

# Unleashing the Power of Business

---

A practical Roadmap to *systematically* scale up the engagement of business as a partner in development

## Draft for Consultation (v0.9), March 2014

**Please note:** This version of the report is a work in progress. It is released as a draft for consultation to test out the findings to date and to gain further insights, examples and experiences to ensure the report is as relevant and robust as possible.

It should not be cited in its present form or further distributed except for the purposes of consultation.

### Consultation questions:

1. What are your overall impressions of the Roadmap: will it get us where we need to be?
2. What parts of the Roadmap could be made clearer, and how? What's missing?
3. What are further recommendations for action, or examples of initiatives that are working, in each of the five action areas or beyond?

**Your feedback is welcomed by 17<sup>th</sup> March, 2014. To provide feedback, please go to:**  
<http://bit.ly/1oFbz9f> or contact [roadmap@partnerinit.org](mailto:roadmap@partnerinit.org)

### Contacts:

daveprescott@me.com

darian.stibbe@partnerinit.org

## Table of contents

---

1. Introduction: Why do we need a Roadmap? 3
2. What do we mean by 'business as a partner in development'? 7
3. Where can business add the greatest value as a partner in development? 10
4. What are the barriers preventing the engagement of business as a partner in development? 12
5. Five areas for concerted action 14
6. Action area 1: Create greater understanding of the role that business can play in development through partnership, and build trust between sectors. 16
7. 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 18
8. Action area 3: Create multi-stakeholder platforms to drive partnership action in-country and engage business more systematically. 20
9. Action area 4: Ensure the highest standards of partnership implementation, and measure and disseminate results 22
10. Action area 5: Strengthen *institutional* capacity for partnering 24

## 1. Introduction: Why do we need a Roadmap?

---

1.1 The debate about whether or not business can contribute to sustainable development is over. The role of the private sector 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 the post-2015 development agenda all put partnerships with business at the heart of delivering the new agenda. The multi-sectoral Global Partnership for Effective Development Cooperation (GPEDC), which came out of Busan, in part aims to make it happen: helping to drive the effective engagement of business as a true partner in development.

1.2 While the rhetoric has shifting in favour of business as a partner in development, action and implementation lag behind. 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 organisations may be both understandable and justifiable, especially in places where business has a history of irresponsible practice. From the business side, a partnership with government may be challenging when that government is at the same time regulating and taxing the business activity, or where there are perceptions of corruption, political interference or overwhelming bureaucracy.

1.3 However it is not controversial to suggest that countries need to have a strong, private sector in order to have a strong impact on development. As one of the interviewees for this report (a representative from a development agency) puts it: 'We need more business – we can't give in to the idea that business is about sucking money out of development work. We need more business, not less of it.'

1.4 When it comes to economic development, there is strong alignment between the interests of government, donors, civil society and business to encourage and support responsible, inclusive and sustainable economic growth. At the same time companies recognize the need to work collaboratively to overcome some of the challenges to the sustainability of business and address limitations to growth – whether lack of good governance, physical infrastructure challenges, natural resources or human resource limitations.

1.5 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 holds true for partnerships. If we wanted to design collaborative societies, we wouldn't start with organisations designed to operate in competition with one another, 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 of course we must work with what we have.

### **Towards a systematic engagement of business as a partner in development**

1.6 The vision of what we are trying to achieve is one in which business, government and civil society understand their mutual interdependency, and consciously choose to align their priorities, look out for each other, and work collaboratively to achieve benefits for all. The route to get there requires *action*, not words. Unless collaboration moves beyond dialogue to focus on achieving specific aims together, it is meaningless. 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 impact can be built.

1.7 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 and economic issues into their strategies. Foreign direct investment flows increasingly dwarf flows of official development aid in many countries. The vision

---

<sup>1</sup> Engaging business as a partner in development is a challenge for us all: 'we' in this report refers to organisations across all sectors.

of a collaborative society is not about short-term philanthropic handouts or PR opportunities but about building long-term relationships where businesses are internalising global development goals. Development becomes a two-way street, and business (operating responsibly and transparently) has an essential role in shaping these goals.

1.8 Business is 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 it brings to its operations. 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 the other side of the world, or it may decide to (or be legally required to) find ways to build capacity in-country in order to meet demands locally where possible. Both may work as options; the difference is the strategic, and conscious, choice that a company makes as to the degree to which it will contribute proactively to development, even if it entails greater cost in the short-term. 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.

1.9 Business is as interested as government in seeing a country develop and prosper. And this is a global trend, not confined to the North. In fact a recent report<sup>2</sup> showed that CEOs in emerging nations are even more convinced of the need for cross-sector collaboration and tackling sustainability issues than are their developed-world counterparts. Those corporate chiefs are particularly affected by the proximity of development challenges. The most urgent issues are on their own doorsteps.

