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Private Sector and NGO Engagement

Descriptive list of the main ways the private sector and NGOs currently collaborate in development work

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July 2014

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Abbreviations

BIC	Business in the Community
CDFs	Community Development Forums
CFPA	China Foundation for Poverty Alleviation
CSO	Civil Society Organisation
CSR	Corporate Social Responsibility
EITI	Extractive Industries Transparency Initiative
ETI	Ethical Tea Partnership
M&S	Marks and Spencer
NGO	Non-Governmental Organisation
TA	Technical Assistance
VSO	Voluntary Service Overseas

1 Introduction

This paper looks at the current nature of engagement between civil society and private sector actors in international development, where both parties bring more than finance to an activity. For the purposes of the study, the private sector is understood to mean for-profit organisations, focused on, but not limited to, multinational organisations. The private sector is therefore referred to throughout the paper as 'business'. The study is interested in private sector organisations which engage in development-related work through core business or CSR. It will not include private sector actors in receipt of development support, for example micro and small enterprise funding activities.

Civil society is defined as non-governmental organisations (NGOs), both those based in the north and the south, whose primary focus is (international) development. NGOs vary greatly in size and purpose and engage with development issues in a wide range of ways. This study is predominantly interested in larger NGOs which deliver programmes in developing countries.

The paper begins with a contextual background of NGO-business relations and what has driven closer engagement over time. Following this, a spectrum of NGO-business interactions is outlined, to provide context for the ways in which NGOs and business collaborate. The next section describes three types of collaboration between NGOs and business, providing a brief explanation of their nature, examples of where and how they are taking place, and a review of the motivations of both NGOs and business to engage in each type of collaboration.

2 Overview of NGO-Business Relations

Business has a long history of involvement in social issues (Aspen Institute, 2002). The extent to which NGOs and business engage, however, has increased over the last two decades. There are a number of factors which have brought the sectors into closer collaboration. The first driver for NGOs is a financial one. Funding to NGOs declined in the 1990s and has been hit again recently, largely as part of donor government austerity programmes. This has led NGOs to seek alternative sources of finance.

Closer collaboration between NGOs and business has been slower to develop. There is a fear that collaboration with business leads to co-optation of NGO's agendas and threatens important autonomy, as NGOs lends the business legitimacy this potentially undermines their community relations if there is a problem with the company (CCIC, 2001).

Furthermore NGOs and the aid industry more widely have faced a legitimacy crisis, claims that they have failed to efficiently deliver sustainable solutions to poverty. This in turn influences individual and government support. The legitimacy problem is wider than finance, and has also helped drive NGOs to want to better understand what more than finance they can obtain from the private sector. Through engagement with business, NGOs can potentially learn for-profit strategies which help them to increase organisational efficiency and management practices (Bobenrieth and Stibbe, 2010).

In turn, the private sector has become more universally seen as a major contributor to economic development as the NGO development sector has largely adopted significant elements of the market-based approaches to economic development. Markets are increasingly seen as 'legitimate channels for social change' (SustainAbility, 2003). Yet business has also faced crises of public confidence, in the face of environmental and financial scandals, which combined with lack of transparency create reputational problems for business which threaten profit-making.

As such, the private sector has increasingly sought opportunities to improve their public image and to deflect criticism through supporting and partnering with NGOs (CCIC, 2001). NGOs are both valued and feared by business, valued particularly for their ability to convene as an organisational form which attracts greater public trust (Green, 2011). NGOs also provide information to business at the community level and in terms of engagement in socio-economic factors which impact on business but are outside of the realms of core business knowledge and skills. International NGOs (INGOs) in particular as are seen as 'one stop shops' by business for their local knowledge in developing countries and knowledge of policy environments and ability to convene at the national and global level, including in developed countries (Bobenrieth and Stibbe, 2010).

There is a range of belief in terms of what the private sector can achieve, and how viable the above win-win solution for business-NGO collaboration is. At one end, those who see profit-driven economic structures as contributing to poverty can only deal with the private sector by seeking to reign in its worst behaviours. A second view is that NGOs and the private sector can seek to work to complement each other. And in a third, not necessarily mutually exclusive scenario, the private sector can be seen as a potential agent of social change itself, through integrating social justice into the market (CCIC, 2001). The positioning of an NGO belief in what the private sector can achieve in development and poverty reduction is likely to inform the nature of collaboration with business that they engage.

