals and thereby achieving both business and development benefits more efficiently and effectively.”

A range of public-private or cross-sectoral approaches

There are a range of kinds of partnership or cross-sector collaboration, but one can identify at least four types:

1 Public financing to offset private risk to pull firms into sectors or activities that the public sector wants to support.
2 ‘Inclusive business’ that supports the poor, women or marginalised groups.
3 Cross-sector collaborations between firms.
4 Cluster development, where government bodies work with groups of companies in the same industry sector in the same region on infrastructure or on critical issues such as water.

Governments may use financial, tax or regulatory instruments to encourage business investment and expansion. For example, governments may introduce special tax incentives. Development banks and donors may provide grants, loans, financial guarantees or even take equity stakes in order to share or reduce risk to an investable level. Public-private dialogue can help to ensure that government is responsive to business, within the public interest, and that its policies support a stronger enabling environment for business and encourage responsible growth.

Collaboration can also address market failures and support new or neglected market opportunities – for example through developing sustainable value chains of a particular commodity or through systemic approaches for economic generation in a particular region... [NEW] Meanwhile, current development policy gives high priority to fragile and conflict-affected states and situations. These require exceptional, innovative approaches to attract good firms to risky places, and place a premium on responsible business practices. Post-conflict policy seeks to stimulate re-investment and local business revitalisation. Partnering can help mitigate a business’s risk and lend it ‘early mover’ advantages as stability returns. Traditional donor aversion to picking winners can be offset by the chances that partnerships might help with peace-building, while providing a platform to discuss expectations of conflict-sensitive business behaviours.

‘Inclusive business’ strategies deliberately include the underprivileged in a company’s value chain.” Development partners can support inclusive business by providing technical assistance or seed funding for new ventures, building employee skills, and developing the capacity of suppliers or distributors to scale up their own operations. Grants from foundations or donors can subsidise development costs for pro-poor products and services; governments may provide support via regulatory permission or connection with their systems (for example for mobile banking, low-cost health or education services, or renewable energy) and NGOs may provide both technical support and good awareness of the needs and preferences of the people.
Inclusive business often lies at the edge of or even outside of a company’s usual business landscape. Market conditions or perceptions associated with poorer people can make doing business difficult, risky or expensive and as a result, may exclude the poor from meaningful economic participation and deter companies from exploring ways to integrate poorer groups into business plans or activities.

Companies themselves are rarely best-placed or best-suited to address such structural constraints and must usually collaborate with those outside the private sector to identify partners in implementation, capacity-building, technical assistance, regulatory/business environment or knowledge transfer. In addition, where the level of risk of entering new markets or developing new products is too high, but where the development benefits are also high, financial support – in the forms of grants, loans or loan guarantees and even equity stakes – from governments, international donors and foundations might reduce or mitigate that risk to make it a viable investment.

Human capital challenges around health, education and skills limit the growth potential of companies. Infrastructure deficits inhibit productivity. Food security, chronic disease, dwindling natural resources and environmental degradation are issues that inherently require cross-sectoral solutions. More progressive businesses are thus willing to support relevant programmes both financially and in-kind. Wherever they are engaging on the spectrum from business-critical to more philanthropic interventions, companies can collaborate with each other across or up-and-down value-chains to address these social and environmental issues.

Ostensibly competing firms in the same sector can work together on shared infrastructure bottlenecks or necessities like water: so-called cluster development. Government can facilitate these conversations and actions, always seeking to link them to development plans. Major companies working collectively can drive business as well as social and environmental standards (for example labour standards in garment manufacturing, or sustainable soya production). Indeed, in appropriate ways firms can offer to help lower-capacity governments to be more able to plan and deliver public goods.
WHAT DO WE MEAN BY ‘BUSINESS AS A PARTNER IN DEVELOPMENT’?

THE ROLE OF DONORS IN PRIVATE SECTOR DEVELOPMENT: A VIEW FROM CANADA

“Our engagement with the private sector should be concentrated on reducing the risks for the private sector to invest in developing countries. That means helping countries to improve the business enabling environment, ensure there is a skilled and healthy labour force in potential developing country markets, and providing finance to private sector actors to invest in developing countries and produce demand-driven innovations in areas such as health, education and climate change mitigation.” (Canada DFATD)

Private sector development

When discussing relationships between business and government during consultations for this report, one issue invariably arose from the business perspective. This is the need for a more supportive, enabling, and consistent business environment. This depends on the regulatory climate set by government, as well as access to funding, skills-availability, and infrastructure. That issue lies mainly in the established field of Private Sector Development (see, for example, the World Bank’s ‘Doing Business’ reports), as opposed to the focus of this report, which is private sector engagement and partnership. However, there are significant overlaps.

For example, the business sector’s insights, experience and stakes in growth give it an essential role in the design and ongoing regulation of an ideal supportive business enabling environment, as well as in planning and delivering access to finance, skills and infrastructure. This requires the mutual responsiveness and respect that is the hallmark of partnership.

Regulated PPPs: not the focus of this report

In this report, we are not focussing on regulated, infrastructure public-private partnerships, a field where the legal and conceptual frameworks are well-developed. For the avoidance of doubt, the table below summarises the distinction between the two types of arrangement.

<table>
<thead>
<tr>
<th>PPPs FOR DEVELOPMENT</th>
<th>REGULATED PPPs</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Private sector and government / international agencies / NGOs combine their resources to achieve win-win development and business outcomes</strong></td>
<td><strong>Core business provides upfront investment to deliver public infrastructure / services taking profit through long-term payments from government or end-users</strong></td>
</tr>
<tr>
<td>• Co-design / development</td>
<td>• Government sets the rules</td>
</tr>
<tr>
<td>• Shares risk between parties</td>
<td>• Transfers risk to private sector for delivery</td>
</tr>
<tr>
<td>• Co-accountability</td>
<td>• Contract-based with clear accountability</td>
</tr>
<tr>
<td>• Company may or may not receive direct profit from the partnership activities (but will benefit indirectly)</td>
<td>• Must follow strict regulated PPP procurement procedures and operate within PPP legislation</td>
</tr>
</tbody>
</table>
3 Where can business add the greatest value as a partner in development?

As part of the research for this Roadmap, we sought to drill down more deeply into the context where a partnership approach may be most appropriate. By context we mean:

- stages of a country’s development, including its history and culture;
- types of business (multinational corporations, national businesses, SMEs); and
- types of development issues or themes where a partnership approach might be most effective.

Another way of looking at this question is, given the limited time, money and effort that any organisation has available to bring to a partnership, where can it best focus its efforts?

The following discussion sets out some initial findings, with the caveat that there are always good exceptions to the rule.

**Stages of a country’s development**

The type of partnership approach is strongly related to the culture and history of a country or region, as well as its stage of development. While good governance and a strong enabling environment for business can make partnerships more effective, experience has shown that it is not necessary to wait for these elements to be in place before attempting collaboration. In fact, experience in the mining sector and the World Bank has shown that collaborative working may help a country to build stronger governance and market frameworks.

In countries with significant state ownership of business such as former communist countries, or in areas where there has been a history of irresponsible business practice, partnerships may be more complex due to a historical mistrust of the private sector. This is not to say that partnerships are not a good option here, simply that there may be a significant barrier of entrenched perceptions that may make partnering and innovation harder than in a country with a strongly enterprising culture. Countries such as the Philippines, Colombia and South Africa are good examples of the latter – countries where the debate has moved beyond whether business plays a role in development, to how to make it happen.

