



NORDIC PARTNERSHIP
DISCUSSION PAPER
**A NEW ERA OF
NORDIC PARTNERSHIPS
FOR SUSTAINABILITY?**
– ASSESSING THE PARTNERSHIP
MINDSET OF NORDIC NGOS AND BUSINESSES

SUMMARY:

HESITATION ON THE VERGE OF A NEW PARTNERSHIP ERA

The Johannesburg World Summit on Sustainable Development (WSSD) in 2002 heralded a new era for business-NGO interaction. The Summit placed the so-called “type-2” agreements of cross-sector co-operation at the top of the sustainability agenda, thereby accentuating and legitimising corporate-NGO partnerships as one of the key means for sustainable development. This was the result of a widespread recognition that the complex social, environmental and economic challenges of today and tomorrow can only be solved through partnerships that pool resources, competencies and knowledge.

The WSSD made it clear that one-off initiatives and mere shows of goodwill are not enough. Partnerships must be widespread and embedded across the government, business and NGO communities for the societal goal of sustainable development to be reached in the long run. With more than 200 partnership agreements launched during the Johannesburg Summit process, great expectations arose, of a future in which organisations from the public, private and NGO sectors work together on a large scale in partnerships for sustainability.

Today, over one year since the Summit, Nordic companies and non-governmental organisations (NGOs) are striving to find their place in this new “partnership era” in which traditional institutional and organisational structures are splitting up, giving way to new roles and responsibilities for the public, private and NGO sectors.

This paper explores the current “partnership mindset” of 12 Nordic companies and NGOs (see textbox below). The paper demonstrates that in the aftermath of Johannesburg, Nordic companies and NGOs view partnerships as something new, going far beyond the previous norms of interaction and traditional delineated roles and responsibilities of each sector.

The Nordic companies and NGOs participating in this project broadly share an understanding of partnerships as co-operation towards shared goals or purposes, based on clearly defined roles and with a certain degree of shared risks and responsibilities. Furthermore, in principle, they are all positive to engaging in this form of partnerships, have a strong interest in the partnership concept and recognise partnerships as an increasingly necessary means for sustainability on a societal level.

The Partnership Project

This paper is based on the findings of the project “Partnership Accountability”, initiated in the spring 2003 by the Nordic Partnership network of leading Nordic companies and NGOs in the field of sustainability. The purpose of the project is to foster a better understanding and a qualified dialogue on partnerships between Nordic companies and NGOs, thereby providing inspiration to new and better partnerships in a Nordic context. The project seeks to identify and assess the “partnership mindset” or partnership approaches among Nordic corporations and NGOs one year after Johannesburg.

The project builds on a pilot survey, an extensive qualitative survey and a one day discussion seminar carried out in June, September and October 2003 by Monday Morning - Think Tank of News and Novo Nordisk. A total of 6 Nordic Partnership member companies (Danisco, ITT Flygt, Nordea, Novo Nordisk, Novozymes, Volvo Car Corporation) and 6 Nordic NGOs (Amnesty International, Consumer Council, Ibis, Save the Children, Transparency International, WWF Denmark, WWF Sweden) participated in the survey and workshop.

The findings are of course not representative of all Nordic companies and NGOs. However, they do provide a telling look into the partnership mindset of a range of Nordic organisations who - through their engagement in the Nordic Partnership network - have demonstrated a strong interest in the field of sustainability.

For further information on the Nordic Partnership network and projects, please visit www.nordicpartnership.org

The Concepts – “sustainability” and “partnerships”

Sustainability was defined by the Brundtland Commission, chaired by the former Norwegian Prime Minister, in its 1987 report “Our Common Future” as “Meeting the needs of the present generation without compromising the ability of future generations to meet their needs.” Applied to businesses, the concept now usually engenders actions that are sustainable both to the company itself and to the society surrounding it – socially, environmentally and economically.

Partnerships generally refer to co-operation between different actors on solving common problems for a common benefit – and common solutions are often seen as more beneficial and longer-enduring than individual ones. The more precise understanding of the partnership concept as understood by Nordic businesses and NGOs is explored in this report.