## Purpose of the Roadmap

1.10 This Roadmap seeks to amplify and celebrate the good practice, to reduce duplication of effort and learn from mistakes, but most of all to **move from rhetoric to action**. We are not suggesting that partnerships are a cure-all for development problems. We are also not suggesting that, given the reduction in ODA budgets among many rich countries, business needs to fill the gap left by a retreating public sector. Indeed, we are not suggesting in any way a watering-down of the role of government – government must fulfil its public sector obligations for development (albeit potentially more efficiently through working with business) and continue its essential role to set standards and create regulation that will encourage and reward responsible, pro-society business and prevent irresponsible business from benefitting at the expense of society.

1.11 This is not a manifesto for privatisation, but a call to explore why companies might be strategically interested in development priorities and finding ways to engage them much more systematically through partnership.

1.12 This Roadmap is also 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 showed that it is possible for organisations to achieve more through collaboration than they could possibly achieve by working in isolation.

1.13 The focus of the Roadmap is on action and implementation, 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 describing themselves as partnerships, but they are often isolated, competitive and expensive – and there is an opportunity to achieve a far more meaningful impact on global development challenges. This Roadmap seeks to cut through the rhetoric so that partnerships start to deliver on their promise at scale.

1.14 It seeks to address the following questions:

- What exactly do we mean by the role of business as a partner in development?
- What can partnerships deliver – what is the size of the prize?

---

<sup>2</sup> 'Convergence economy: Rethinking international development in a converging world', (2011) Gib Bulloch et al

- What are the practical barriers to scaling up partnerships?
- What are the actions that can be undertaken by the different sectors in order to scale up partnerships?

## About this report

**1.15** This version of the report is a work in progress. It is being sent out as a draft for consultation to test out the findings to date and to gain further insights, examples and experiences to make sure the report is as relevant and robust as possible.

**1.16** 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<sup>3</sup>, the Donor Committee on Enterprise Development<sup>4</sup> and the WBCSD<sup>5</sup>, 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.

**1.17** 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<sup>6</sup>, and then tested through 40 telephone interviews with, and 40 written submissions from, individuals from all sectors and all over the world, a live online consultation with 90 participants, and in-person consultations in Nigeria, Indonesia, Germany and Zambia.

**1.18** It has been produced for the meeting of 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.

## About the authors

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.

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.

---

<sup>3</sup> See: 'Architects of a better world: Building the post-2015 business engagement architecture' (2013), UNGC

<sup>4</sup> See: 'Donor Partnerships with Business for Private Sector Development. What can we Learn from Experience?', (2013) DCED.

<sup>5</sup> See: 'Vision 2050: A new agenda for business' (2010), WBCSD

<sup>6</sup> E.g.: 'A new global partnership with business: Building a post-2015 development framework to achieve sustainable prosperity in Africa' (2013) Business Action for Africa, Harvard CSR Initiative, The Partnering Initiative.

## **Acknowledgements**

This draft report has been written with the financial support of the UK Department for International Development (DfID). The views expressed are those of the authors and do not necessarily reflect the views of DfID.

We are very grateful to the hundreds of people who have contributed their thoughts through interviews as well as online and in-person consultations. Thank you also to Business Fights Poverty for hosting the online discussion about the Roadmap, to GIZ for allowing us to run a consultation at their Public Private Dialogue workshop in March 2014, to the GPEDC and the Nigerian government for the consultation at the Steering Committee meeting in February 2014, and to the Indonesian Global Compact Network for hosting a consultation in Jakarta also in February 2014.

## 2. What do we mean by 'business as a partner in development'?

---

2.1 The biggest contribution companies can make as a development actor is to conduct responsible and sustainable business and be successful at it. In so doing, it reduces reliance on imports and/or brings in essential foreign currency through exports; creates livelihoods; pay taxes; delivers essential products and services efficiently and affordably and provides access to technological innovation.

2.2 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. For this report, we define:

**"Business is operating as a partner in development when:**

- **Economic development:** *Business aligns its investments with a country's development priorities and/or ensures enhanced development benefits from its business investments, operations, products and/or services; and/or*
- **Social and environmental development:** *Business invests resources of all kinds to support the development of the social and environmental fabric in which it operates, and in so doing helps to ensure its own long term prosperity"*

2.3 The field of 'inclusive business' (IB) – in which business deliberately ensures the inclusion of the underprivileged in its value chain or as employees, or as customers – is one example of business playing its role as a partner in development. It helps to demonstrate why **public private partnerships for development (PPPD)** – in which business collaborates with other development actors – are usually essential to support business in the role and achieve the greatest development benefits from business.