**Types of business**

Small and medium-sized enterprises comprise the majority of the private sector in many countries. Their contribution to job- and wealth-creation, and their role as engines of economic development, is fundamental. In some cases, small companies can play a major role in public-private development partnerships, and the field of inclusive business is full of excellent examples of SMEs working creatively and collaboratively with other sectors. At the same time, SMEs can be beneficiaries of pro-development collaboration with bigger business (for example through local content programmes).

The emergence of new business models and vehicles such as inclusive businesses or social enterprises is challenging traditional classifications within the private sector. The innovation, flexibility and creativity needed for partnerships may be more evident within smaller and more nimble organisations. The challenge is to combine these attributes at scale, which is where collaboration with larger companies, large NGOs and/or public bodies may be valuable. Meanwhile, larger companies can have a lot of political influence, which may be put towards pro-development purposes. Through partnerships, single organisations (of whatever size) have access to markets, political clout, international good practice and other resources that they would not have on their own.
Analysing the context for partnership

In general, partnerships are most effective where the investment of public money and resources can have the most significant impact, while being of core business relevance. Global-level partnerships can go through a systematic process to identify the right country context for its efforts. For example, the Global Road Safety Partnership selected its focus countries primarily based on the incidence of road fatalities, supplemented with more practical considerations of the probability of success: the government’s recognition of the problem and willingness to act, the existence of adequate financial resources to support the initiative, and strong leadership from an influential road safety champion.

WHERE CAN BUSINESS ADD THE GREATEST VALUE AS A PARTNER IN DEVELOPMENT?

One important area where business can play a major development role is employment creation. For example, donors have a long track record of funding vocational training programs, but in the past these programmes have not been driven by or linked to market demand. The private sector can play a crucial role in informing the training, identifying priority sectors, providing market data and analysing future trends, while the public sector can incentivise the employment and economic integration of vulnerable, conflict-risky or under-employed groups. Colombia is a good example of this, through the employment of demobilised ex-fighters.

The question then arises – what kind of employment, and in what fields? Several of our interviewees suggested that certain clusters of issues may be where the overlap between development priority and core business activity is the clearest. These include issues relating to climate change adaptation and mitigation (such as water\(^1\), energy\(^10\) and food security\(^11\)), and issues relating to increasing access to finance.\(^{12}\)
4 What are the barriers preventing the engagement of business as a partner in development?

The cultural divide between the private and public sectors is closing, but it persists. This has created a range of ideological and technical barriers, myths and misconceptions together preventing greater engagement by policymakers of business as a partner in development, and greater outreach by business towards development policymakers. This section sketches out some of the recurring obstacles emerging from our research process. Countries can self-assess where they stand on these issues, as part of an initial stocktake of their partnership landscape.

Mistrust
There is evidently some suspicion among government, donors and civil society of the private sector’s methods and motives, particularly at a local level, and still in some cases at an international level. This suspicion can stem from lack of familiarity and misperceptions about how business operates. However, it can also come from past experience of poor corporate behaviour such as undue pressure through lobbying activities, perceptions of tax avoidance, or major environmental problems.

The barrier applies both ways: if a business has had a bad experience with a government (for example, because of a failure to build or maintain a stable enabling environment, for political or other reasons), it will avoid engaging in a collaborative relationship. Businesspeople can often unfairly associate policymakers with inevitable delay, bureaucracy or even solicitation of favours, inhibiting the likelihood of exploring productive partnerships.

Public vs. private goods
There is still uncertainty around the idea of business, through a partnership, appearing to get involved in delivery of a ‘public good’. This uncertainty can come from the public sector, concerned that involving a company in discussion might give it access to preferential treatment in later service provision. This reluctance can also come from the private sector, since companies do not want to become de facto government agencies or be seen to shoulder populations’ development expectations.

Platforms such as Musika have addressed this by discussing and agreeing boundaries between the private sector and public goods, mapping where there are current opportunities and what may change. More generally, as noted pro-development partnerships do not (and should not) mean subverting private interests to public ones. They involve joint pursuit of shared interests.
Duration of business investment
In certain industry sectors, for example, the extractive industries, timber, or cocoa/tea/coffee production, companies know they will be in one region potentially for many decades. Such companies may be significantly more willing to make the necessary investments of time and resources to become an active partner in development than companies working in industries that are less long-term and tied to one geography. This is also a big problem for governments, especially when considering whether to provide a preferential environment for businesses where migration of capital is relatively easy, for example clothes producers moving to cheaper labour markets.

The Water Futures Partnership between WWF, SAB Miller and GIZ is an example of a partnership where the private sector is creating long-term relations and investments to benefit the environment, its business supply-chain needs, and the local community’s water security.

Specificity
Business always needs to move from the strategic to the specific, achieving strategic aims by focusing on particular products and services in particular markets. Decisions taken by business managers need to be sufficiently robust to withstand challenge from the board and from investors. The public sector may work with a very different set of deliverables and timetables, for example being driven by electoral cycles. It may be more comfortable with matters of principle but may find it harder to engage either with the need for short-term concrete deliverables or for long-term corporate strategy requirements. Engaging business in development requires specificity around the problem that needs addressing and a focus on clear action.

Power imbalance
There are usually power imbalances in the relationship between business, governments and civil society organisations, which make partnership and collaboration a complex undertaking. For example, the government regulates and taxes business activity, which automatically creates hierarchy.

Initiative fatigue
In some countries, collaborative action may be taking place at several different levels, and there may be duplication of efforts. For example, a country may have several public-private dialogues underway at the same time, and it may be difficult for a new entrant to know where best to invest its limited resources. In addition, organisations that have had poor prior experience of working in partnership with other sectors may be unwilling to risk investing in new collaborations.

Communication
Generally, and related to mistrust, communication between the two sectors is often a challenge. Development practitioners see the world through the lens of socio-economic impacts. They are not used to exploring or explaining what they do in terms of business value. Similarly, companies look at their strategies through the lens of markets and the development impact of their decisions is often not their primary consideration. Interviewees for this report noted the ‘language’ (vocabulary and terminology) barriers between development and business thinking. These are surmountable, but require engagement and re-articulation, so that development officials learn what concepts resonate with boards’ ‘core thinking’ and vice versa.

For example, those participating in The National Platform for the Responsible Production and Trade of Pineapples emphasised that not having a communications specialist to facilitate internal and external communications was a barrier to realising shared issues.

Unaligned objectives
Where initial barriers have been overcome to the extent that business is engaged in a partnership, the next major challenge usually relates to different or unaligned strategic objectives. Partners might appear to agree on a broad objective, but when it comes down to the detail, this reveals that there are in fact differences about overall direction. The language used within partnerships can also hinder progress, for example because the partners interpret key terms in different ways, or because the technical language relating to partnership processes (for example, in the area of impact assessment) acts as a barrier.
WHAT ARE THE BARRIERS PREVENTING THE ENGAGEMENT OF BUSINESS AS A PARTNER IN DEVELOPMENT?