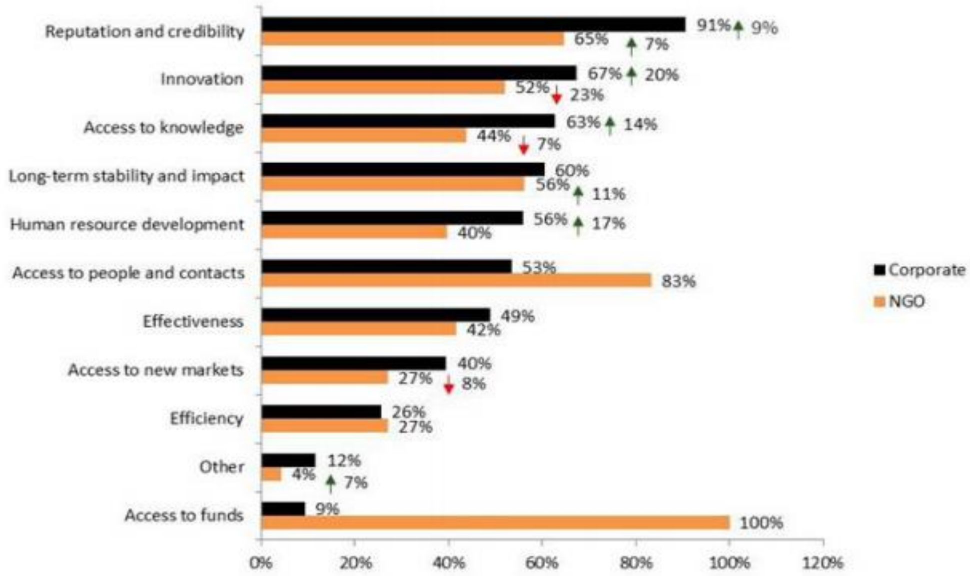
NGOs engage with the business along a spectrum of advocacy, dialogue and cooperation (CCIC, 2001), the first of which may be quite confrontational, the latter should be collaborative. As such, one NGO may be simultaneously attempting to play a joint role of insider and outside, with different parts of organisations taking different stances in terms of private sector engagement and the importance of the private sector to development programming (Green, 2011).

Businesses also engage with NGOs at both an arm's length and in a more fully integrated way. Historically, a significant proportion of business support to NGOs has been in the form of financial support, often from CSR budgets or corporate foundations (which may themselves be part of, or the entirety of, CSR activity). In order to partner with NGOs more systematically and strategically, businesses need to engage in ways that impact upon core business delivery. Increasingly they see that there is more than reputational benefit to doing so, when NGOs can contribute knowledge and skills to help develop supply chains and more sustainable mainstream business practices. Staff recruitment and retention also plays a role, as graduates want to see that the business they work for have positive social and environmental impacts, and they want to be part of helping to achieve this. Certain types of NGO-business engagement allow employees to practice and learn new skills, which contributes to their commitment to the business (Bobenrieth and Stibbe, 2010).

External actors play a role in influencing the ways in which NGOs and business engage. Public perceptions of NGO inefficiency and corporate misconduct have contributed to reputational driver for engagement. Governments and donors have also driven engagement, requiring business and NGOs to share knowledge and collaborate, for example through sector-level dialogue and forums (CCIC, 2001).

The C&E Corporate-NGO Partnerships Barometer Survey 2013, a small survey of UK-based NGOs, finds that overall business is motived by brand reputation and credibility and innovation. NGOs are also motivated by reputation, but are primarily concerned with the financial component of the relationship, then the access to people and skills and the impact on NGO efficiency, with innovation taking a lower position in the ranking. See figure 2 below. It should be noted that C&E exist to promote the linkages which they are assessing in this survey, and that only 13 of the NGOs surveyed are international development and the businesses interviewed are FTSE100s or BIC Corporate Responsibility indexed. This means the results are not representative of wider business-NGO interaction.