However, Nordic NGOs and businesses face no unanimous pressure from their stakeholders to engage in partnerships - in fact, the NGOs are fearful of a negative reaction to partnerships among their supporters.

Furthermore, the NGOs respondents also perceive substantial risks to their integrity and reputation when engaging in partnerships. But the crucial needs and benefits of partnerships - as a way of reaching operational goals and gaining resources - mean that partnerships are nonetheless a part of the future strategy of many Nordic NGOs.

To the Nordic businesses respondents, however, the lack of clear added value - in particular in the short term - often dominates the picture. This means that to most companies, partnerships are not yet part of the business strategy.

Therefore, the practice of business-NGO partnerships for sustainability is still at a very early stage in the Nordic countries. Today, dialogue is the norm for Nordic business-NGO interaction. While some examples of small scale partnerships can be found, the large scale partnerships envisioned in Johannesburg are still exceptional. In spite of all the interest and great expectations, the new "partnership era" is not yet here. The key actors - businesses and NGOs - are hesitant about taking the next big steps.

This does not mean that the partnership agenda in the Nordic region is dead - far from it. But it does mean that it faces the risk of diminishing due to overrated expectations. Therefore, some degree of patience is needed while the partnership practice gains momentum through a step-by-step approach. Furthermore, several important tasks stand before Nordic businesses, NGOs and governments. The companies need to work on identifying the opportunities inherent in partnering with NGOs and develop a more long term, holistic approach to partnerships. The NGOs must find ways to overcome the risks inherent in being "business partners" and break down old stereotypes among their key stakeholders. Finally, Nordic governments should create stronger incentives for partnerships and facilitate to a larger extent, the partnering process of NGOs and businesses.

In the following, these key findings are further explored:

- First, the paper explores the understanding - the definition and delimitation - of partnerships for sustainability among Nordic businesses and NGOs.
- Second, it analyses the motivations - drivers and barriers - of partnerships.
- Third, it assesses the current status - the experiences and expectations - of the Nordic partnership practice and identifies the likely positive and negative future developments.
- Finally, it provides a range of recommendations for all key actors involved to move the partnership practice ahead.

UNDERSTANDING:

A NEW GENERATION OF BUSINESS-NGO INTERACTION

While the notion of partnerships has been a part of the international debate on sustainability for the last 5-7 years, in practice it is still a new concept for most Nordic businesses and NGOs. Increasing interaction and widespread dialogue have been characteristics of Nordic businesses/NGOs interaction for over a decade. But in the aftermath of the WSSD, Nordic companies and NGOs view partnerships as something new, going far beyond the previous norms of interaction and traditional delineated roles and responsibilities of each sector.

PARTNERSHIPS AS OUTCOME-ORIENTED CO-OPERATION

Nordic companies and NGOs share a general understanding of partnerships that can be summarised as **co-operation towards shared goals or purposes, based on clearly defined roles and with a certain degree of shared risks and responsibilities**. Furthermore, the "mutuality" of partnerships is stressed by all. According to one participant:

"A partnership means that members take a broader responsibility for their participation and input. One cannot just participate with criticism and knowledge in a specific area".

[Business participant]

While partnerships for sustainability imply a very close relationship, that to a large extent builds on trust and accountability, they do not require blind loyalty to the respective partner. Both companies and NGOs emphasise the importance of formal or informal rules and guidelines, (possibly stated in contractual agreements or memorandums of understandings), that provide clear exit strategies if trust or rules are broken. And while partners co-operate closely, it is important to keep an arm's length - to clearly define each others' spheres of interest and competencies and maintain separate roles and identities.