SUMMARY OF BARRIERS PREVENTING THE ENGAGEMENT OF BUSINESS AS A PARTNER IN DEVELOPMENT:

<table>
<thead>
<tr>
<th>Barrier</th>
<th>Action area</th>
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<tbody>
<tr>
<td>Mistrust</td>
<td>Build trust and understanding across sectors</td>
</tr>
<tr>
<td>Public vs. private goods</td>
<td>Open and inclusive development planning</td>
</tr>
<tr>
<td>Duration of business involvement</td>
<td>Create in-country platforms for partnership</td>
</tr>
<tr>
<td>Specificity</td>
<td>Maintain partnership effectiveness internally and measure results</td>
</tr>
<tr>
<td>Power imbalance</td>
<td>Build institutional capacity for partnering</td>
</tr>
<tr>
<td>Initiative fatigue</td>
<td></td>
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<tr>
<td>Communication</td>
<td></td>
</tr>
<tr>
<td>Unaligned objectives</td>
<td></td>
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<tr>
<td>Mismatch of understanding of risk</td>
<td></td>
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<tr>
<td>Organisational culture</td>
<td></td>
</tr>
<tr>
<td>Capacity gaps</td>
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</table>

Mismatch of understanding of risk
Partnerships require the sharing of risk. The process by which an outcome will be achieved through a partnership is often fundamentally uncertain, particularly when the partnership involves organisations that have never previously collaborated. Business understands risk, it knows how to measure and mitigate risk. As long as the risk/reward ratio is not too great, it will act. However public bodies tend to have a different view of risk, preferring to follow established and conventional patterns and minimize risk. It requires professional and organisational courage for individuals working within public organisations to take risks, however great the reward may be.

Organisational culture
Organisations across sectors tend to be designed to act unilaterally and to have control over all of their decisions. Institutionally and in individual career terms, this may create disincentives to attempt to take on complex, cross-cutting social, economic or environmental challenges. Organisational self-awareness can be low, and there may not be frank discussions of the competencies, resources, knowledge, access and skills that an organisation might bring to a collaboration – and the areas in which an organisation might be lacking.

Capacity gaps
Lack of capacity, skills and insight into managing partnerships remains an issue. Currently, partnership management tends to be re-invented from scratch, rather than using lessons from elsewhere. Most of the key individuals involved in partnerships do not have the necessary training, and there are only limited standards and good practice guidelines. At the same time, particularly in difficult economic periods, organisations may find it difficult to maintain basic functions (such as a business membership organisation being run by one part-time staff member), and the additional burden of working across sectors may be too much to bear. This is unfortunate since one hallmark of partnering is to alleviate and share burdens, not simply create more work.

The table below summarises the barriers and lists recommendations for action to overcome them. The remainder of the Roadmap explores these areas for action.
5 The milestones

Achieving the vision of business fully and routinely engaged as a partner in development involves a journey which will pass through different levels of sophistication along the way. The diagram below offers an indicative view of the cumulative levels, or milestones, that business actors and development actors go through (not necessarily in sync) and articulates a vision of convergence between business and development agendas.

Level 3 is unashamedly ambitious and complex: few, if any, countries can claim to be operating at that level yet. However, it needs to become ‘the new normal’ if we are to optimise the role of business as a partner in development.

The Roadmap sets out an approach to support countries to embrace the vision, overcome the barriers highlighted in the previous section, and take the essential steps to move efficiently and systematically up towards Level 3.
RECOMMENDATIONS FOR ACTION
6 The five essential areas for action

The Roadmap now looks at five areas for action, ranging from the systemic level through to individual capacity building, which can help take partnerships to scale. Any country taking ongoing action in all five areas, in an integrated way, is likely to be engaging business most effectively as a partner in development. While the five areas for action, summarised in boxes in the diagram, are shown separately for the sake of clarity, in practice they are overlapping and interdependent.

A Support System can catalyse the five areas of action, achieve the necessary scale, and mainstream the approach. The Ecosystem includes:

- **Funding organisations**: financially or otherwise supporting the development of public-private partnerships (potentially by supporting intermediary organisations or platforms) and financial support for implementation (donors, foundations)

- **Intermediary organisations**: creating platforms and/or otherwise catalysing partnerships (UN or other development agencies, NGOs, business or other membership organisations)

- **Partnership brokers**: skilled professionals able to take partners through a robust partnering process to ensure alignment of interests and robust, effective partnerships (consultancies, universities or intermediary organisations)

- **Capacity building organisations**: providing training in effective partnering for individuals; supporting organisational development (consultancies, universities, training organisations)

- **M&E and learning organisations**: undertaking monitoring and evaluation of platforms and partnerships; measurement of progress on the Roadmap; drawing out learning (universities, consultancies, development agencies)

In addition to taking an active role (for example through funding or brokering partnerships), donors and international agencies have a significant role in helping to build up the capacities of local organisations and develop a mature Support System.
7 Putting the Roadmap into practice

The Roadmap provides a generic blueprint for creating an implementation architecture and driving action. While it is proposed to create common indicators to measure progress along the journey, of necessity the specific details of each country’s Roadmap must be tailored to the unique local context. But who should ‘own’ the implementation of the country-specific Roadmap and its process?

Since it requires actions by all sectors of society, a coordinated approach to the Roadmap should be owned and developed on a cross-sector basis, for example by an Action Group – a ‘coalition of the committed’ from government, business associations, donors, UN agencies and development finance bodies, and civil society wanting to drive this agenda forward.

In most countries, there will already be significant work taking place in many of the areas of the Roadmap. Existing work and structures should be built upon, and it is essential that newly engaged organisations, or groups of organisations, do not feel the need to wait for the setting up of a structure, but are instead empowered and liberated to act now on the areas important to them.

Depending on the context, such a structure might well be formed post facto by bringing together those organisations, partnerships and initiatives that are already broadly acting in this area, with the role of trying to support coordination and exploit synergies among them, and to recognise and fill gaps. Beginning implementation of the Roadmap requires a lead organisation or initiative to convene the Action Group. The initial convenor could be, for example:

- Government’s president / cabinet office or other agency with cross-government responsibility for development cooperation or the post-2015 agenda;
- An existing cross-sectoral platform such as a public-private dialogue;
- A specialised donor, UN or government agency; or
- A progressive business association or civil society network with good access to government.

The Action Group might start by performing an initial stocktake to understand the existing landscape of initiatives and activities and identify the gaps with respect to the five action areas and the Support System.

It would then be responsible for developing its country’s own contextualised Roadmap, identifying and helping to drive coordinated action in the five areas, further developing the Support System, and measuring progress along the Roadmap.

Progress could potentially be reported by governments through the GPEDC, or through the post-2015 development goal mechanism if appropriate. The diagram below shows a possible Roadmap implementation cycle.

UN PARTNERSHIP FACILITY: AN ANALOGY FOR COUNTRY-LEVEL ACTION ON PARTNERSHIP

- In 2013 the UN Secretary-General announced moves to create a facility around the post-2015 agenda, to ‘scale-up UN capacity to engage in transformative multi-stakeholder partnerships’ including with the private sector, across various issues. The idea is, in principle, similar to what this Roadmap envisions at national level. The Facility (UN Secretariat) would help coordination and coherence across often fairly autonomous UN agencies, much as the country-level Action Group would seek to foster a partnering culture to implement the roadmap.”
One-stop-shop

To be as open and accessible as possible, the Action Group should create a 'one-stop-shop' to make it easy for companies and other actors to recognise, navigate and engage with the plethora of initiatives and opportunities such as public-private dialogues, donor programmes to support inclusive business, issue platforms and so on.

