UKaid
from the British people

the partnering initiative



Unleashing the power of business:

A practical Roadmap to systematically engage business as a partner for the SDGs

SUMMARY REPORT

The case for a Roadmap

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

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

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

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

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

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

The role of the private sector as an essential partner in development was fully acknowledged by the international development community at the 4th High Level Forum on Aid Effectiveness in Busan, Korea, 2011 and at the Rio+20 World Summit.

The Sustainable Development Goals, launched in 2015, go much further. They represent a fundamental shift in approach, requiring business to be fully engaged as a partner in delivery - both implicitly and explicitly through Goal 17. The imperative for partnerships with the private sector has never been stronger.

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

This 'Roadmap' sets out a systematic approach to engaging with business as a partner in development. It recommends five essential areas for action within which government, development agencies, business organisations and civil society each have their roles to play. Taken together and tailored to a particular country's context, these actions have the potential to create a sea-change to achieve the goal of partnerships between governments and business delivering their full potential in the global fight against poverty through sustainable development.

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

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

THE SIZE OF THE PRIZE: WHAT CAN PARTNERSHIPS ACHIEVE?

The **Global Alliance for Improved Nutrition** has provided fortified food to 750 million people in just over a decade, and aims to reach one billion people by 2015.

Roll Back Malaria is on track to save 4.2 million lives by 2015 through more than 500 partners implementing its Global Malaria Action Plan.

The World Economic Forum's New Vision for Agriculture has attracted commitments of over $5.7bn from public and private partners. It seeks to reach over 9.5m smallholders in the next 3-5 years.

The Global Partnership for Education has helped 21.8 million children access primary education.

Business as a partner in development

The greatest contribution companies can make as a development actor is to conduct responsible and sustainable business. This helps a country reduce reliance on imports and/or brings in essential foreign currency through exports; creates livelihoods; generates taxes; delivers essential products and services efficiently and affordably; and catalyses technological innovation.

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

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

Collaboration between business and other development actors is effective when it can achieve both development impact and business benefit beyond that which could be achieved through unilateral action.

A range of public-private or cross-sectoral approaches

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

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

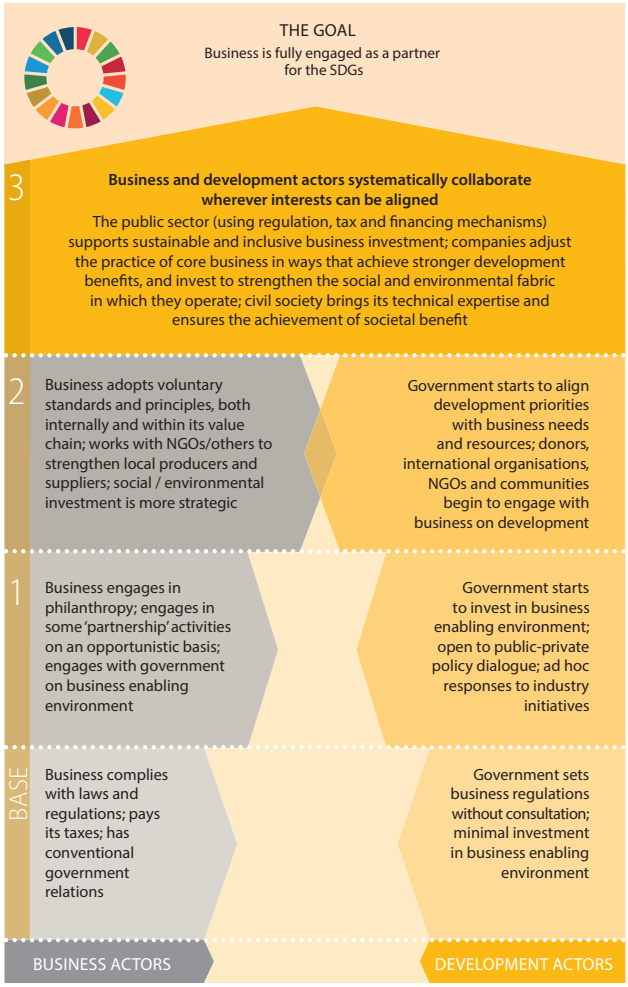
'Inclusive business' deliberately includes the underprivileged in a company's value chain. Development partners can support inclusive business by providing technical assistance or seed funding for new ventures, building employee skills, and developing the capacity of suppliers or distributors to scale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