Specifically, the defining characteristics of partnerships for sustainability according to the Nordic companies and NGOs can be extracted as follows:

PARTNERSHIPS ARE
<ul style="list-style-type: none"> → Co-operation for specified goals or outcomes → Based on mutuality in contributions → Based on shared risks and benefits → Based on shared values and commitment → Based on trust, fairness and accountability
PARTNERSHIPS ARE NOT
<ul style="list-style-type: none"> → Dialogue as an end in itself → Making donations or traditional philanthropy → Blind loyalty (exit possibilities are pivotal) → Co-option or merging of roles and identity → Unregulated, i.e. without rules and contracts

Except for these limitations, neither the Nordic businesses nor the NGOs exclude any specific types or scales of co-operation. To them, partnerships can be everything from result-oriented dialogue to long term, contractual co-operation. Similarly, Nordic businesses and NGOs take a multi-stakeholder approach to partnerships, which can include businesses or NGOs, international, national or local authorities or organisations, sector organisations, media, academia, consultants, etc. The only limitation is that some or all aspects of sustainability – social, environmental or economic – must be considered in the co-operation.

An international definition of partnerships

The understanding of partnerships by the Nordic companies and NGOs is very much in line with the definition suggested by The Prince of Wales Business Leaders Forum:

"A cross sector alliance in which individuals, groups or organisations agree to: work together to fulfil an obligation or undertake a specific task; share the risks as well as the benefits; and review the relationship regularly, revising their agreement as necessary."

Quoted from: Nelson and Zadek: The Partnership Alchemy, The Copenhagen Centre, 2000

NOVELTY CREATES MENTAL BARRIERS

Based on this rather broad understanding, both Nordic companies and NGOs view partnerships as a new generation of business-NGO relationships. The strong element of close, outcome-oriented co-operation for specific goals constitutes a departure from traditional delineated roles and responsibilities.

Therefore, one year after the Johannesburg Summit, partnerships in practice still have somewhat elusive connotations. Most of the Nordic companies and NGOs are struggling to comprehend exactly what kind of changes and implications result from engaging in partnerships. The advocacy of partnerships is strongly linked to individuals - mainly top leaders and mid-level, specialist management – who realise the opportunities. As one participant states:

"NGO partnerships are not on everybody's mind. Partnerships take time, it challenges some old truths, the concept is strongly linked to individuals seeing the potential benefits and having the courage to break new ground".

[Business participant]

The perceived novelty of partnerships creates mental barriers to their spread and development as those who wish to take the initiative find they have to overcome fears of breaking new ground. Furthermore, viewing partnerships as a wholly new concept or second generation of interaction may prevent organisations from considering and benefiting from useful past experiences of cross-sector interaction. This highlights the need to develop practical experiences that de-mystify the concept and overcome the mental barriers.

Case: A pioneer in partnerships - WWF Sweden

WWF Sweden is one of the Nordic pioneers of partnerships in practice. While partnerships are new to most businesses and NGOs, for over five years WWF Sweden has been engaged in various ongoing business partnerships with different aims and content, typically focusing on certification and regulation of sustainability issues. These partnerships include:

- WWF Sweden helping Sveaskog to build a worldwide consumer market for wood, that accounts for economic, social and environmental concerns.
- WWF Sweden partnering with IKEA to promote responsible forestry. Multi-stakeholder based forest certification, an increase in the amount of forests under responsible management, and a reduction of unsustainable logging are the key aims of the WWF-IKEA partnership, which has both a Baltic and a global aim.
- WWF Sweden partnering with Wallenius Lines for a global marine stewardship policy. The partnership aims to arrange regulations for a faster outfacing of TBT - a toxic used as paint on the bottom of large ships.

Source: WWF Sweden

MOTIVATION: OPPORTUNITIES FOR SOCIETY, STAKEHOLDERS AND ORGANISATIONS

Nordic companies and NGOs view partnerships as an opportunity and a highly important tool for sustainable development. At best partnerships may help them reach specific sustainability goals in a way that is beneficial not only for society, but also for the organisations involved and their stakeholders:

“Partnerships can either be a faster or cheaper way to meet certain sustainability-driven business objectives, or the only way to reach certain sustainability-driven business objectives.”
[Business participant]

An assessment of the drivers for engaging in partnerships among the Nordic companies and NGOs points to three levels at which specific motivations and barriers to partnerships can be found – as summarised in the model below:

Three levels of partnership motivations:



MACRO LEVEL: BROAD RECOGNITION OF PARTNERSHIPS FOR SUSTAINABILITY

The societal goal of sustainable development is recognised by all the participating Nordic businesses and NGOs. After the WSSD, there is a general understanding that cross-sector co-operation is necessary to solve the complex social, environmental and economic issues of today. And all participants emphasise the joint responsibility for sustainable development - a responsibility that is a key driver for their positive interest in partnerships.