Figure 1: Why companies and NGOs engage in partnerships with each other



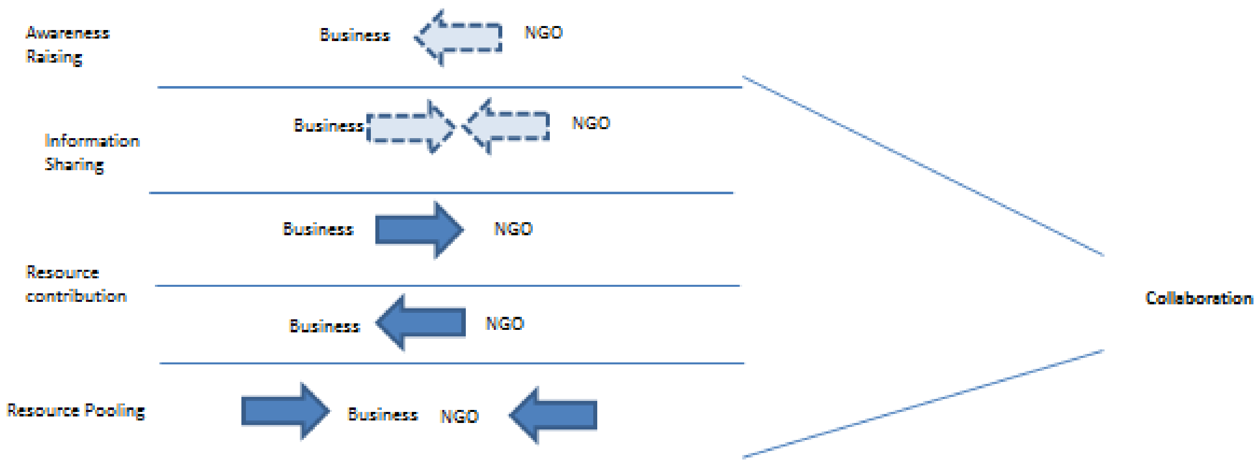
Source: C&E Advisory Services Limited, 2013.

3 NGO-Business Interactions

This paper is interested in the ways in which NGOs and business engage. Prior to outline these, however, it is important to note that there are a wider range of ways in which NGOs and businesses interact. The typology below sets these out. The subsequent section considers forms of direct engagement, all of which use one or more of the four types of interaction set out here. There are four main ways in which NGOs and business interact or engage:

- NGOs raise awareness of development-related issues linked to business
- NGOs and businesses share information on their respective activities
- Business provide resources to support NGO work and NGOs provide resources to help business to deliver better outcomes for development
- NGOs and Businesses pool resources to deliver bespoke activities jointly and to participate in multi-stakeholder actions for change

Figure 2: Ways in which NGOs and Business Interact



3.1 Awareness Raising

Awareness raising activities cover a spectrum from negative advocacy and campaigning approaches by NGOs (for example, ActionAid's current campaign against Barclays demanding that the bank stop selling financial services to companies using tax havens to avoid taxes in Africa[1]) through to producing information of potential use to inform improvement in core business practice (for example, Oxfam's Behind the Brands[2] is the campaigning front of a wider programme of information-sharing and engagement). Some such activities, for example NGO campaigning against Shell in Nigeria, have been successful in changing business practices (Murphy and Bendell, 1999). NGOs may perform a watchdog role on business, but they may also engage in information campaigns which encourage business not just to change, but to engage with

[1] http://www.actionaid.org.uk/tell-barclays-to-clean-up-its-act-on-tax-havens-in-africa#b1f6OyLRIJjzMfEO.99
[2] http://www.behindthebrands.org/

policymakers on regulatory blocks and constraints to them doing business better (see for example Oxfam's business call to action on climate change[3]).

The watchdog and advocacy against business component of work does not constitute collaboration. But awareness-raising may form an important component of NGO-business collaboration in and of itself, and as a first step towards more involved collaboration.

Motivations to initiate Awareness Raising activities are predominantly on the side of the NGO as they strive to influence business to be more socially and environmentally responsible through pointing out their failures. Public awareness plays an important role in driving change as consumer pressure is an important influence on business and NGOs have increasingly recognised and capitalised on this. Negative awareness-raising activities may also drive a business to engage with an NGO, if only initially to abate reputational damage. Starbucks shift towards using fair-trade coffee was triggered by NGO criticism, which led to NGO-business collaboration to link Starbucks supply chain to fair-trade suppliers (Argenti, 2004).

Businesses may proactively contribute to and/or finance awareness raising activity, particularly where they see themselves as 'first movers' in terms of social or environmental best practice. An example of this is Unilever and initial publicity around their Sustainable Living Plan (Unilever, 2012). Businesses motivations for awareness raising are likely to be around public relations and brand credibility. For NGOs, awareness raising is likely to be part of campaigning and advocacy work to seek support for issue-specific agendas and to engage stakeholders. The prospect of awareness raising contributing to a change process on an issue is a valuable reputational benefit to NGOs as well.