2.4 Inclusive business often lies at the edge or even outside of a company's usual business landscape. For the business to be successful and accrue development benefits, it will often need to address a variety of constraints such as underdeveloped public services, social challenges, lack of skills, regulatory hurdles, poor infrastructure, inefficient manufacturing or agricultural production and limited access to finance.

2.5 Companies themselves are rarely in the best place to address such constraints and must collaborate with those outside the private sector as implementing, intermediary, capacity-building, technical assistance, regulatory/business environment or knowledge partners. In addition, where the level of risk of entering new markets or developing new products is too high, but the development benefits are 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.

## Spotlight on Inclusive Business and partnerships

To implement IB, companies may need to work with partners from any sector of society. For example, when Oando in Nigeria wanted to sell an innovative integrated stove and Liquid Petroleum Gas cylinder, it needed to partner with a microfinance fund which could loan the capital cost to customers.

In Bangladesh, the NGO Care International trained and built up a sales force of 2000 previously destitute women working through 66 retail hubs that provide a distribution network for seven major companies, servicing large areas far more effectively than traditional means.

Zanrec in Tanzania is building the infrastructure necessary for collecting plastics and implementing recycling systems as part of its end-to-end plastic recycling programme. To do this effectively, it has created a public / private partnership including all local stakeholders working together to develop appropriate policies, legislation and strategies for creating a favourable business environment for effective solid waste management.

2.6 The term ‘partnership’ itself is commonly used to mean a whole variety of relationships. Often what is called partnership is simply a philanthropic donation or a PR opportunity. It should be noted that these are not in themselves bad things, but should be seen as an early stage of evolution towards more aligned, strategic, long-term forms of collaboration. In this report, we define Public Private Partnerships for Development 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 or effectively.”

2.7 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.

PPPs for Development	Regulated PPPs
Private sector and government / international agencies / NGOs combine their resources to achieve win-win development and business outcomes	Core business provides upfront investment to deliver public infrastructure / services taking profit through long term payments from government or end users
<ul style="list-style-type: none"> <li>• Co-design / development</li> <li>• Shares risk between parties</li> <li>• Co-accountability</li> <li>• Company may or may not receive direct profit from the partnership activities (but will benefit indirectly)</li> </ul>	<ul style="list-style-type: none"> <li>• Government sets the rules</li> <li>• Transfers risk to private sector for delivery</li> <li>• Contract-based with clear accountability</li> <li>• Must follow strict regulated PPP procurement procedures and operate within PPP legislation</li> </ul>

Figure 1: Difference between PPP for Development and Regulated PPPs

2.8 Inevitably when discussing the relationship between business and government in the consultations for this report, the issue of the need for a more supportive business enabling environment – the regulations set by government, access to funding, skills and infrastructure – came up consistently from the business perspective. While this issue is generally more in the field of Private Sector Development (see, for example, the World Bank’s ‘Doing Business’ reports<sup>7</sup>), as

<sup>7</sup> Doingbusiness.org

opposed to the Private Sector Engagement / partnership focus of this report, there are two major interconnected overlaps. Firstly, business has an essential role to play in the business enabling environment – its insights and experience are a necessary input into the setting of a supportive regulatory environment, as well as in the planning for and delivery of access to finance, skills and infrastructure. Secondly, the relationship between government and business in many countries is poor, with the enabling environment – in particular the bureaucracy and inconsistent taxation – being cited regularly as a significant factor. As discussed below, the relationship needs to be improved if partnerships with government are to be scaled up.

2.9 The World Bank and others are very active in the area of Public Private Dialogue (PPD) which is an important approach to help ensure that business can contribute to improving the business environment, as well as to other related policy issues. Many PPDs are moving beyond dialogue to supporting collective action, such as co-financing of essential infrastructure or skills development.

### Towards a convergent, collaborative society

2.10 The diagram below sets out different levels of sophistication of how, from one side business can engage in development, and on the other how the public sector can collaborate with the private sector. As we move up through the levels, so these approaches to partnership by the different sectors converge. This Roadmap sets out the kind of actions that can be taken to move a country up through the levels to achieve a 'Level 4' society in which public and private interests are more strongly aligned and in which collaboration across the sectors becomes the 'new normal'.



Figure 2: Increasing levels of sophistication and convergence of public / private collaboration

### 3. Where can business add the greatest value as a partner in development?

---

3.1 Partnerships are of course not the only way to achieve development objectives. However they may offer the best option to address issues that are inherently cross-societal sectoral challenges or so systemic that they cannot be addressed any other way (such as moving from subsistence to commercial farming, or tackling the causes of chronic disease); or they may be appropriate in cases where issues could be addressed unilaterally but it would be too expensive to do so. And in both situations, effective partnerships can provide a more lasting, innovative solution than any single sector could have identified alone. The Global Alliance for Improved Nutrition, for example, has provided fortified food to 750 million people in just over a decade, and aims to reach one billion people by 2015.