The **Nordic companies** generally want to “do the right thing” with regard to sustainability and hence realise the need to work closely with NGOs to get their help - including their expertise, knowledge and competencies - to fulfil sustainability obligations. And the **NGOs** acknowledge the importance of partnerships as a way of engaging businesses directly in sustainability tasks and issues.

MESO LEVEL: NO UNANIMOUS STAKE- HOLDER PRESSURE FOR PARTNERSHIPS

Accommodating stakeholder expectations is crucial when companies and NGOs interact more closely than traditional roles have allowed. As the organisations take on new and changing roles and responsibilities, it is particularly important that their stakeholders accept and approve the co-operation. And while there is, in general, no unanimous expectations of partnerships among business or NGO stakeholders, it is the Nordic NGOs who seem to be facing the greatest challenges to convince key stakeholder groups of the need for partnerships.

To NGOs, maintaining stakeholder trust is seen as particularly crucial, as they perceive the credibility of their organisation to be their core asset as well as the basis of legitimacy for their activities. And many of the Nordic NGOs fear that the key stakeholder groups - members or donors, benefactors, and boards or partner organisations - may oppose efforts to engage in partnerships with former business adversaries. As one NGO representative puts it:

“Long-lasting political myths and stereotypes of NGO representatives that are in contrast to inaccurate stereotypes of businessmen are more or less inappropriate due to a higher degree of complexity in creating social and economic sustainability – at least in this part of the world. Both partners need to adjust their old-fashioned images of each other”.
[NGO representative]

For the Nordic businesses, on the other hand, engagement with NGOs is more generally accepted, as long as the partners in question are deemed trustworthy. In fact, an important driver for business engagement in partnerships is the improvement or development of corporate reputation and branding.

MICRO LEVEL: STRONG DRIVERS FOR NGOS – BUT NOT YET FOR BUSINESSES

At the micro – organisational – level, there are many barriers for engaging in partnerships for both businesses and NGOs, in particular time and resource constraints. Partnerships can be demanding to the organisations involved, and substantial opportunity costs or time consumption are feared by many.

The motivations found at the organisational level can take the form of sticks as well as carrots. For example, the sticks can be market pressure or a lack of funding or expertise to solve important organisational issues. In these cases the organisations are effectively being forced into partnerships. The carrots – the incentives – can be perceived opportunities to develop markets, increase product awareness or increase influence that outweighs the cost, difficulties and risks involved in partnerships.



For **Nordic NGOs**, there are several obvious strategic and operational benefits from partnerships. Their main organisational drivers and barriers include:

→ **Drivers: Operational goals and funding:** Partnerships can be a way of accomplishing the NGO's basic mission regarding sustainable development. This can be either directly via co-operation on the ground or indirectly by raising business awareness and increasing influence on companies and the general public. Furthermore, partnerships are increasingly seen as an important way of generating income, in times of declining state funds and decreasing membership.

→ **Barriers: Integrity, reputation and business understanding:** The NGOs are keenly aware of maintaining their integrity and fear "co-option" or alignment with business interests when receiving company funding and entering close partnerships. The right to disagree and criticise businesses is essential for most NGOs - and therefore the fear of being perceived as selling out or serving as an industry apologist is widespread. Finally, an important organisational barrier for NGOs is the lack of understanding of business issues and culture. According to some NGO representatives, their employees often find it easier to do fieldwork than to engage with businesses.

One important means of overcoming these barriers is that accountability and integrity towards stakeholders are maintained though an "arm's-length" principle and clear rules of engagement.