3.2 Information Sharing

Awareness raising is a form of information sharing, but when this sub-section considers activity when information sharing between NGOs and business becomes the explicit focus. Information sharing activity can include joining forces to produce global standards (such as the EITI). It might also include joint toolkits or research which help inform engagement between private sector and NGO actors[4]. Dahan et al (2010) suggest that in NGO/business collaborations, business is often involved in more 'upstream' research and development activity, whereas NGOs are closer to the market side of the process.

Information sharing engagement between NGOs and business include participation in externally organised forums on sector or issue level development problems. An example in the USA is the way in which companies are coming together to ask the administration to fund climate-change adaptation. The approach itself essentially involves business lobbying for government financial support. However, there is mutual benefit to business and addressing climate change, and the information-sharing component sees a coalition of consumer-facing companies includes Levi Strauss, Nike, Starbucks and eBay co-ordinated by CERES, a group of investors and public-interest organisations, which seek to inform and steer best practice (Oxfam, 2009b).

In another example, Ashoka (a non-profit foundation which provides support to social entrepreneurs) developed a Full Economic Citizenship Initiative. The initiative is specifically designed to bring local market research (by Ashoka) as well as technical expertise, into partnership with business to promote economic development (Dahan et al, 2010).

[3] http://www.oxfam.org/sites/www.oxfam.org/files/bb3-now-or-never-0909.pdf

[4] An example is this guide to built environment professionals (not exclusively private sector) working in disaster risk reduction and response http://www.ifrc.org/PageFiles/95743/B.a.07.Built%20Environment%20Professions%20in%20DRR%20and%20Response-Guide%20for%20humanitarian%20agencies_DFDN%20and%20RICS.pdf

Oxfam's Briefings for Business provide information to business on ways in which they can engage for better development impact. In terms of actual practice, publically sharing existing research and information at the implementation level on NGO and business CSR activities allows both sectors to better understand the other. One example of this type of activity is the publication of business CSR strategies and inclusion of CSR activity in annual reports, particularly where there is detail of the impact and overall performance of such activities. At the programme or engagement level between NGOs and business, however, there is reluctance on both parts to share information that may be sensitive, and businesses in particular are likely to limit open evidence sharing or internal lesson learning, for example by requiring non-disclosure agreements.

3.3 Resource Contribution

Both NGOs and business provide contributions to the ongoing activities of the other for mutual benefit; Table 1 below shows the broad outline of contributions. There are degrees of involvement. Historically, NGOs may have taken corporate sponsorship with little further engagement than the transfer of money from the business to the NGO, possibly with a report to the business on performance and a commitment to use the business logo. An example of a strategic fundraising arrangement is Oxfam's 365 Alliance. The Alliance requires corporates to provide a long-term funding commitment which allows Oxfam to plan for disaster response, rather than rely heavily on post-disaster fundraising which potentially delays action. By specifying the need for upfront and longer term financial commitment to a specific area of programming, Oxfam is able to increase the funds it secures. Such engagement is essentially fundraising, however, rather than collaboration.

Financial partnerships may also involve a degree of risk sharing, for example to test a new way of working. In Nike Corporation's microenterprise partnership with Mercy Corps and the China Foundation for Poverty Alleviation (CFPA), Nike provide partial funding (alongside skills) to help fund a joint venture, but financial responsibility for the scheme is shared.

Table 1: Contributions to collaboration

NGO Contributions	Business Contributions
Legitimacy to business activities (reputational capital)	Money
Development sector advice, knowledge, networks and skills	Business sector advice, knowledge, networks and skills
Country and community level advice, knowledge, networks and skills	Technical advice, knowledge, networks and skills at a sectoral level

Where the resource transfer is purely financial, the NGO gains needed capital for existing programmes, particularly in the face of declining government aid budgets as well as a desire to ensure long-term sustainability of development programming. Corporate financial support to NGOs is also often less stringent in terms of reporting and spending restrictions than public or individual donor funding might be. Businesses traditionally donated funds, often from CSR budgets or foundations, as part of public relations activities to improve their corporate image or deflect criticism (CCIC, 2001).