3.2 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 the history and culture;
- types of business (multinational corporations, national businesses, SMEs);
- types of development issues or themes where a partnership approach might be most effective; and
- scale of partnership (sub-national, national, regional or global).

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

3.3 The success and type of partnership approach is strongly dependent on 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<sup>8</sup> and the World Bank<sup>9</sup> has shown that collaborative working may help a country to build stronger governance and market frameworks.

3.4 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 is a significant barrier of entrenched perceptions that 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 moving beyond *whether* business plays a role in development, to *how* making it happen.

#### Types of business

3.5 Small and medium sized enterprises comprise the majority of the private sector in many countries. Their contribution to wealth creation, and the role as an engine of economic development, is fundamental. In some cases, small companies can play a major role in partnerships, and the field of inclusive business is full of excellent examples of SMEs working creatively and collaboratively with other sectors.

---

<sup>8</sup> See, for example, Tanzania and Peru, as explored in the ICMM / World Bank / UNCTAD Resource Endowment Initiative country case studies.

<sup>9</sup> The Public-Private Dialogue Charter notes that: 'Public-private dialogue is particularly valuable in post-conflict and crisis environments – including post-natural disaster – to consolidate peace and rebuild the economy through private sector development'. (Principle XI)

3.6 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. 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.

### Themes

3.7 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. One important area where business can play a major role in development 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 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 of vulnerable or under-employed groups. Colombia is a good example of this, through the employment of demilitarised guerrillas.

3.8 The question then arises – what kind of employment, and in what fields? Several of our interviewees suggested that the cluster of issues relating to climate change adaptation and mitigation (such as water, energy and food security), and issues relating to increasing access to finance, are often where this overlap between development priority and core business activity is the clearest.

3.9 A global-level partnership can go through a systematic process to identify the right 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<sup>10</sup>.

---

<sup>10</sup> This example is taken from a report published by the Stanford Social Innovation Review, 'Shaping global partnerships for a post-2015 world', Sonja Patscheke, Angela Barmettler, Laura Herman, Scott Overdyke and Mark Pfitzer.

## 4. What are the barriers preventing the engagement of business as a partner in development?

---

4.1 The cultural divide between the private and public sectors is closing, but it persists. This has created a range of ideological and technical barriers preventing greater engagement of business as a partner in development.

### **Mistrust**

4.2 There is suspicion of the private sector's means and motives among government, donors and civil society, particularly at a local level, and still in some cases at an international level. This suspicion can stem from misperceptions about how business operates, but it can also come from past experience of poor corporate behaviour such as behind-the-scenes lobbying activities, perceptions of under-payment of tax, or major environmental problems.

4.3 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 with the government.

### **Public vs. private goods**

4.4 There is 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 or dialogue might give them access to preferential treatment in service provision down the line, but it can also come from the private sector, since companies do not want to become *de facto* government agencies.

### **Timescales**

4.5 In certain industrial areas, for example, the extractive industry or cocoa farming, 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 industry areas that are less geographically moored.

### **Communication**

4.6 Generally, communication is challenging between the two sectors. Development practitioners see the world through the lens of socio-economic impacts. They are not used to (and rarely have the vocabulary and discourse for) exploring 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.

### **Power**

4.7 There are usually power imbalances in the relationship between business and government, which make partnership and collaboration a complex undertaking. For example, the government regulates and taxes business activity, which automatically creates hierarchy. Or the private sector may have more capacity to negotiate (or access to more lawyers) than the government, creating a different power imbalance.

### **Mismatch of understanding of risk**

4.8 Partnerships require the sharing of risk. The process by which an outcome will be achieved through a partnership is 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 becomes 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 public organisations to take risks however great the reward may be.

### **Unaligned objectives**

4.9 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 agree on a broad objective, but when it comes down to the detail, there are 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.

### **Organisational culture**

4.10 Organisations across sectors tend to be set up to act unilaterally, to have control over all of their decisions, and they are often passive when it comes to dealing with complex 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.

### **Lack of precision**

4.11 Business is always specific: looking at particular products and services in particular markets within particular timeframes. Decisions taken by business managers need to be sufficiently robust to withstand challenge from the board and from investors. The public sector, by contrast, may be more comfortable at the level of principle, looking at the relationship between the sectors and the theory of partnerships. Engaging business in development requires specificity around the problem that needs addressing and a focus on specific action.

## 5. Five areas for concerted action

5.1 While the previous section provided an overview of the main recurring themes emerging from the research and our interview process, there are many more barriers to engaging business as a partner in development. The question is, what can be done?