Case: Partnership motivations in Volvo Car Corporation

To Volvo Car Corporation (VCC), partnerships are a means and not an end in itself. For decades, VCC has been a leader in automotive safety to the extent that this constitutes a substantial part of its brand value. Within this field Volvo has a history of partnerships at various levels with consumer organisations, doctors and scientists who all played an important part in creating awareness on automotive safety. Examples of potential partnership areas for VCC include:

- Alternative fuels (market conditions, incentives, lobbying, networking)
- Selling sustainability (consumer awareness, new business initiatives)
- Promoting the use of rear-facing child seats outside the Nordic countries (awareness-raising, public opinion, policymakers)
- Human rights in the supply chain in emerging economies (methods for managing the supply chain and interaction with local governments)

Source: Volvo Car Corporation

For **Nordic companies**, the organisational benefits and problems in partnerships seem less clear-cut. Their main drivers and barriers include:

→ **Drivers: Building competencies and identity, trust and awareness:** The key benefit of partnerships according to most businesses is that they help develop organisational understanding, competencies and knowledge of sustainability issues. Partnerships are also seen as an important tool for developing stakeholder trust in the companies and – as mentioned above – benefiting the companies' reputation. Furthermore, partnerships can facilitate the development of a positive corporate identity among employees. In addition, some companies are aware of partnerships as a tool for increasing stakeholder and – potentially – market awareness.

→ **Barriers: Opportunity costs, internal scepticism and (short term) benefits:** However, these "soft benefits" of partnerships are not enough to overcome internal scepticism of partnerships in most companies. Partnerships are seen as carrying substantial opportunity costs of time and resources which could otherwise be spent on more profitable activities. To overcome these barriers, substantial business benefits - e.g. market development, increased product awareness or accommodation of consumer demands - should be identified.

Most companies express a need for linking partnerships more clearly with business objectives, in order for them to become part of their core strategy:

"We think the agenda is shifting; before it was seen as companies providing money and influence, and NGOs providing credibility. In the future, partnerships will require more of a mutual business case, i.e. both partners will aim for partnerships with clear links to their strategic objectives".

[Business participant]

Some examples of existing or potential partnerships with relevant "business benefits" - including market development or increased product awareness – do exist among the Nordic companies. See case studies.

Case: Promoting access to health through partnerships – Novo Nordisk

Partnerships are a key element in Novo Nordisk's initiatives to ensure greater access to health in developing countries within its key therapy area, diabetes. The goal of Novo Nordisk's National Diabetes Programmes is to build up diabetes infrastructure in an approach modelled on key priorities identified by the World Health Organisation.

Beginning in eight targeted developing countries, Novo Nordisk is working with governments, the WHO, health care professionals and patient organisations to build awareness of diabetes and provide resources, training and clinical capacity.

Diabetes is a pandemic which is expected to affect 370 million people in 2030. This will impact heavily on the already fragile infrastructure of developing countries, and Novo Nordisk sees it as the company's responsibility to help national governments cope with these enormous challenges. In the long term, it also makes good business sense for Novo Nordisk, because the partnerships are strengthening the company's relations with key stakeholders as well as building the market for diabetes care.

Novo Nordisk is well aware of the dilemmas involved in working in partnerships, not least in developing countries. Greater corporate involvement may not be welcomed but met with distrust. Developing countries also frequently have problems of corruption. Because of these factors, it is extremely important that the partnerships are conducted in a transparent fashion and on the basis of clear contractual agreements and careful screening of partners.

Source: Novo Nordisk

PRACTICE:

LARGE GAP BETWEEN EXPECTATIONS AND EXPERIENCES

Despite the fact that business-NGO dialogue predominates current Nordic partnership practices, examples of "real" partnerships constitute only a few cases. Furthermore, concrete plans for future Nordic partnerships are limited. This is in spite of the fact that the general expectations of partnerships are high among both businesses and NGOs, and that all agree that the Nordic setting provides a strong starting point for developing partnerships.

THE NORDIC OUTSET FOR PARTNERSHIPS

There is a general sentiment among both businesses and NGOs that the Nordic setting and traditions provide a positive outset for developing partnership practice. To them, the essence of these Nordic traditions relate to:

- **Democracy and corporatism:** The strong democratic tradition in the Nordic countries and the widespread practice of involving and listening to stakeholders across sectors.
- **Consensus over conflict:** The tradition of seeking consensus and co-operation instead of confrontation and fighting over conflicts when solving societal issues.
- **Mutuality and access:** The tradition of easy mutual access to other stakeholder groups and the relatively extensive interaction and dialogue across sectors.