The one-stop-shop would also provide easy access to the Support System. As the Action Group catalyses more activity, there will be growing demands for support, thereby helping to drive the market of organisations able to provide the supply of the required partnering services.
### ACTION AREAS

| Action area 1: Create greater understanding of the role that business can play in development through partnership, and build trust between sectors |
| Action area 2: Define a country’s development priorities through open and transparent multi-stakeholder processes, and map the priorities against the resources and interests of business |
| Action area 3: Create multi-stakeholder platforms to drive partnership action in-country and engage business more systematically |
| Action area 4: Ensure the highest standards of partnership implementation, and measure and disseminate results |
| Action area 5: Strengthen institutional capacity for partnering |
There is a significant lack of understanding within government and other development actors of the role that business can and does play in development. There is also generally within the public and NGO sector a lack of understanding of how business thinks and operates, often resulting in mistrust or even fear. At the same time, within business there is insufficient understanding of the public sector, and the cultural differences and constraints under which it operates.

In order to reach the point at which action is feasible, understanding of each other, and of the role of partnership, needs to be increased.

Dialogue and communication are a necessary and important component. Donors and business networks (such as the UN Global Compact’s local networks, or the local chapters of the WBCSD) may play a valuable role in showcasing good practice for partnerships, facilitating dialogue and sharing of lessons at a country level, and catalysing action. However, to keep business engaged, dialogue must be focussed on specific and practical issues, rather than remaining at the level of theory and principle, or process.

Calls for action on real, locally-rooted issues, where a problem is clearly articulated, can attract a critical mass of actors; companies can engage in problem-solving mode, rather than being on the defensive. In these cases, there is an opportunity for a really thriving discussion and dialogue.

While dialogue is essential, it is only the beginning when it comes to building trust. In the end, trust is built on action not words. The single biggest thing that organisations in different sectors can do in order to build trust is to take action together. All the dialogue in the world cannot substitute for the decision to commit to collaborative action and fulfil those commitments while experiencing working together.

Finally, it may be necessary for government to address regulatory barriers to partnership. For example, in some cases it may not even be legal for a government to enter into a partnership arrangement with a business or civil society organisation, in which case a necessary first step is to create the necessary legal structures.

**EXAMPLE OF A DIALOGUE WITH BUSINESS FOR COLLABORATIVE ACTION**

In Sweden, the Director General of Sida has brought together CEOs of major multinational companies headquartered in Sweden, to collaborate more strategically on areas of joint relevance for business and development in emerging markets. The network identified four priority areas: (1) integrating sustainable development into core business and business models; (2) creating decent jobs and development opportunities along the supply chain; (3) systematically reducing environmental impact and increasing efficient resource use; (4) fighting corruption and unethical business practices in the countries of operation. Since May 2013, network members have been exploring ways to advance their work and establish partnerships with Sida in each of the four areas. The initiative is intended to lead to practical, action-oriented, in-country partnerships, as well as to encourage others to follow suit and take lead in promotion of sustainable development.

*Nearly two-thirds of the respondents to the survey conducted as part of this roadmap development said that the lack of understanding of the role of business in development is one of the biggest challenges to scaling up.*
### RECOMMENDATIONS FOR ACTION

#### ALL SECTORS CAN...
- Encourage individuals in the public eye to become advocates or champions of the role of business in development
- Convene or participate in cross-sector groups focusing on action on specific issues
- Employ people from other societal sectors to build understanding

#### GOVERNMENT
- Work closely with business through public-private dialogue to build a supportive business enabling environment
- Appoint a representative, from the president’s office or cabinet, to raise awareness across ministries of the role of business in development

#### DEVELOPMENT AGENCIES
- Provide capacity building to governments in engaging in dialogue with private sector
- Develop country-level, thematic or organisational guides to partnerships to introduce the concepts
- Showcase good practice examples, for example through awards and prizes

#### BUSINESS
- Associations can showcase to their members the benefits to business of engaging in partnerships
- Companies can publicise the development benefits of their business

#### CIVIL SOCIETY
- Ensure public policy schools and business schools include public-private collaboration for development within their core curriculum

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### EXAMPLES

- **DFID’s Inclusive Business Challenge Fund** stimulates private sector-led development, promotion and scaling up of innovative pro-poor products and service in Bangladesh
- **Since 2008 the business awards Emprender Paz in Colombia (sponsored by Sida / GIZ / Konrad Adenauer Stiftung)** have awarded prizes to businesses undertaking outstanding work to promote peace-building
- **The Nepal Business Forum** provides space for public-private dialogue on the business enabling environment, stimulating sustainable growth, and promoting investment

- **Courses offered at American University, USA on NGO-Corporate Engagement and Business-NGO Partnership-Building** in its graduate program on Social Enterprise.
  A public-private partnership module offered on the public policy course at the University of Costa Rica.
- **The Private Sector Development Review Process in Zambia** was moved from the ministry of finance to the president’s cabinet – leading to more significant progress.
- **The three co-chairs of GPEDC (senior politicians from the UK, Nigeria and Indonesia)** have spoken out in support of the role of business as a partner in development.
- **Teams from the NGO Save the Children and the pharmaceutical company GlaxoSmithKline** went on retreat together for a week and, among other things, were asked to draw pictures of how they thought the other perceived them.
- **Tropical Forest Alliance 2020, a public-private alliance with the goal of reducing tropical deforestation associated with key agricultural commodities such as palm oil, soy, beef, and paper and pulp by 2020. TFA 2020 partners include developing country and industrialized country governments, businesses and civil society organizations that agree to undertake specific actions to support zero net deforestation.**

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“It really helps to move from a discussion about the principles of engagement to a discussion on ‘how do we solve “issue XYZ” through partnership?’ When that happened, I could see the room relax, and the relationship between people shift energetically. I think when people begin to focus on solutions, and encouraged to do so with non-traditional partners, we can see the early stages of trust-building.”
Country-level development planning, and mapping of development priorities, can be a useful means to engage business at a strategic level. The national government retains the mandate for setting high-level aspirations and taking overall responsibility for a country’s development. The private sector and other partners can be brought into the process of translating global development goals into a national context early, in order to increase the chances of action and implementation.

This needs to be done carefully, to avoid the risk of market distortion or protectionism. While government can open up its development planning to include business and other stakeholders, business also needs to demonstrate that it is acting responsibly and sustainably and in the interests of the country, as well as in its own interests.

There can be fear that by allowing companies to come to the table to shape priorities, they will steer the plans towards their own ends. This highlights the need for openness, inclusivity, and transparency. Engaging a variety of businesses will ensure a diversity of interests is represented. The involvement of civil society in the dialogue can bring greater accountability to the process and a neutral broker can play a valuable role in ensuring that the outcomes are in the interests of the public.

Denmark has shown how it works to map a country’s development priorities against the resources and interests of the private sector. As part of a new approach to development aid starting in 2012, Denmark identified four strategic areas for its foreign aid, starting with green growth (see example below). Danida created a group with different stakeholders from across sectors, looking at how Danida could support developing countries that have made a commitment to green growth, and mapping these countries against the capacities, interests and markets of the Danish private sector.

Mapping can be a useful exercise for countries to improve their opportunities for collaboration, since shared goal-setting from the outset can ensure buy-in from the different partners. As one of our interviewees put it: ‘Companies generally don’t like government to set development plans on their own and then approach the private sector for assistance in helping them to achieve them.’

As well as seeking to bring in responsible foreign investors, the government can involve business in its trade promotion activities. One of our respondents commented: ‘Nowadays our president usually takes a group of CEOs from some of the major corporations in the country when he goes on State visits and engages in trade negotiations with other countries.’