Resource contribution takes on a more collaborative nature when the relationship involves some form of skills transfer. The general assumption is that NGOs and business possess a host of unique skills which of value to the operations of the other (Dahan et al 2010). That some NGOs knowledge of the international development landscape, and of issues around poverty, community engagement, human rights and environmental impact are valuable not just to business CSR activity but to day-to-day business activities in developing countries. NGOs can be seen to have detailed knowledge at country and community level, for example INGOs may strong links with local civil society organisations (CSOs) and other community stakeholders whom business would struggle to access, engage with and understand directly. Businesses in turn may have operational skills that NGOs are interested to access, in terms of organisational efficiency and management practices from the organisation to the project implementation level. Depending on the nature of their activity, businesses can also offer a range of sectoral and technical skills. At the level of individual professionals, NGOs are recruiting staff into private sector development or private sector engagement positions. Although there is discussion that NGOs are also seeking staff with private sector experience, there is little more than anecdotal evidence that this is happening. As such there is an economy of scale that a business can offer by delivering skills that are an extension of their mainstream activity, for example a large insurance company has existing research and evidence of how and where particular tools function and of market circumstances, which they can share as part of a programme on micro-insurance.

Skills-sharing may take the form of a simple skill addition to existing activity of either the NGO or the business. An example of this type of activity is VSO's Corporate Partnerships work. VSO offers packages to business to help them to engage their employees in two main ways: firstly, through fundraising activities to support VSO financially (which falls into the category of fundraising) and secondly in the form of employee volunteering placements, to contribute to the core activity of VSO – placing volunteers to provide skills to tackle poverty through ongoing VSO programmes (VSO, n.d.).

From the business side, where a business has made sustainability part of core business activity, NGOs may contribute resources to strategic business operations. For example, Unilever's Sustainable Living Plan solicits NGO contributions in the form of community programming skills and development sector knowledge to improve their supply chain links.

Resource contribution is a broad term and also includes payment for services, as well as donations. NGOs might, for example, pay for private sector delivery of services (including by large companies). This will include administrative activities, auditing, building services, catering, but at the programme level can include for example training provision, consultancy services.

3.4 Resource Pooling

The nature of engagement between NGOs and business shifts up a gear when both parties pool resources to create something additional to their prior day-to-day activities. When NGOs and businesses pool resources to collaborate, they move from a donor/skill provider relationship towards a more strategic partnership approach. At the most engaged, their engagement leads to the formation of new business models, where models that address a particular issue or gap did not exist previously (Dahan et al, 2010)

There are two ways in which resources can be pooled to create additionality. The first is by using conventional NGO or business tools to deliver a new product or service. An example of this is Oxfam's work with Marks and Spencer's Plan A which involves using Oxfam's long-standing practice of taking second hand clothes to developing countries with an incentive provided by Marks and Spencer (M&S) in the form of a voucher for returning M&S clothes (either to Oxfam stores or to M&S, a new service). The interaction also involves skills provision by Oxfam to contribute to more sustainable and inclusive supply chain practices for M&S.

The second way in which resources can be pooled is by jointly developing programmes that use approaches which are new to both business and NGO partners. Many NGO-business partnerships imply that this is what they are doing. But a review of the substance of activity often reveals that one or both parties are not altering their core activity. One example where a joint partnership does seem, on the basis of publically available information, to be using approaches new to both the NGO and the business is the Save the Children and GlaxoSmithKline (GSK)'s collaboration on child friendly medicine[5]. As part of this multi-faceted partnership, Save will have a seat on a new GSK research and development (R&D) board to develop life-saving interventions for under-fives, and to then identify ways to ensure the widest possible access to ensuing medicines. The board itself is new to both organisations, including an NGO in R&D is new for GSK as is participating for Save. The organisations will also be working collaboratively on addressing constraints to making medicine affordable and accessible.

The GSK/Save partnership also includes components of more conventional skills sharing and fundraising, similar to VSO activity mentioned above. An important factor in many NGO-business relationships is that they involve components of several of the four forms of interaction outlined in this section.

Partnerships may also include more than two partners. There are a growing number of multi-stakeholder initiatives that seek to either use existing tools to collaboratively address problems in a more systematic fashion, or to develop new tools to increase the scope of change. An as-yet theoretical example of this is impact bonds, such as that being developed in Mozambique to address malaria[6] through using business creativity and NGO service delivery.