The Nordic tradition of consensus instead of confrontation means that many of the potential conflicts inherent in the partnership concept might well be relatively smaller in this region than in other parts of the world. In general, the already relatively close contact across sectors in the Nordic countries means that taking the next steps towards genuine partnerships should not be difficult.

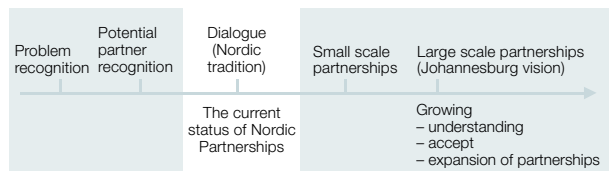
DIALOGUE – NOT PARTNERSHIPS – IS THE NORM

High expectations of partnerships as the tool for sustainability are widespread among the Nordic companies and NGOs. All agree that the importance of partnerships for sustainability, to both individual organisations and to society as a whole will continue to grow in the future.

However, the Johannesburg vision of large scale, widespread partnerships is still far out of reach for most companies and NGOs. Overall, they have recognised the need to work together on solving societal problems of sustainability, and many have also - in principle at least - identified each other as potential partners. But the current status of the Nordic partnership practice is that businesses

and NGOs continue to stick to the traditional Nordic practice of dialogue. Small scale partnerships are relatively few - and large scale partnerships are an exception - see model below.

Towards the Johannesburg vision



There is a certain amount of relevant partnership experiences among Nordic Partnership members. However, most companies and NGOs feel unsure whether their experiences “count”. One reason for this uncertainty may be that although many respondents had experience with business-NGO interaction in a general sense, they tend to see partnerships as a whole new schism. Several organisations stated that they do not have any “real” experiences according to what they themselves define as partnerships.

Furthermore, neither the Nordic companies nor the NGOs specify plans to engage in new partnerships on a larger scale. With a few exceptions, most want to continue with existing partnerships in the future but feel unsure of whether they are capable of undertaking new ones – particularly on a large scale.

Nordic Partnership members: Limited and diverse partnership experiences

A pilot survey of the experiences with partnerships among Nordic Partnership member companies conducted in June 2003 reveal that they do have some limited experiences with cross-sector co-operation. However, the experiences are generally on single case issues, including:

- Varied issues: from bird watching to customer awareness raising.
- Varied partners: from governments, NGO’s and international organisations to industry networks, branch organisations, consultants etc.
- Different scales: from small, short term, ad hoc projects to long term commitment and structured co-operation
- Different organisational forms: from simple man-to-man agreements to joint secretariats, from one to multiple partnership members.

Source: Nordic Partnership pilot survey, June 2003

NORDIC PARTNERSHIP FUTURES: SHIFT OF PARADIGM VS. SLOW DEATH

The survey findings leave an impression of Nordic partnerships at a crossroads:

On the one hand, Nordic businesses and NGOs generally have very high expectations of partnerships as a key means for sustainability. All agree that the use of partnerships will continue to grow in importance. Businesses expect more long-term partnerships with many different stakeholder groups – often on specific issues related to their business models. To NGOs partnerships will increase in importance as a means of generating sustainability outcomes and – not least – of raising resources:

“[Partnerships] will become more important as we are now looking actively for new partners that will be able to fund development activities”.

[NGO participant]

While practical experiences are limited, the positive interest, growing awareness and pioneering examples of successful partnerships among Nordic businesses and NGOs might lead to a gradual increase and spread in the number and scale of partnerships towards the levels envisioned at the WSSD. This is further supported by the solid and positive foundation of Nordic traditions of cross-sector interaction.

On the other hand, some Nordic companies and NGOs stress that while partnerships are positive, they are not the answer to all problems. To them, the Johannesburg visions were probably overrated and the partnership concept is at risk of becoming “hype”:

“Expectations were probably overrated - partnerships are not solutions for everything. Partnerships became a buzzword, a solution that was constantly spoken about but without much thought for the consequences or how they would be able to play out in practice.”