While planning can be a helpful intervention, it is clearly not the only way to engage business. One of our interviewees (a donor representative) pointed to a tendency by donors and development agencies to draw up big plans, often in the absence of the private sector. They suggested that what is needed from donors and others is to be flexible and open to new approaches, and to come with an attitude of collaboration rather than a top-down approach. ‘It is not easy to find those sweet spots where there is an innovative project that can be scaled up. We need to be much more nimble in identifying these opportunities.’ Identifying priorities and opportunities becomes easier with a more concrete and specific the subject.
RECOMMENDATIONS FOR ACTION

ALL SECTORS CAN...

- Map the interests and resources (of all kinds) of business against their own specific missions
- Coordinate public-private dialogue processes to reduce duplication of effort and increase effectiveness

GOVERNMENT

- Engage all sectors in development planning, in open and inclusive processes that follow global norms
- For each development priority, map the ways business might contribute to its achievement both through core business and through partnership

DEVELOPMENT AGENCIES

- Support the mapping of priorities against business interest / resources
- International donors can convene companies in home countries to identify where their interests and resources may support development priorities

BUSINESS

- Associations can develop a cohesive voice on the development priorities from the business perspective

CIVIL SOCIETY

- Engage actively in development planning to ensure equitable business and societal / development benefits

EXAMPLES

- Business Unity South Africa is one of a number of business networks that helps to represent the private sector in development planning processes in South Africa.
- GIZ commissioned a country landscape analysis which explored the territory for cross-sector partnerships in Ghana.
- Tanzania sought input from industry groups and chambers of commerce into the planning of The Tanzania Development Vision 2025. A similar process is underway in Kenya.
- Countries can self-assess their readiness for public-private dialogue using the PPD assessment tool. Results of PPD can be assessed using the ‘evaluation wheel’.
- ANSPE works with local communities and companies in Colombia to eradicate extreme poverty. Their work has included the coordination of different public-private dialogue processes.
- CCPHI in Indonesia and ACCESS-HW, which operates worldwide, facilitate partnerships for workplace and community health and sustainability.
- In the Netherlands, the establishment of IDH (sustainable trade initiative) followed broad stakeholder consultation over a year-long process. The IDH mandate was endorsed throughout the Cabinet by the Ministries of Development Cooperation, Agriculture, Nature and Fisheries, and Economic Affairs. As a reflection of the broad constituency, the IDH Council was formed with representatives from trade and industry, civil society organisations and the labor unions.

EXTRACT FROM DANIDA’S GREEN GROWTH STRATEGY

- By promoting green growth based on sustainable management and use of natural resources, Denmark will support developing countries in generating sustainable and inclusive economic growth and job creation. The private sector should be a force for economic growth and employment and contribute to sustainable and inclusive development. Both the international and national framework for green growth should be strengthened, and policy coherence for trade, agriculture, environment, energy, climate and development must be enhanced.

- Denmark’s support to green growth will focus on sustainable food production, access to energy and water, and integrated climate efforts. Green growth will only succeed if there is an open and inclusive dialogue between citizens, civil society, the private sector and authorities on how green initiatives will be planned and adapted to the country-specific situation. Denmark will therefore work to promote participation and inclusion.
Platforms for partnership action are a key element in the development of a post-2015 development agenda taking forward the priorities articulated at Busan. Having a platform will help to explore synergies with national development priorities. In particular, platforms address the need for collaborative activities at a country level through the aligning of interests between participating actors and committing to practical, measurable impact on development needs.

What is a platform for partnership?15

A platform for partnership is an intermediary mechanism which supports and promotes the engagement of the private sector in action which meets both development and business goals. A platform creates a long-term space for innovation where the companies, government, international organisations and business associations can align, take ownership and develop joint activities through cross-sector partnership at a local and national level.

Such platforms may be tackling specific social issues (such as nutrition, education or health), creating new markets and developing sustainable value chains, supporting more inclusive business or tackling natural resource limitations such as water. What they have in common is a commitment to align the interests of organisations from across the societal sectors and bring to bear a combination of their resources to implement more innovative and sustainable solutions through cross-sector partnerships.

These platforms may be useful in cases where organisations have realised that they cannot achieve development goals on their own, or progress has been piecemeal, and now need to start collaborating or thinking about how to change the system. This may be particularly the case for business.

Platforms can bring together local actors from the public, private and not-for-profit sectors to improve dialogue and generate or support multi-stakeholder activities, including development partnerships. They may act as a ‘one-stop-shop’ for collaborative action by sharing information, creating space for innovation, developing access to finance, carrying out collective analysis of business and development challenges, and coordinating their action through catalysing and supporting joint activities. Currently, these activities tend to be carried out separately, for example through public-private dialogues or round-tables. A platform can provide a more systematic and coordinated approach.

Participants build and maintain their shared understanding and vision through their collaborative activities in the platform. This involves developing knowledge on the current local context for the platform (including government policies and practices), the links between business and development, and the availability of local resources. Dialogue and practical collaboration should build greater mutual trust and an enhanced capacity to partner effectively across sectors.

Platforms for partnership require robust governance mechanisms and transparent systems of accountability. Combined with active monitoring and review of activities and impact, this approach demonstrates the credibility of the platform both to stakeholders and to the wider external audience.

Well-established public-private dialogue (PPD) structures already exist around the world, as well as vehicles such as the Global Business Council for Education set up just for business to promote their engagement in specific development issues. In some cases these are already serving many of the more systematic functions of platforms, and in other cases these PPD structures may be in a good position to expand or adapt their remit to provide a wider generic function. Similarly, progressive business networks such as the Global Compact’s local networks, or WBCSD’s country networks, may be in a strong position to serve as platforms for partnership.17

“Companies that have been on the sustainability journey for a long time are looking at platforms as a potentially effective way to engage with government. Even experienced companies often find it hard to negotiate the political terrain in emerging markets, and platforms can help them to spread the risk of engaging with governments.”
RECOMMENDATIONS FOR ACTION

ALL SECTORS CAN...

- Engage with and actively take part in partnership platforms
- Where gaps are identified, work together to develop new platforms around particular issues

GOVERNMENT

- Where appropriate, seek to extend the remit of existing public-private dialogue to cover broader functions that will drive partnership action

DEVELOPMENT AGENCIES

- Donors can provide funding to build and run platforms
- Connect platforms into international support mechanisms and develop the capacity of host organisations to ensure effectiveness
- Connect existing programmes into platforms and enable funding for new partnerships

BUSINESS

- Business organisations can use their networks to develop platforms in response to specific business and development issues

CIVIL SOCIETY

- Participate actively in platforms and hold them to account for achieving positive results
- Host platforms or more informally act to broker partnerships

The recommendations presented below could be undertaken by an organisation from any sector wishing to take a lead to convene a multi-sectoral platform. In many cases, donors have provided initial funding to set up the structures and build the necessary capabilities to run the platform successfully. In-country platforms have also developed successfully from larger global initiatives in the same development field or they have emerged from successful local initiatives. An essential preliminary step is therefore to map existing initiatives that are already performing some or all of the functions of a platform for partnership, and engage them in the potential for providing a broader remit.