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

5.3 In addition, an 'Ecosystem of Support' (shown by the orange circle in the diagram) is required in order to support the five areas of action. The Ecosystem of Support includes:

- Funding organisations: financially supporting public-private partnerships for development
- Intermediary organisations: creating platforms and/or otherwise brokering partnerships
- Training organisations and universities: creating tools and brokering services to ensure strategic alignment of goals within partnerships, highlighting good practice and supporting partnering capacity building
- Consultancies: providing support for organisational change or in developing partnerships
- Research institutes: supporting the measurement of impacts and gathering evidence.

5.4 Donor and international agencies in particular may have a very significant role in the Ecosystem of Support – either directly playing a role (for example in financially supporting public-private partnerships for development, or in acting as an intermediary to broker such partnerships) or in building the capacity of local organisations to play those roles.

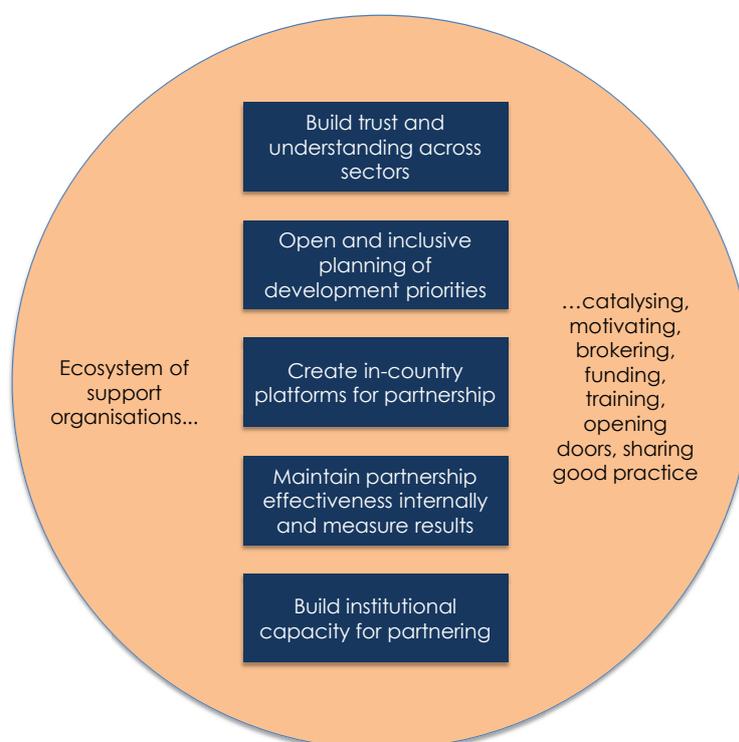


Figure 3: Five areas for action

### Putting the Roadmap into practice

5.5 In this Roadmap, we are trying to balance the need for the approach to be sufficiently generic to be applicable to a wide range of countries, while providing a sufficiently clear blueprint

for action. In the end, the specific details of Roadmap action, and who should undertake them, must be fleshed out according to the local context and interests.

5.6 While most of the actions will individually contribute to greater engagement of business, a coordinated approach to their implementation by multiple actors should result in a much more systemic shift towards the realisation of the end vision of business as a true partner in development. But who 'owns' the implementation of the Roadmap?

5.7 As it requires actions by all sectors of society, a coordinated Roadmap approach will likely need to be owned and developed by a cross-sectoral group – a 'coalition of the committed' from government, business, donors, civil society and the UN wanting to drive this agenda forward. While it is essential to be inclusive, trying to be representative or creating complicated structures will likely become bogged down in bureaucracy and risk getting stuck in process (an instant turn off to business). The focus should always be on taking specific action.

5.8 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.

5.9 Potentially there may be one or more cross-sectoral structures already existing in-country which can take ownership around the implementation of the Roadmap – for example, an existing Public Private Dialogue. In some cases it may be necessary to establish a new cross-sector action group which would necessarily from the beginning need to include high level, cross-ministry government champions, as well as business and civil society groups. Such a group could be convened by:

- A progressive business association or network already working with government;
- A cross-sector partnership or platform;
- A specialised donor, UN or government agency; or
- A business-focussed civil society organisation or network.

5.10 One of the first activities of such a group might be to undertake a landscape analysis of what action is already happening, who are the key stakeholders, and what gaps there are. It would then look at developing a plan of action that could be collectively implemented.

## 6. **Action area 1: Create greater understanding of the role that business can play in development through partnership, and build trust between sectors.**

---

6.1 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 on how business thinks and operates, often resulting in a mistrust or even fear. At the same time, within business there is insufficient understanding of the public sector – the cultural differences and constraints under which it operates.

6.2 In order to reach the point at which action is feasible, an understanding of each other, and of the role of partnership needs to be increased. At the same time, the relationship and trust between the sectors must be improved.