[Business participant]

Many participants fear that the concept of partnerships will be overused by covering too many forms of cross-sector interaction, e.g. sophisticated philanthropy. Another risk is the abuse of partnerships for greenwashing unethical business behaviour. Combined with a general uncertainty of what the partnership concept really implies, these factors could at worst cause a slow death of the partnership case – or mean that partnerships never really take off and reach the level and scale expected at the Johannesburg Summit.



RECOMMENDATIONS: TIME TO REGAIN MOMENTUM

The last decade has witnessed an increasing interaction between the main sectors in society on both a Nordic and a global scale – not least between businesses and NGOs. This interaction stems from the growing recognition that the solution to societal challenges lies in cross-sector co-operation, and that achieving individual objectives for each sector increasingly depends on co-operation with other sectors. Governments and NGOs need the co-operation of businesses to help shape sustainable societies. And businesses increasingly need interaction with NGOs and governments to develop sustainable companies with good stakeholder relations and positive market conditions.

Partnerships are emerging as a key means to increasing this kind of interaction, not least in the field of sustainability. But based on the assessment of the 'partnership mindset' among Nordic companies and NGOs, their dominant approach to partnerships is characterised by hesitation. Businesses and NGOs are approaching the new partnership era rather cautiously.

The hesitant approach to partnerships and the discrepancy between visions and actions means that this important element in achieving sustainable development risks losing momentum and diminishing due to overrated expectations. It is important that this scenario does not happen because despite the range of challenges (including a change in the traditional roles of NGOs and businesses) – partnerships offer an opportunity to make necessary cross-sector interaction more proactive and outcome-oriented, with greater benefits for all involved.

The "Nordic" context provides a good framework for facilitating the partnership agenda, due to the region's tradition of cross-sector access and dialogue. However, this project also points to a range of necessary "next steps" and key recommendations to move on with the partnership practice – both in terms of business and NGO approaches, tasks and tools.

APPROACHES: MOVING PATIENTLY FROM STEP TO STEP

The lack of extensive experiences and the relatively modest plans for future partnerships among Nordic companies and NGOs is partly due to the fact that partnerships in practice are still relatively new and need more time to develop and become mainstream. This calls for an elimination of the "hype" surrounding partnerships and underlines the need for a "no-nonsense", step-by-step approach to partnerships among businesses and NGOs.

This would include:

- **Developing understanding:** First, both businesses and NGOs should develop their insight and shared understanding of partnerships as a potentially important means to reach strategic and operational objectives.
- **Identifying goal and means:** Second, Nordic businesses and NGOs must work on identifying what they want to achieve – the relevant businesses or NGO objectives – and consider if and how partnerships can help them reach those objectives.
- **Seeking partners:** Third, on this basis, the NGOs and companies should seek relevant partners. Here, a systematic approach and relevant forums have important roles to play.
- **Scaling-up partnerships:** Finally, while initially engaging in small scale, short term partnerships, businesses and NGOs can use these as basis for scaling-up and transferring successful partnerships to become more extensive and more large-scale.

While this patient approach is widely recognised by most Nordic companies and NGOs in principle, the project indicates that they also need employ it themselves to a greater extent, and overcome their hesitation of building partnerships for sustainability.

TASKS: PRIORITY ISSUES FOR BUSINESSES, NGOS AND GOVERNMENTS

Businesses, NGOs and - not least - Nordic governments each have important tasks to undertake and focus on to move the partnership agenda along. Based on the findings in this project, the most pressing tasks are the following:

- **Nordic businesses: Developing long term opportunities in partnerships.** First and foremost Nordic companies should focus on identifying and developing the potential opportunities and benefits from partnerships. Without clear-cut strategic or operational opportunities or benefits, partnerships risk becoming 'add-ons' outside of the core business models. This could mean subordination or down-prioritising in times of economic decline - and a lack of motivation for getting started on new, demanding endeavours. However, in this search for "business opportunities" in partnerships, Nordic companies should take a long term perspective and view partnership costs as long term investments. In the short term, the costs involved in partnerships might not always "pay off". But examples among Nordic Partnership member companies indicate that in the longer run, partnerships can carry positive business benefits that are worth the efforts – and are not a barrier to making money. Therefore, paying attention to long term objectives and benefits and adopting a holistic approach is key to developing large scale partnerships over time.