EXAMPLES

- The National Platform for the Responsible Production and Trade of Pineapple in Costa Rica has created a multi-stakeholder and inter-institutional process to address the negative environmental and social impacts of pineapple production in Costa Rica.
- The Niger Delta Partnership Initiative established a foundation in Abuja that supports partnership activities through two Economic Development Centres.
- BIDF in Zambia and Colombia provide support to develop partnering skills with host organisations; the Responsible and Inclusive Business Hub in Egypt complements the expertise of their host icecairo.
- Platforms have benefited from seed funding, e.g. during initial funding in Aliarse, platform finance, e.g. Unilever and Mondelez International Foundation in Project Laser Beam, and in-kind contribution e.g. participants in the Trinidad & Tobago Forum for Action on NCDs.
- Declarations on Sustainable Trade in coffee, bananas and flowers have been developed between the Netherlands and Colombia.
- Grow Africa is a partnership platform that seeks to accelerate investments and transformative change in African agriculture based on national agricultural priorities and in support of the Comprehensive African Agricultural Development Programme.

PLATFORMS FOR PARTNERSHIP – NEW RESEARCH ON SUCCESSFUL PRACTICES IN PLATFORMS

In a new report18, The Partnering Initiative has explored key factors that help or hinder achieving successful outcomes in multi-stakeholder platforms. This is based on a review of current literature and an investigation of nine platforms that are catalysing in-country partnerships involving the private sector. These platforms cover geographic locations across Latin America, Africa and Indonesia and tackle a variety of development themes from agriculture to health, poverty and economic development. Evidence from the case studies reveals a degree of paradox in the implementation of platform initiatives: pursuing good practice will sometimes create new challenges to overcome. For example, the desire to maximise the inclusivity of a platform can impose high transaction costs and complex communications. The report offers recommendations both on acknowledged good practice in partnership and on tackling the challenges peculiar to multi-stakeholder platforms.
Partnering is challenging, and many partnerships are not operating as efficiently and effectively as they could or should be. Partnerships need to be set up to international good practice standards and build in a culture and practice of ongoing review to ensure they deliver optimally. Further, partnerships need to focus on delivering their objectives and must be able to demonstrate clear business and development benefits to justify the investment of time and resources from all sides.

For partnerships to deliver, they need to be:

**Designed properly:** suited to the context, have the right partners on board with aligned interests, have clearly defined objectives, roles and responsibilities and governance, and offer clear value to all partners.

**Operating effectively:** strong project management, partners delivering on their commitments, good communication, tracking progress and regular reviews.

**Managing the partner relationship effectively:** ensuring partnering principles of equity, transparency and mutual benefit, and that all partners are engaged and committed.

There was general agreement among interviewees that the whole field of partnership impact assessment remains in its infancy. While many tools are now available, a lot of work is required to develop appropriate incentives and skills for the job. Significant work is being undertaken in the field of socio-economic impact assessment (see examples below), companies generally lack the capacity, resources and appetite to look at their broader, non-financial impacts. It is a difficult and expensive thing to do.

A pragmatic approach is to take advantage of data already being collected in a standardised way for other purposes. For example companies already do collect a lot of data relating to their business activities, increasingly relating to their social and environmental impacts, and some of this can be used as proxies for development impact.

There will inevitably be different assumptions about monitoring a partnership. One donor noted that they feel pressure to show that partnerships are ‘effective’ rather than ‘efficient’, because they are being challenged on why they are working so much with the private sector: ‘It can be difficult to prove to voters that working with the private sector is better than working with NGOs.’ There is often a focus on efficiency, when both effectiveness and efficiency are important. For example, a partnership may have impacted 2,000 people, but what happened afterwards? Was there behavioural or organisational change?

Clearly there is a need for measurement, to ascertain what the outcomes have been, for example whether smallholders / the company / tax revenues / the supply chain are stronger as a result of the partnership. Monitoring and evaluation, however, can be expensive and can currently take a disproportionate weight in the partnership. One of our interviewees noted that, in a project with the value of £36,000, the cost of monitoring and evaluation came to £20,000. Performance indicators are required that show progress but are also cost-effective to ascertain and measure.

One donor acknowledged that, even though they have an instrument to support the set-up and initial roll-out of partnerships between companies and local partners, few companies use the instrument because it is too complex. Given the complexity of partnerships, perhaps the most important focus for measurement should be on sharing learning and improving performance, in existing and future partnerships.
RECOMMENDATIONS FOR ACTION

ALL SECTORS CAN...

• Engage with and actively take part in partnership platforms
• Where gaps are identified, work together to develop new platforms around particular issues

GOVERNMENT

• Where appropriate, seek to extend the remit of existing public-private dialogue to cover broader functions that will drive partnership action

DEVELOPMENT AGENCIES

• Donors can provide funding to build and run platforms
• Connect platforms into international support mechanisms and develop the capacity of host organisations to ensure effectiveness
• Connect existing programmes into platforms and enable funding for new partnerships

BUSINESS

• Business organisations can use their networks to develop platforms in response to specific business and development issues

CIVIL SOCIETY

• Participate actively in platforms and hold them to account for achieving positive results
• Host platforms or more informally act to broker partnerships

EXAMPLES

□ DCED’s evaluation standard for challenge funds has been widely applied and the organisation is currently developing eight process principles of ex ante additionality for donors to apply before providing funding for cross-sector partnerships.
□ The Partnership Brokers Association offers a range of support services to develop brokering capacity.
□ WBCSD’s ‘Measuring impact framework’ provides a list of existing tools that companies can use to measure the socio-economic impacts of their activities.
□ TPI has developed a partnership ‘health check’ and continuous improvement process to support good partnering practice.
□ DFID is working to reduce duplication of effort and costly ad hoc project-based results measurement exercises by funding systematic research on large, open questions through the Research for Development Fund.
□ The partnership Sustainable Energy for All created an accountability framework at the outset, to ensure that efforts remain on track.

PROVING AND IMPROVING THE IMPACT OF DEVELOPMENT PARTNERSHIPS

□ BMZ’s forthcoming report suggests 12 good practice principles for monitoring and evaluating partnerships. It is based on the monitoring and evaluation experience of 13 partnerships, desk research and expert input. It investigates three core questions: ‘Who measures?’, ‘What to measure?’ and ‘How to measure?’ and offers four pragmatic solutions to each question, aiming to speak to all sectors in an equal way, rather than focusing only on the private sector or the public sector. The report finds that, while results measurement is a daunting topic to many, it is already being successfully implemented in a range of development partnerships as a means of enhancing project outcomes. And it suggests that the main challenge is not to develop more tools, but the need for sectors to collaborate to harmonise different results measurement approaches to improve comparability and enable faster learning.
Scaling up partnership ultimately depends on more organisations (and, importantly, more individuals within those organisations) taking the professional and organisational risks to try new, collaborative approaches. One of the biggest challenges to choosing the partnering approach is an organisation’s own institutional capability to partner – the degree to which it is ‘fit for partnering’.9 Many organisations – particularly in the public sector – are simply not set up in a way which supports partnering, which raise significant obstacles.

Partnering inexperience and lack of preparedness has often proven harmful to the partnering process, whatever the high levels of trust and goodwill. Beyond limiting the effectiveness of a partnership, the increased transaction costs resulting from the bruises incurred when ‘trying to walk before you can crawl’ may undermine the case for future engagement. In the worst-case scenario, bad experiences between partners can corrode trust between sectors.