6.3 Dialogue and communication are a necessary and important approach. 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.

6.4 One of our interviewees, a participant in one of these dialogue sessions, reinforced this point: '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.'

6.5 Calls for action on real, locally-rooted issues, where a problem is clearly articulated, can attract a critical mass of actors, and 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.

6.6 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.

6.7 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 business dialogue**

---

In Sweden, the director general of Sida brought together CEOs of major companies to ask for ideas on how to collaborate more strategically on different areas that were jointly relevant for business and development in emerging markets. The business community identified four priority areas: employment / skills development; natural resources; anti-corruption; and reporting. Starting in May 2013, working groups looked at next steps in each of the four areas to identify what kinds of partnerships could be established. The initiative is intended to lead to practical, action-oriented partnerships in-country. It brings together a group of already-committed business leaders and challenges them to bring in other companies that are currently less active in the partnership space.

---

## Recommendations for action<sup>11</sup>

Recommendations	Examples
Development of a country-level Guide to Partnerships to introduce the concepts	An Introduction to Cross-sector Partnerships for Development in South Africa, GTZ, IBLF 2008
Public policy schools and business schools including partnering within their core curriculum	Public-private partnership module offered on the public policy course at the University of Costa Rica.
Governments appoint a representative, from the president's office or the cabinet, to raise awareness across ministries of the role of business in development	
Individuals in the public eye, from across sectors, supported to become advocates or champions of the role of business in development	
Showcasing of good practice examples, with awards and prizes	World Business and Development Awards, ICC, UNDP, IBLF
Business associations, donors, government convene cross-sector groups focussing on action on specific issues	<a href="#">Red E America</a> is a network of corporates investing in social innovation/ BOP.

### From dialogue to collaboration: An example from Tanzania's health sector

Tanzania's National Health Policy (2007) and the Health Sector Strategic Plan III (2010-2015) call for collaboration between government agencies, the private sector, development partners and the general public.

The Tanzanian German Programme to Support Health supports the Ministry of Health and Social Welfare (MoHSW) to dialogue with the private sector. A PPP unit has been established in the MoHSW, and a national technical professional has been seconded to assist the local project manager in the cooperation with the private sector.

A National Public Private Health Forum with wide representation and coordination roles has been instituted and its work will be cascaded down to regional and local levels during 2014. Support is provided through a PPP technical working group which comprises development partners like GIZ and USAID, as well as the MoHSW, and representatives of private health service providers.

The various activities have resulted in a number of partnership arrangements including health service agreements between the private sector and the responsible MoHSW as well as establishment of a formalised public private dialogue structure at national level, the Public Private Health Forum.<sup>12</sup>

<sup>11</sup> Part of the purpose of the consultation process on this draft Roadmap is to identify examples of existing initiatives that demonstrate the actions that we are recommending. Please let us know of relevant examples.

<sup>12</sup> <http://www.giz.de/expertise/downloads/giz2013-en-tanzania-country-report.pdf>

## 7. 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

---

7.1 Country-level development planning, and mapping of development priorities, can be a useful means to engage business at a strategic level. Systematically including business in the setting of development priorities can catalyse further action-oriented dialogue and collaboration. Indeed, survey respondents indicated that a lack of public-private dialogue and coordination is often the number one factor inhibiting greater engagement of business as a development partner.

7.2 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 it is acting responsibly and sustainably and in the interests of the country as well as its own interests.

7.3 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, emphasising the need for openness and transparency. Engaging a variety of businesses will ensure a diversity of interests are 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 the outcomes are in the interests of the public.

7.4 Mapping a country's development priorities against the resources and interests of the private sector has been shown to work by Denmark, among other countries. 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.

7.5 As Neissan Besharati (academic and advisor to the South African government) has pointed out, there are many countries in Africa where business is already playing an active role in development planning processes. 'In South Africa in our latest development planning mechanisms (the New Growth Path, the National Development Plan, etc.) business was a key partner in discussions but also in implementing critical development goals for the country - not only in areas of economy, infrastructure, employment, climate change, but even in areas such as health, education and housing.'

7.6 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.'

7.7 Once a country's development priorities have been set through an open and inclusive process, they provide a clear framework for investment. One of our interviewees offered the following anecdote: 'The president of [African country] met recently with a group of Norwegian investors and told them to invest in his country, bringing technology, competence and drive. He told them: Please ensure you align with our country's priorities, then we will assist you.'

7.8 As well as seeking to bring in responsible foreign investors, the government can involve business in its trade promotion activities. A respondent from South Africa 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.'

7.9 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.'