[5] http://www.gsk.com/media/press-releases/2013/gsk-and-save-the-children-form-unique-partnership-to-save-the-li.html
[6] https://www.devex.com/news/how-a-restaurant-chain-pioneered-a-social-impact-bond-to-fight-malaria-82212

4 A Typology of NGO-Business Collaboration

This paper focusses on how NGOs and Business collaborate. Figure 1 above illustrates the various ways in which NGOs and business interact. However, not all of this interaction is collaborative. As the lines in the figure indicate, a small degree of collaboration can occur through awareness raising with the majority occurring across the activities of information and resource sharing.

Before detailing the typology of NGO-Business collaboration, it is useful to note two further lenses through which NGO-Business interaction can be understood: policy and practice. The two are by no means mutually exclusive, but much of the day-to-day activity of business (and consequent positive or negative impact on development) is influenced by the policy context within which activity takes place. Awareness raising may target specific business activities, but may also contribute to understand of policy-level constraints, as may information sharing. Resource and skills sharing often happens at the practice level. However, through multi-faceted and multi-agency partnerships, collaboration between policy and practice is able to take place more systematically.

The necessity to outline types of interaction and the additional lenses of policy and practice in NGO-business interactions is that collaboration builds on a range of activities which cut across these categories. Partnerships are often marketed as innovative, ground-breaking, and using other superlatives – as such, it is important to understand the nature of activities that exist within partnerships or types of collaboration.

The three types of collaboration identified for this study are:

- Joint policy, stakeholder engagement and advocacy work
- CSR and NGO business-as-usual
- Supply chain/new market building

Table 2 provides three examples of NGO activities and shows that some involve more than one type of collaboration, and several different forms of NGO-business interaction.

Table 2: Example Activities across the three types of collaboration

Example Activities	Joint policy, stakeholder engagement and advocacy work	CSR and NGO business-as-usual	Supply chain/new market building
Collaborating on research	AR IS RC		IS RC RP
Networking platforms	IS		
Match funding to innovate and co-funding shared value		IS RC	RP
Supply chain capacity development and linking			IS RC RP

AR – awareness raising, IS – information sharing, RC – resource contribution, RP – resource pooling

The three types of collaboration are not mutually exclusive, but provide broad categories to facilitate understanding and analysis of the ways in which NGOs and business collaborate.

4.1 Joint policy, stakeholder engagement and advocacy work

Nature of the collaboration

Joint policy and advocacy work relates to ways in which NGOs and business join forces to address sectoral and issue-related constraints to development. This may happen within one-on-one partnership programmes. An example of this is CARE's partnership with the Ethical Tea Partnership (ETI), an alliance of tea packing companies. The partnership arrangement includes Community Development Forums (CDFs) which are mini parliaments that bring together workers with management to make joint decisions affecting the whole community.

More commonly, joint policy and advocacy work occurs as part of ad hoc and ongoing discussions, networks, advisory bodies, alliances, campaigns, and other types of multi-organisation structure. Examples include the Ethical Trading Initiative, an alliance of companies, trade unions and NGOs which promotes worker's rights by engaging stakeholders.

As mentioned above, advocacy work is most commonly associated with NGOs; however there is growing recognition of the need to engage companies in addressing obstacles to change. For example the Publish What You Pay campaign, initially involving NGOs focused on getting oil companies to publish payments made to host governments was forced to reconsider the exclusion of companies from activities when leading companies were excluded from lucrative new negotiations as a result, to the detriment of the companies, but also to the traction of the campaign. Companies were subsequently co-opted to jointly advocate for government support to provide a level playing field (SustainAbility, 2003).

Policy collaboration may involve government stakeholders within discussion as well as NGO and business actors. Policy collaboration at an issue or sector level might be an effective way of pooling resources and information and identifying solutions for which there is support and resource to deliver. Examples of such activity include the UN Global Compact and a range of other UN initiatives to convene global and local actors.

Motivations for NGOs and Business to engage

An overview of more generic motivations for NGO-Business collaboration is provided above; in this section focus is given to motivations specific to the form of collaboration.
Peer pressure – particularly when the UN and other large global actors are convening, there is a reputational incentive to engage in response to competition with peers in terms of public relations.

Impact at scale – practical activity at the project or programme level can be impactful, but systemic change requires higher level engagement either to replicate success or to address bottlenecks preventing the scaling up of approaches or generally allowing markets to function more effectively. Both NGOs and businesses which think about the wider impact of the work and the sustainability of their business, respectively, are motivated to consider factors bigger than the remit of their work.