**Leadership and strategy**

Many of our interviewees agreed that robust partnering requires leadership from the top. As one of our interviewees put it: ‘You need a lot of support from senior managers in order to make a partnership approach work in an organisation that operates in silos, and has its success measured by things other than partnership. You need senior people to signal that partnership is a serious issue embedded high up in the organisation, and hasn’t been devolved too far down the food chain.’

Another of our interviewees suggested that the change-resistant layers may not be at the top of the organisation, or the younger members of staff, but the middle managers who have their own established ways of working and cannot see the rationale for reinventing their approach. Incentive-setting is a major part of the solution here. If managers, at whatever level, are incentivised for working collaboratively, they will find ways to develop the right approaches.

Along with clear leadership, a partnering strategy can help an organisation understand how partnerships can help it to achieve its overall strategic objectives, as well as understanding why other organisations would wish to partner with it. Having partnerships fit clearly within an organisational strategy provides the clarity that individuals need to negotiate and develop partnerships that fulfil the organisation’s goals.

**Systems and processes**

Partnership may require a revision of the internal policies, systems and processes within an organisation. For example, one of the challenges for donors is that, before providing funding, they are required to undertake due diligence on companies through established national channels. If they are operating in new or unstable areas where they have no existing links with the private sector, this kind of due diligence can be difficult.

A related challenge arises where a new partnership vehicle has been established, which of course will not have a track record of managing financial flows. In these cases it can be difficult for an external investor or donor to make a financial contribution. Some development agencies are looking at ways to be more flexible with their funding and grant-making activities so that they are able to support partnerships during the start-up period.

As mentioned previously, the public sector in general has a very low appetite for risk, which can stifle innovative partnership from the outset, or inhibit its working. While the public sector will have procurement systems in place, in most cases it will need to develop parallel systems for assessing new partnership opportunities – understanding the costs and risks, as well as the potential benefits – to make a clear determination to invest in the partnership.

‘Some things can’t necessarily be learnt on a training course – they are to do with empathy, and having the right mentality: outward-oriented, network-oriented, and horizontally connected.’
Building a collaborative culture
Being ‘fit for partnering’ implies a degree of self-awareness, and many organisations (regardless of sector) are not particularly self-aware. We often think that we can do everything ourselves or we do not see the rationale for acting collaboratively; we find it hard to have dependencies on other organisations and struggle to engage in a situation that we cannot control. Many organisations are fundamentally risk averse (and people’s jobs might depend on minimising or avoiding risk), or they are not ‘learning organisations’. If an organisation cannot tolerate failure or experimentation, or if it prevents learning, discussing and sharing, then it is unlikely to be able to engage widely in partnership.

As part of building a collaborative culture, individuals within organisations need to be encouraged and incentivized to try new partnership approaches. They also need to be given permission to make mistakes and apply learning. This means supporting them to identify challenges, capture learning and make adjustments to existing multi-stakeholder activities. This should be part of career development for those working in development. For example, in starting the SAGCOT platform, partners developed financial mechanisms within their organisations to support ‘business unusual’, whilst the NDPI platform focused on ‘learning by doing’. In Musika and Aliarse the focus was on flexibility: adjusting objectives as participants learnt through carrying out activities together.

In 2010 World Vision (WV) began an organisational culture change process, underpinned by its ‘Strategic Intent for Partnering 2011-2016’. Over time partnering has evolved to become a way of working that is relevant to all of WV’s work, from health and education work with children to humanitarian projects. The approach has had some success, as measured by the Partnership Brokers Association, but WV recognises that some things might have been done differently. While it was a strategic guidance document, the objective was really to move away from being a direct service delivery organisation to a partnering organisation, capable of service delivery as well as being a connector and resource mobiliser. The plan was resourced to a degree but it really needed to be considered as an organisation-wide culture change initiative, and to be jointly owned as a result. WV’s human resource team ought to have been brought in at an early stage to help bring the organisation’s 40,000+ staff on board. Indicators for partnering success should have been developed, and partnering skills should have been identified in staff hiring strategies.

‘In my region, good examples of partnerships are not readily accessible. Providing tools, techniques and sound facilitation is essential. They won’t happen by chance. Support needs to be provided to help initiate, develop and facilitate partnerships until a tipping point is reached where enough people have the experience and knowledge to enable such collaborations to become normal practice.’
## RECOMMENDATIONS FOR ACTION

### ALL SECTORS CAN...

- Undertake internal assessments of the degree to which they are institutionally set up to partner and understand where blockages might occur
- Develop partnering strategies to provide the clarity and institutional permission to partner
- Develop systems and processes to legitimise, incentivise and measure effective partnerships
- Build individuals’ partnering skills and internal support structures

### GOVERNMENT

- Understand how legislation affects the ability for government and others to engage in partnership and make adjustments towards an enabling legal environment
- Tackle the challenge of risk adversity by rewarding innovative approaches and giving ‘permission to fail’
- Provide clear business contact points within each ministry and agency

### DEVELOPMENT AGENCIES

- Support government partnership capacity building
- Build own staff understanding and give them the skills, tools and support (for example through a specialist partnership unit) to engage with business
- The UN should rationalize rules of engagement across agencies and programmes, and provide a single point of initial contact in-country for companies

### BUSINESS

- Implement international business standards (such as the UN Global Compact) to demonstrate bona fides as a partner
- Integrate a partnering approach across functional units, not leaving it to the CSR or public relations department

### CIVIL SOCIETY

- Support staff to better understand the private sector and create clear guidelines for engagement to give staff confidence
- Develop and offer training courses in cross-sector partnering

### EXAMPLES

- In 2013, the International Fund for Agricultural Development undertook a ‘fit for partnering’ assessment and is in the process of implementing a change process to implement recommendations.
- The World Food Programme established a new Partnerships and Governance Services Department in 2013, developing a comprehensive Partnership Strategy to guide the organisation’s relations with all major sectors. The WFP has also identified partnership skills as a requirement for the core competencies of its senior managers.
- The UN Food and Agriculture Organisation developed a benchmarking tool and initiated an exercise to measure its partnership performance against other leading institutions in the field of humanitarian aid and development.
- The Better Cotton Initiative has created a manual for employees providing advice on creating and managing partnerships. The manual also contains tools to help create an agreement, manage communication and monitor the partnership.
- The NGO Technoserve has undertaken a series of internal workshops and strategy sessions to develop a five-year strategy for partnerships, with support all the way up to the board of directors.

### Skills and training

People are the basis of partnership formation and need certain core competencies to partner effectively: a mindset for partnering; an understanding of other sectors; technical knowledge of partnerships and the partnering process; people, relationship and negotiation skills.

Although the situation is changing rapidly, organisations in all sectors tend to have only a few talented individuals with the skills and experience to engage in partnerships with relevance to development. Often such individuals will sit within a niche unit of a specialised department within a development agency, or be part of a CSR team within a large company. If partnerships for development are to be mainstreamed, the capacity for partnering needs to be integrated across organisational units.

New tools and other forms of guidance are being developed on a regular basis to support this agenda, and as experience is shared more readily (including
The report is a contribution to the already rich and rapidly developing field of partnership literature. It has been designed to align with and support the emerging findings of the UN’s ‘Report of the High-Level Panel of Eminent Persons on the Post-2015 Development Agenda’, reports from the UN Global Compact / WBCSD / GRI,21 the Donor Committee on Enterprise Development,22 Harvard CSR23 and Endeva, among others. Its focus is moving away from the ‘what’ and the ‘why’ (the case is already made) to the how. As the post-2015 development architecture takes shape, we strongly endorse the ambition of the High-Level Panel of Eminent Persons on the Post-2015 Development Agenda to ‘Infuse global partnerships and cooperation into all the goals’. Partnerships should be a cross-cutting mechanism to help achieve all of the post-2015 goals and there should be measures to assess progress in using a partnership approach.