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

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

The Roadmap

THE MILESTONES



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

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

THE FIVE ESSENTIAL AREAS OF ACTION



THE SUPPORT SYSTEM

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

The Support System includes:

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

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

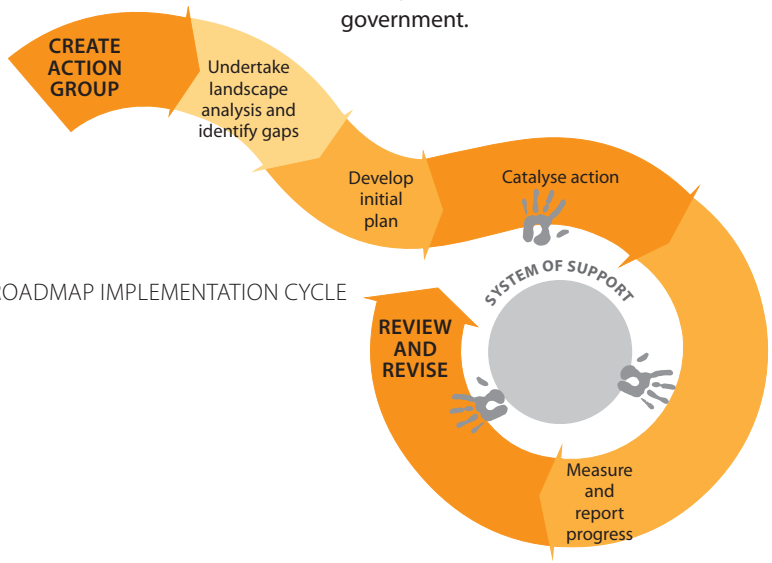
Putting the Roadmap into practice

The Roadmap provides a generic blueprint for creating an implementing architecture and driving action. While it is proposed to create common indicators to measure progress along the journey, the specific details of each country's Roadmap must be tailored to the unique local context.

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

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

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



ROADMAP IMPLEMENTATION CYCLE

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

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

Progress could potentially be reported by governments through the SDG reporting mechanism if appropriate.

ONE-STOP-SHOP

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

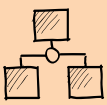
The one-stop-shop would also provide easy access to the Support System. As the Action Group catalyses more activity, there will be growing demands for support, thereby helping to drive the market of organisations able to provide the supply of the required partnering services.

INNOVATIONS IN PRO-DEVELOPMENT BUSINESS INVESTMENTS

■ The World Bank's **Nepal Investment Climate Reform Program** (NICRP) was designed in Nepal's post-conflict period to use private sector development and investment for economic reform and peace-building. The NICRP – with the help of Nepal Business Forum (NBF), including 75 members from across government, business and civil society – has been catalysing action, developing an accountability mechanism for reform decisions, and promoting transparency.

■ The **InterAmerican Development Bank** works in the area of cluster development. This focuses on geographical concentrations of firms in the same industry sector. It has led to dozens of programmes throughout Latin America and the Caribbean. A central element of all these programmes is the participatory approach to engage the private and the public sectors in defining priorities for joint actions and for public policies.

■ The **AgResults Initiative** is a new mechanism developed by a group of donors working in partnership with the World Bank, the Bill and Melinda Gates Foundation, and Dalberg, a global development advisory firm. It uses public financing to reward agricultural innovation in developing countries and, in the process, build sustainable markets for agricultural inputs, products, and services that benefit the poor, while pulling private investment and technological innovation.