## Recommendations for action

Recommendations	Examples
Engage all sectors in setting development priorities, in open and inclusive processes that follow global norms	<a href="#">Business Unity South Africa</a> is one of a number of business networks that helps to engage the private sector in development planning processes in South Africa.
Map the interests and resources of business against national development priorities	GIZ commissioned a <a href="#">country landscape analysis</a> which explored the territory for cross-sector partnerships in Ghana. Tanzania sought input from industry groups and chambers of commerce into the planning of <a href="#">The Tanzania Development Vision 2025</a> . A similar process is underway in <a href="#">Kenya</a> .
Engage in public private dialogue, following through on action and implementation where possible.	Countries can self-assess their readiness for public-private dialogue using the PPD assessment tool. Results of PPD can be assessed using the ' <a href="#">evaluation wheel</a> '.
Donors can convene groups of companies in home countries to identify where their interests and resources may support the development priorities of host countries (e.g. Danida Green Growth strategy)	Danida's <a href="#">Green Growth Strategy</a> (see extract below)
Coordinate different public-private dialogue processes to reduce duplication of effort and increase effectiveness.	<a href="#">ANSPE</a> works with local communities and companies in Colombia to eradicate extreme poverty. Their work has included the coordination of different public-private dialogue processes.

### Extract from Danida's Green Growth Strategy<sup>13</sup>

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.

<sup>13</sup> Accessed on 23d February 2014 from <http://um.dk/en/danida-en/activities/strategic/green-growth/>

## 8. Action area 3: Create multi-stakeholder platforms to drive partnership action in-country and engage business more systematically.

---

8.1 Platforms for partnership action are a key element in the development of a post-2015 development agenda taking forward priorities articulated at Busan. In particular, platforms emphasise activities at a country level; aligning of interests between participating actors; and committing to practical, measurable impact on development needs. Exploration of the potential roles of platforms is the subject of separate research<sup>14</sup>, but some preliminary findings can be shared.

### What is a platform for partnership<sup>15</sup>?

---

A platform is a mechanism that aims to systematically engage business, government, civil society and other key stakeholders around issues of joint interest, and catalyse collaborative action. A platform has the potential to create a long-term space in-country for aligning participants' strategic objectives, building trust, facilitating dialogue, and brokering and implementing innovative cross-sector partnerships.

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 to systematically align the interests of organisations from across the societal sectors and bring to bear a combination of their resources in partnerships to implement more innovative and sustainable solutions.

---

8.2 Companies are now looking at in-country multi-stakeholder platforms to advance their work on sustainable development. An international agency representative interviewed for this report noted that: '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.'

8.3 Platforms bring together local actors from the public, private and not-for-profit sectors to improve dialogue and generate 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 provides a more systematic and coordinated approach.

8.4 Participants build and maintain their shared understanding and vision throughout the 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 participants' knowledge about the issues. This feeds into building commitment to the platform and developing actors' capacity to partner.

8.5 In addition, a platform has to record its results and impact. This requires cataloguing both successes and failures with learning from both. This demonstrates the credibility of the platform to both participants and the external environment.

---

<sup>14</sup> See 'Platforms for partnership: engaging business in partnerships for sustainable development' (forthcoming), Stuart Reid, The Partnering Initiative.

<sup>15</sup> 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.

## Recommendations for action

The recommendations presented here 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. Ideally platforms in the longer run would be funded by those using the platforms, to ensure their ongoing sustainability.

In any one country, there may be multiple platforms around different development issues, related to specific industries, or related to specific geographies. As many of the actors involved may be common, it is recommended to ensure cooperation among the platforms.

### Recommendations

---

Engage relevant stakeholders and build buy-in to create a 'coalition of the committed' around a particular issue. The group should be inclusive but not necessarily representative of all active in the country

---

Create a defined management and governance structure (roles, coordination, accountability etc)

---

Identify an organisation to host the platform i.e. manage and coordinate platform activities (ideally one that is seen as legitimate, has capacity, and is trusted by all sectors)

---

Build the capabilities of the host organisation in professional partnership brokering

---

Commit resources (e.g. finance, hosting, technical expertise)

---

Ensure accountability of the platform through involvement of civil society organisations

---

## Examples of platforms

- *National Sustainable Commodity Platform: UNDP Costa Rica* - a multi-stakeholder and inter-institutional dialogue to create a joint Action Plan with tangible solutions to reduce the negative environmental and social impacts of pineapple production in Costa Rica.
- *SAGCOT (Southern Africa Growth Corridor of Tanzania)* - facilitating a large network of stakeholders to coordinate their investments and interventions to address multiple bottlenecks in agriculture within a well-defined geographic area - thus kick-starting environmentally sustainable and socially beneficial commercial agricultural development in the corridor.
- *Business in Development Facilities in Zambia and Colombia* - driving the engagement of business in development by systematically promoting and supporting the development of 'win-win' partnerships between companies, international agencies, government and NGOs to achieve business and development goals.
- *Trinidad & Tobago Forum for Action on Non-Communicable Diseases* - a catalyst and a mechanism for multi-sector action to promote health and reduce chronic diseases in Trinidad and Tobago.
- *Aliarse* - promoting and supporting private-public partnerships in Costa Rica that contribute to sustainable development and to equity, and social responsibility.
- *Musika* - aims to support the development of the agricultural private sector through technical services and subsidies to change the practices of existing agriculture companies who want to work with smallholders.