→ **Nordic NGOs: Developing new roles and breaking down stereotypes.** To take advantage of the potential partnership benefits, Nordic NGOs need to work on their new roles as potential business partners. This is far from the old watchdog ideal, and NGOs (as well as businesses) need to find ways to interact more closely while at the same time allowing room for NGOs to criticise businesses. However, increased awareness of what NGOs have to gain - and offer - in business partnerships will be crucial to developing the partnership agenda. This is particularly relevant towards sceptics and other stakeholders that are caught in passé stereotypes, which create distrust and prevent new development.

→ **Nordic governments: Create incentives and facilitate partnerships matches.** While this survey has not included the current role of Nordic governments, it is clear that they have a key role to play – both as potential partners themselves, and not least as facilitators of stronger business-NGO interaction. Governments cannot just wait for companies and NGOs to overcome the partnership challenges by themselves. Thus, an important task for Nordic governments will be to create larger incentives for bilateral and multilateral partnerships for sustainability. This can be done directly, e.g. by demanding that companies partner with NGOs in order to gain government funding or projects. One obvious area would be government funded projects in developing countries. It can be done indirectly, by using the governments' knowledge of the business and NGO communities to assist in matching and screening potential partners for business-NGO co-operation.

Case: Towards a partnership practice – Ibis

Ibis is a development NGO with more than 30 years of experience working in Africa and Latin America. Ibis typically partners with civil society organisations as well as local and national authorities. Ibis has not yet been engaged in partnerships with private companies but has now decided to investigate the possibilities for operational partnerships with private companies. Relevant partnership issues include activities within education, the fight against hiv/aids, strengthening civil society organisations etc. To Ibis, partnerships offer a way of creating a broad commitment to development assistance.

Source: Ibis

TOOLS: NEW COMMON GUIDELINES

In addition to the new approaches and priority issues identified above, common tools and guidelines for overcoming the risks and expected problems of partnerships should be developed. Some of the suggestions made by Nordic companies and NGOs in this survey include the following:

Expected problem	Suggested solution
Shortage of resources, time and money	<ul style="list-style-type: none"> – Develop new tools for establishing appropriate matches of interests and resources – Develop tools for measuring partnership effects or added value (“If you can’t measure it, you can’t manage it”) – Develop legitimacy of gaining resources from partners
Fear of loss of integrity or co-option	<ul style="list-style-type: none"> – Ensure well-defined roles and responsibilities, the maintenance of arms-length principle, etc. – Develop stakeholder understanding and acceptance – Broaden accountability perspective to include all of society
Reputation risks	<ul style="list-style-type: none"> – Develop clear rules of engagement, including auditing and reporting systems to document accountability, full transparency and clear channels of communication – Ensure clear exit strategies – Formalise contracts or agreements



A large and growing number of – more or less useful – guidelines for successful partnerships already exist and can be used as a starting point, cf. textbox below.

An overview of useful partnership guidelines

A large number of guidelines on business-NGO or multi-stakeholder partnerships are available. Below are some examples, which provide a good starting point for assessing critical success factors and potential pitfalls:

- United Nations Division for Sustainable Development: Partnerships for Sustainable Development. A comprehensive website with guidelines, reports and registration forms for partnerships for sustainability: <http://www.un.org/esa/sust-dev/partnerships/partnerships.htm>
- Jonathan Cohen: “State of the union: NGO–business partnership stakeholders” in Andriof et al (eds.), *Unfolding Stakeholder Thinking 2*, Greenleaf Publishing 2003. The chapter can be downloaded at <http://www.greenleaf-publishing.com/pdfs/ust2cohe.pdf>
- Erb Environmental Management Institute & Green Business Network: *Collaboration for a Change: A Practitioner’s Guide to Environmental Nonprofit-Industry Partnership*, 2003. Available for download at www.greenbiz.com/partnerships
- SustainAbility, Global Compact and UNEP: *The 21st century NGO – in the market for change*, 2003
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