Cost-effective and low risk – participating in networks, platforms, contributing advice and even partial finance to policy, stakeholder engagement and advocacy activities is relatively low-risk in terms of reputation damage and impact, as risks are shared and potential returns from success are high. Costs compared to other forms of NGO-Business activity, as well as the cost of trying to have similar impacts on policy working alone, are also likely to be comparatively lower.

4.2 CSR and NGO business-as-usual

Nature of the collaboration

This category of collaboration refers to activities which on the business side fall under CSR, social investment or are delivered by a corporate foundation. On the NGO side, activities are a part of ongoing mainstream programming which the NGO undertakes. The emphasis here is that while collaborating more closely with another sector may be new, the outputs of the collaboration are not fundamentally different. The NGO and the business are seeking ways to mutually benefit, but are not altering their business models.

Many NGO-Business partnerships fall under this category. Such partnerships will often combine components of resource and information sharing, building on existing capacity and approaches. A common example is the use of CSR funds to support NGOs (local as well as INGOs, and also government agencies) to deliver community, social and environmental programmes which the NGOs for which were established. Companies operating in Africa, for example, are aware that their job-creation impact will often be limited in the face of high unemployment, and that the communities within which they operate will be facing an array of social problems, several of which will impact on local members of their workforce. As such, they will identify social issues that broadly align with issues in the locations within which they work, and will commonly seek established NGOs to help them been seen to address the issues[7]. The degree of interest and involvement in the activity and impact of the NGO varies considerably, but in this type of partnership, from the NGO's perspective the relationship in such partnerships is mostly financial.

NGOs also engage with businesses to solicit not just financial resources but also skills which simply contribute to ongoing programmes. WWF's partnership with Sky combines ongoing WWF work on conversation programmes with Sky's ability to generate programmes with rainforest preservation content. In this partnership, neither actor is engaging in new approaches (albeit that rainforest preservation content may not have been a strategic priority financially for Sky without a reputational incentive), however by combining what they both already do, they were able to identify an opportunity of mutual benefit to share information. Business-as-usual partnerships may be impactful, even if they do not fundamentally challenge existing ways of engaging.

Motivations for NGOs and Business to engage

Familiar activity, low effort – when partnerships are a continuation of business as usual, or part of a small CSR or foundation budget, there is limited requirement for (paid) staff time or financial resource in order to deliver them.

Reputation gain – partnerships of the CSR/business as usual nature are a public indication of willingness to work together and can easily be publicised as very positive and impactful, to the benefit of both NGO and business partners.

Access to complementary resources – through partnerships which complement existing activity, the NGO or business gains access to additional resources which add to what they were already doing.

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[7] This study of job creation impacts involved interviews with firms operating in rural Uganda, evidence of which informs this statement. http://www.pidg.org/resource-library/other-documents/odi-job-creation-impact-study-bugoye-hydropower.pdf

4.3 Supply chain/new market building

Nature of the collaboration

Collaboration on supply chain and new market building implies engagement between the two sectors that shifts practices in either the NGO or the business or both. This type of collaboration is potentially the most risky, given that it implies embarking on an approach that is to some extent untested.

In the context of supply chain engagement, NGOs have historically focussed on developing the capacity of the poorest actors in a supply chain to engage more effectively and lobbying for policy change at the high-value end of the chain to improve conditions upstream. By collaborating directly with larger businesses in the supply chain, NGOs can structure support to match market demands more efficiently and increase the chances that their support at the farmer or small-scale producer end of the chain have greater impact. From the viewpoint of the business, engaging NGOs expertise to improve supply chain links ensures more reliable material, product and service procurement. It also means that business can have greater confidence that the supply chain is complement with global social, environmental and governance standards, which is important to delivery but also to the reputation of the business.

Within the M&S/Oxfam partnership, Oxfam supports M&S to improve practice in the M&S supply chain. CARE's involvement with Mondalez in the Cocoa Life programme (formerly Cadbury Cocoa Partnership) is another example, where CARE support Mondalez to work with cocoa-producing communities to adopt good agricultural practices, develop farmer cooperatives, and empower women to engage in cocoa production – all of which also support Mondalez's business directly by ensuring reliable and quality cocoa supply. The partnership also promotes good environmental farming practices and helps communities with financial inclusion and non-farm employment, neither of which is directly relevant to cocoa supply but the provision of which addresses broader issues that have been identified as impacting indirectly such as outmigration of youth[8]. Nestle cocoa supply chain activities in West Africa, where they partner with NGOs and local government to improve labour conditions and promote sustainable farming are similar (Dahan et al, 2010). There is a wider logic to promoting the economic development of a region known to a company – the more capital the local population has, the more likely they are to become a market for goods and services that business provide. The direct benefits to smaller businesses from such market development are likely to be small, but brand presence may be important for larger firms.