Action areas	What each sector can do		
	ALL SECTORS CAN...	GOVERNMENT	DEVELOPMENT AGENCIES
1  **Create greater understanding of the role of business as a partner in development, and build trust across sectors** In many countries mutual misunderstanding and mistrust characterise the relationship between business and other sectors. Increased dialogue and communication can help to build understanding and build relationships, while actually working together and delivering on joint action is the strongest approach to building trust.	• Encourage individuals in the public eye to become advocates or champions of the role of business in development • Convene or participate in cross-sector groups focussing on action on specific issues	• Work closely with business through public-private dialogue to build a supportive business enabling environment • Appoint a representative, from the president's office or cabinet, to raise awareness across ministries of the role of business in development	• Provide capacity building to governments in engaging in dialogue with private sector • Develop country-level, thematic or organisational guides to partnerships to introduce the concepts • Showcase good practice examples, for example through awards and prizes
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** National governments retain the mandate for setting high-level aspirations and taking overall responsibility for a country's development. The private sector and other partners can be brought early into the planning process of translating global development goals into a national context, in order to build buy-in and increase the likelihood of action.	• Map the interests and resources (of all kinds) of business against their own specific missions • Coordinate public-private dialogue processes to reduce duplication of effort and increase effectiveness	• Engage all sectors in development planning, in open and inclusive processes that follow global norms • For each development priority, map the ways business might contribute to its achievement both through core business and through partnership	• Support the mapping of priorities against business interest / resources • International donors can convene companies in home countries to identify where their interests and resources may support development priorities
3  **Create in-country platforms to engage business and drive partnership action** Multi-stakeholder platforms or hubs can systematically bring together companies, government, international organisations and civil society, align interests and support innovative collaborative action to achieve both business and development goals. Platforms may focus, for example, on tackling specific social issues (such as nutrition, education or health), creating new markets, developing sustainable value chains, supporting more inclusive business or addressing natural resource constraints.	• Actively take part in partnership platforms • Where gaps are identified, work together to develop new platforms around particular issues	• Extend the remit of existing public-private dialogue to cover broader functions that will drive partnership action	• Connect platforms into international support mechanisms and develop the capacity of host organisations to ensure effectiveness • Connect existing programmes into platforms and enable funding for new partnerships
4  **Ensure the highest standards of partnership implementation, and measure and disseminate results** Working in partnership is challenging and many partnerships are not operating as efficiently and effectively as they could be. Partnerships need to be set up according to international good practice standards and build in a culture and practice of ongoing review from the outset to ensure they deliver effectively. They also need to focus on results from the outset, and should be able to demonstrate clear business and development benefits to justify the investment of resources. Measurement should incorporate sharing, learning and improving performance.	• Follow good practice guidelines or use professional brokering support to ensure partnerships are set up and run as effectively as possible • In partnerships, work together to develop common measurement approaches that work for all involved • Coordinate and harmonise results measurement frameworks in order to reduce duplication of effort	• With the support of donors, and working with research institutions, create centres of excellence to support partnership projects in implementing results measurement	• Donors can require good practice standards in partnerships that they plan to support financially • Utilize standard reporting and measurement frameworks across partnership projects
5  **Strengthen institutional capacity and readiness for partnering** A major challenge to the scaling up of partnership is that most organisations are not institutionally set up to partner. To be effective partners, organisations need the right leadership, internal systems and processes, staff skills and support, as well as the mindset and culture to work with others.	• Undertake internal assessments to understand where blockages might occur • Build individuals' partnering skills and internal support structures	• Understand how legislation affects the ability for government and others to engage in partnership and promote an enabling legal environment • Provide clear business contact points within each ministry and agency	• Support government partnership capacity building • Build own staff understanding and give them the skills, tools and support to engage with business • The UN should rationalize rules of engagement across agencies and programmes, and provide a single point of initial contact in-country for companies