It has been produced for the first high-level meeting of the Global Partnerships for Effective Development (GPEDC) in Mexico in April 2014, which itself is part of a process which began in Busan in 2011. One of the aims of the Roadmap is to help to provide some structured approaches that the GPEDC and its constituent governments, multi-lateral organisations, and business associations can take up to help it to achieve its goals.

This report was written by Dave Prescott and Darian Stibbe, with Jessica Scholl, Katie Fry Hester, John Paul Hayes, Stuart Reid, Liv Raphael and Julia Gilbert at The Partnering Initiative. Grateful thanks are extended to Jolyon Ford for editing the document.

Much of the Roadmap is structured around a series of five action areas for scaling partnership which build on many years of practice and research.24 It draws on interviews with 40 partnership experts from across sectors around the world; 65 responses to an online survey; a live online consultation with 90 participants; in-person meetings in Nigeria (February 2014 – GPEDC meeting), Indonesia (March 2014 – thanks to the Indonesia Global Compact Network) and Germany (March 2014 – thanks to GIZ); detailed written feedback from 14 organisations; and a desk review of the huge amount of partnership literature already available (see bibliography). The roadmap was profiled on Devex and Business Fights Poverty and all efforts have been made to acknowledge and incorporate the best available thinking on partnership. It is a tribute to those individuals from different organisations around the world who, despite political problems, a lack of funding, suspicion, and a lack of tools, have made partnerships work and improved the lives of people. They have demonstrated that it is possible for organisations to achieve more through collaboration than they could achieve by working in isolation.

Survey respondents by sector

The Partnering Initiative (TPI) is a UK-registered charity with twenty years’ experience (originally as a programme of the International Business Leaders Forum) working with business, the UN, governments, donors and international NGOs to drive the theory and effective practice of partnerships for sustainable development.

Since 2011, TPI has focussed on the question of how the use of partnerships can be significantly scaled up in order to achieve widespread impact on business sustainability and development challenges.

In 2012, with Sida, the Dutch Ministry of Foreign Affairs, and now with DFID, TPI launched the Business in Development Facility (BIDF). The BIDF aims to build the structures and capabilities in-country to drive forward the partnership agenda, aligned with emerging international good practice. Business and Development Partnership Hubs, which are designed to systematically engage all societal sectors and broker innovative partnerships for action, are currently under development or entering operations in Colombia, Zambia and Mozambique.

We would like to thank the UK Department for International Development (DFID) for its support for the development of this report, which has been funded by UK aid from the UK Government. The views expressed in this report are those of the authors and do not necessarily reflect the UK Government’s official policies.
Endnotes

1 Engaging business as a partner in development is a challenge for us all: ‘we’ in this report refers to organisations across all sectors.
4 UNDP’s ‘Creating Value for All: Strategies for Doing Business with the Poor’ (2008) focuses on what the private sector can do to include poorer persons and marginalised groups – including women, in many countries – in business as consumers, employees and producers.
6 See, for example, Tanzania and Peru, as explored in the ICM / World Bank / UNCTAD Resource Endowment Initiative country case studies.
9 The CEO water mandate seeks to ‘mobilise a critical mass of business leaders to advance corporate water stewardship’, in partnership with the UN, civil society, governments and other stakeholders.
10 Sustainable Energy for All is a global partnership focussing on access to energy, energy efficiency and renewable energy.
11 Feed the Future is a USAID-led partnership working in 19 countries to improve food security.
12 See, for example, Kenya’s Financial Sector Deepening initiative.
14 The term ‘coalition of the committed’ is used to distinguish between a group that is effective and works across sectors, versus a group that is painstakingly representative but unwieldy and ineffective.
15 The term ‘platform’ appears to be interchangeable with the term ‘backbone’, as described in the Stanford Social Innovation Review article referenced above. Both terms refer to the infrastructure support that can enable effective in-country partnership action.
17 The Global Compact / WBCSD / GRI report ‘Architects of a better world: Building the post-2015 business engagement architecture’ recognises the key role of platforms for action and partnership in scaling up corporate sustainability efforts.
19 The Global Reporting Initiative, which seeks to establish non-financial reporting on the same footing as financial reporting, provides standardised guidelines for companies to follow in gathering and reporting social, economic and environmental data.
20 The concept of being ‘Fit for Partnering’ and the framework used here comes from action research by The Partnering Initiative: http://bit.ly/1i46PtQ
22 See: ‘Donor Partnerships with Business for Private Sector Development. What can we Learn from Experience?’, (2013) DCED. Also, please click here for an excellent list of resources for further reading on business and development, compiled by DCED.
23 See, for example ‘Tackling Barriers to Scale: From inclusive business models to inclusive business ecosystems’ (2011), Harvard CSRI.
The Roadmap is an input into the Global Partnership for Effective Development Cooperation (GPEDC). Its specific contribution to an already rich and rapidly developing field is to focus on the ‘how’: providing a systematic, integrated and, most importantly, actionable approach to scaling up development partnerships with business at the country level.

The Roadmap aligns with and supports the emerging findings of the UN’s ‘Report of the High-Level Panel of Eminent Persons on the Post-2015 Development Agenda’, as well as related work from the UN Global Compact / WBCSD / GRI, the Donor Committee on Enterprise Development, Harvard CSRI and GIZ among others.

The report builds on many years of practice and experience making partnerships happen on the ground, including that of The Partnering Initiative and the Business in Development Facility. It draws on interviews with 40 partnership experts from across sectors around the world; 65 responses to an online survey; a live online consultation with 90 participants; in-person meetings in Nigeria, Indonesia, Zambia and Germany; detailed written feedback on a working draft from 14 organisations; and a desk review of the huge amount of partnership literature already available.

Sincere thanks are extended to all those who have provided input into the report, and to the Nigerian Government, Indonesia Global Compact Network and GIZ for supporting the in-person consultations.

We would like to thank the UK Department for International Development (DFID) for its support for the development of this report which has been funded by UK aid from the UK Government. The views expressed in this report are those of the authors and do not necessarily reflect the UK Government’s official policies.

The full version of this report is available from BPDRoadmap.org.

The Partnering Initiative

Examples of global initiatives supporting Roadmap activities

The Business in Development Facility (BIDF) and Partnerships 4 Prosperity (P4P) are connected global initiatives aiming to scale up cross-sector collaboration. BIDF was initiated by Sida, the Dutch Ministry for Foreign Affairs and now DFID, and is implemented with The Partnering Initiative. It works in-country across sectors to build the structures and capacities to drive cross-sector collaboration at scale including supporting local actors to create multi-stakeholder platforms or hubs to catalyse partnerships. Hubs are underway or in development in Colombia, Zambia and Mozambique. Globally, BIDF aims to drive standards and connect and support the exchange of learning of country-level initiatives.

P4P is a global-level multi-stakeholder initiative which acts as a vehicle to bring together diverse actors. It aims to create clear links between business leaders and development partners to (i) reduce risk and (ii) create stronger shareholder relationships. P4P promotes working and moving along the continuum from multi-stakeholder dialogue towards the formation of catalytic partnerships, which leverage public funds with private financial flows to achieve greater impact.