Partnerships may also seek to combine NGO and business resources and skills to develop something that neither organisation has produced or provided before. Examples of such new market building include development of modified goods and services to reach capital-poor markets, and ways to reach such markets through new or modified market routes. The Allianz/CARE micro insurance partnership is an example of supply chain engagement leading to innovative product development. Allianz is familiar with provision of insurance to moderately well-off consumers, but with CARE's support has participated in a commercially viable micro-insurance product which offers poorer consumers protection against shocks[9]. The GSK/Save collaboration mentioned above is another example, where the partnership uses a multi-faceted approach to develop products and find routes to market.

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[8] http://www.careinternational.org.uk/what-we-do/working-with-business/who-we-work-with/care-and-mondelez

[9] http://www.careinternational.org.uk/news-and-press/press-release-archive-2006/1023-allianz-and-care-partner-for-micro-insurance-in-india-

Motivations for NGOs and Business to engage

Collaboration efforts to support supply chain development and linkages and to build new markets are in their nature generally more involved and risky than other forms of collaboration. As a form of direct and formal engagement between NGOs and businesses, they are also a more recent development, and detailed examples in the public domain are limited. Yet in spite of the potential reputational and cost risk, and the time and resource commitment and complexity of developing such forms of collaborations, there are incentives on both sides to do so.

Long-term sustainability – from the business viewpoint, a stable, reliable supply chain or market base is important to sustaining the business bottom line. As such, engaging NGOs in supply chain development activity becomes part of core business, rather than CSR activity.

Scaling up impact of anti-poverty interventions - NGOs are also interested in sustainability, not (hopefully) their own, but of the pro-poor impact of their activities. Shifting markets so that they supply necessary products and goods to the poor and link poor producers to economic activity are part of sustainable development.

Trying something new – in the face of criticism of both business and NGO past performance, there is appetite to try and be seen to be trying new (innovative, ground-breaking) approaches.

4.4 Limitations and risks of NGO-Business Partnerships

This study focuses on providing a typology of potential forms of NGO-business collaboration, with examples of actual practice. An important point to note, when reviewing practice, is the distinction between rhetoric and actual activity. Many NGOs as well as businesses are raising the profile of their mutual engagement. Evidence of the substantive degree of collaboration, not to mention impact, is more limited.

The willingness and ability of partnerships to become more collaborative is in part influenced by the risk to the autonomy of NGOs in collaborating with business and with it a risk that NGOs dilute their ability to act as a force for social change if they partner with business (Abugre, 1999). The possibility that business is able to deflect detailed analysis or criticism of practices which remain less than beneficial for development is another risk of ever-closer partnerships.

Whereas information sharing and resource contribution allow both parties to continue with their existing business models and traditional objectives, shifts towards resource pooling influence the very nature of the organisations involved. The proliferation of social enterprise type activity on the part of NGOs is in part a response to this perceived imperative (Smith and Darko, 2014). Integration of business CSR teams into mainstream business departments (and away from external communications departments) is the business equivalent.

5 Conclusion

This paper has set out two typologies for understanding the nature of NGO-business engagement, to be able to look at a partnership and understand the components within it that fall under distinct types of collaboration. The typology of collaboration broadly addresses the policy and practice division, the first form of engagement relating to policy, the latter two relating to practical forms of collaboration, albeit that in the final type of collaboration – where business models are changing – the imperative to consider factors beyond the immediate realm of the NGO(s) and business(es) involved may become stronger.

The way that businesses and NGOs talk about their mutual engagement is shifting from a predominantly fundraising and/or conflict relationship to one that is considerably more complex and engaged. Understanding the substance of collaboration and the extent to which outcomes of partnerships are different is challenging. One way to begin addressing this is to use typologies such as these to attempt to impartially unpick incentives and activities within partnerships, as well as reviewing intended outputs and outcomes from such collaborations.

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