BUSINESS	CIVIL SOCIETY	Examples	
• Associations can showcase to their members the benefits to business of engaging in partnerships • Companies can publicise the development benefits of their business	• Ensure public policy schools and business schools include public-private collaboration for development within their core curriculum	• A public-private partnership module is offered within the public policy course at the University of Costa Rica • The Nepal Business Forum provides space for public-private dialogue on the business enabling environment, stimulating sustainable growth, and promoting investment • Since 2008 the business awards Emprender Paz in Colombia (sponsored by Sida / GIZ / Konrad Adenauer Stiftung) have awarded prizes to businesses	undertaking outstanding work to promote peace-building • DFID's Inclusive Business Challenge Fund stimulates private sector-led development, promotion and scaling up of innovative pro-poor products and service in Bangladesh • GIZ and TPI produced and widely disseminated 'An introduction to cross-sector partnerships for development in South Africa' and undertook partnering landscape analyses in Tanzania and Ghana
• Associations can advocate on development priorities from the business perspective	• Ensure equitable business and societal / development benefits	• Business Unity South Africa is one of a number of business networks that helps to engage the private sector in development planning processes in South Africa • Tanzania sought input from industry groups and chambers of commerce into the planning of The Tanzania Development Vision 2025; a similar process is underway in Kenya	• The government agency, ANSPE, works with local communities and companies in Colombia to eradicate extreme poverty including through the coordination of different public-private dialogue processes • The Kenya ICT Action Network is a multi-sector network acting as a catalyst for reform in the ICT sector towards ICT-enabled growth
• Business organisations can use their networks to develop platforms in response to specific business and development issues	• Participate actively in platforms and hold them to account for achieving positive results • Host platforms or more informally act to broker partnerships	• The Business in Development Facility (Sweden, the Netherlands, UK, TPI) supports the creation of locally-run partnership platforms including in Colombia, Zambia and Mozambique • UNDP has facilitated a national multi-stakeholder platform to collectively address the negative environmental and social impacts of pineapple production in Costa Rica • The PIND Foundation is brokering cross-sector partnerships for economic development in the Niger Delta	• GIZ is developing Responsible and Inclusive Business Hubs to promote inclusive business and CSR and facilitate partnerships in South Africa, Indonesia and Egypt • CCPHI is a multi-stakeholder platform to facilitate partnerships for workplace and community health and sustainability in Indonesia • IDH up-scales and accelerates sustainable trade by building multi-sector coalitions up and down the value chain, for example to increase soil fertility in Côte d'Ivoire
• Incorporate triple bottom line reporting standards • Where there is a clear rationale, build capacity for measuring socio-economic impacts of business activities	• Work with scientific research establishments and technical institutes to advance the field of results measurement and actively take part in measurement	• DFID is working to reduce duplication of effort and costly ad hoc project-based results measurement exercises by funding systematic research on large, open questions through the Research for Development Fund • The DCED is currently developing eight process principles of *ex ante* additionality for donors to apply before providing funding for cross-sector partnerships. Its evaluation standard for challenge funds has been widely applied	• WBCSD's 'Measuring impact' framework provides a list of existing tools that companies can use to measure the socio-economic impact of their activities • GIZ has developed a report capturing 12 good practice examples for measuring business and development value from partnerships • TPI has developed a 'health check' and continuous improvement process to support good partnering practice
• Implement international business standards (such as the UN Global Compact) • Integrate partnering across the organisation, not leaving it to the CSR or public relations department	• Create clear guidelines for engagement to give staff confidence	• In 2013, the International Fund for Agricultural Development undertook a 'fit for partnering' assessment and is further developing its approach to partnering • The World Food Programme established a new Partnerships and Governance Services department in 2013, developing a comprehensive partnership strategy • The UN Food and Agricultural Organisation developed a benchmarking tool and initiated an exercise to measure its partnership performance against other leading institutions	• The Better Cotton Initiative developed an internal manual providing advice on creating and managing partnerships. The manual also contains tools to help create an agreement, manage communication and monitor partnerships • The NGO Technoserve has undertaken a series of internal workshops to develop a five-year partnership strategy, with support all the way up to the board of directors

ABOUT THIS DOCUMENT

The Roadmap was originally an input into the Global Partnership for Effective Development Cooperation (GPEDC). Its specific contribution to an already rich and rapidly developing field is to focus on the 'how': providing a systematic, integrated and, most importantly, actionable approach to scaling up development partnerships with business at the country level.

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

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

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

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

The full version of this report is available from **TPIglobal.org**.

Authors: Dave Prescott and Darian Stibbe
The Partnering Initiative 2017



The Partnering Initiative, Old Music Hall, 106-108 Cowley Road, Oxford, OX4 1JE, UK
www.partnerinit.org • info@partnerinit.org • +44 20 3397 9060
England and Wales Registered Company #08528402 and
Registered Charity #1154259