## 9. Action area 4: Ensure the highest standards of partnership implementation, and measure and disseminate results

---

9.1 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 resources from all sides.

9.2 For partnerships to deliver, they need to be:

- **Set up 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.

To help to ensure this, those involved in delivering the partnership should have knowledge of effective partnering (see Action area 5). It is also often extremely helpful to have an experienced independent partnership broker or facilitator to help the partnership go through a proper partnering process to ensure that all the key building blocks and principles are in place, and support ongoing review and revision.

9.3 On the issue of measurement, there was general agreement among interviewees that the whole field of partnership impact assessment remains in its infancy, and a lot of work is required to develop appropriate tools for the job. While 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.

9.4 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<sup>16</sup>, and some of this can be used as proxies for development impact.

9.5 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 behaviour or organisational change?

9.6 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.

9.7 One of our interviewees commented, "A mix of hard facts (e.g. how many jobs were created) and testimonials/stories is important to combine measurable indicators and the human part of the

---

<sup>16</sup>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.

story. This is the best way to receive additional funding or support, be it from businesses, donors or government.”

9.8 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: ‘We are asking companies about the evaluation of development effects, which they are not used to dealing with, and our monitoring requirements become a major source of bureaucracy for them. And the business impacts of the partnerships weren’t even being measured.’

### Recommendations for action

Recommendations	Examples
Partnerships should follow good practice guidelines to ensure they are set up and run as effectively as possible.	Partnerships guidelines available from...
Where they have the right capacity, donors, business associations, NGOs, UN agencies can act as partnership brokers (or hire in the necessary skills from the Ecosystem of Support) to support effective partnership development and review.	
New partnerships should start small to build up trust and the working relationship, and iron out challenges, before moving to scale up.	
Partners should agree clear and aligned objectives and agree a pragmatic results-measuring framework in order to demonstrate clear business and development benefits.	<p>DCED is currently developing eight process principles of <i>ex ante</i> additionality for donors to apply before providing funding for cross-sector partnerships. Its evaluation standard for challenge funds has been widely applied.</p> <p>WBCSD’s ‘Measuring impact framework’ provides a list of existing tools that companies can use to measure the socio-economic impacts of their activities.</p> <p>GIZ is shortly to launch a new tool for measuring business and development value from partnerships.</p>

## 10. Action area 5: Strengthen *institutional* capacity for partnering

---

10.1 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'<sup>17</sup>. Many organisations – particularly in the public sector – are simply not set up in a way which supports partnering, which can throw significant obstacles in the way.

10.2 The partnering inexperience and lack of preparedness has often proven harmful to the partnering process. 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 could corrode trust between sectors.

### Leadership and strategy

10.3 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.'

10.4 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 can't 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.

10.5 Along with the 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

10.6 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.

10.7 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.

10.8 As mentioned previously, the public sector in general has a very low appetite for risk, which can stifle innovative partnership 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.

---

<sup>17</sup> The concept of Fit for Partnering and the framework used here comes from action research by The Partnering Initiative: <http://bit.ly/1i46PtQ>

## Skills and training

10.9 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.

10.10 Although the situation is changing rapidly, organisations in all sectors tend to have a few talented individuals with the skills and experience to engage in partnership. 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 are to be mainstreamed, the capacity for partnering needs to be integrated across organisational units.

10.11 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 examples of where things have gone wrong), the number of capacity building interventions is set to grow exponentially.

## Building a collaborative culture

10.12 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; if it prevents learning, discussing and sharing, then it is unlikely to be able to engage widely in partnership.

10.13 The increasing professionalisation of partnership means that there are many training and skills development opportunities that can help build capacity. However the shift in mindset required for collaboration to become normal practice demands a deeper and more nuanced response. As one interviewee put it: '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.'

10.14 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 fail' by ensuring that career development is not affected should trying a new approach not achieve the desired objectives.

## Sharing good practice: A practitioner's view

---

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	Examples
Organisations can undertake internal assessments of the degree to which they are institutionally set up to partner to understand where blockages might be.	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.
Organisations to develop partnering strategies to provide the clarity and permission to partner.	

Develop systems and processes to legitimise, incentivise and measure effective partnerships	
Build skills and support structures, drawing on internal and external tools and guidance	