



**The NL Network of UN Global Compact
PARTNERSHIPS FOR DEVELOPMENT
REPORT 17 MARCH 2008**



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Opening

The Netherlands Network for UN Global Compact was founded in 2006, by business representatives from different companies. This year, Shell is the first company in the Network to host a symposium on the topic of “partnerships for development”. Partnerships between NGOs, government and businesses are increasingly common, but they are not always as effective as they could and should be. The aim of this symposium is to improve partnerships by exchanging learnings and best practices.

Setting the Scene

Today’s business context is changing rapidly. The private sector is working in partnerships to access complementary competencies.

Shell is in the business of producing ‘responsible energy’. This means responding

to the growing energy demand around the world with due consideration for social and environmental impacts. Partnerships are one of the important ways to anticipate developments and to adopt new working practices. Shell believes partnerships are the way to go because it is the right thing to do, but also because it is good for business.

The questions of why, how and with whom to enter into partnerships are topics of important discussion. Discussions focussed on how industries and NGOs play their parts and how benefits can be harnessed. Partnership structures range from large complex multi-party structures to very small local projects. The benefits are equally diverse. Questions on what works best or uncertainties should not delay action on participation in partnerships: a little leap of faith is sometimes required.



A. WORKING GROUP UPHOLDING SOCIAL AND HUMAN RIGHTS

Voluntary Principles

Shell is aware that its activities may have unintended effects on local communities and ecological systems. Through its participation in the Voluntary Principles on Security and Human Rights, Shell is committed to assess its impact on Human Rights and to make improvements were necessary. Despite the name, the company considers the Voluntary Principles binding. It has sought partnerships with NGOs and governments in implementing them. The International Committee of the Red Cross (ICRC) has played an important role in drawing up these principles. As a result of working with these partners, all of Shell's security standards are required to be compliant with the Voluntary Principles.

FOUR KEY QUESTIONS FOR THE EVENT

- What are strengths and weaknesses of partnerships?
- How is a partner selected?
- What are the do's and don'ts in entering partnerships?
- How is success defined, what are the key deliverables?





The Niger Delta

Partnerships forged by Shell in the Niger Delta illustrate how the company and its partners work in a highly fragmented society. The partnerships work to safeguard people's freedom. The Niger Delta shows how important it is to reach out to communities in implementing the Voluntary Principles. They need to be on board by their own initiative and it is important that the outcome of the partnership activities is not predetermined.

Making good coffee: the case of Sara Lee

The coffee industry has been the target of the Fair Trade movement as the prime

example of an industry that systemically favoured large producers over smallholders, causing concern with social NGOs. Sara Lee considered Fair Trade's solution of just paying "a fair price" insufficient. Instead, Sara Lee has worked with Plan Uganda – the local affiliate of Plan International – to improve the production process of coffee. These processes range from infrastructural assistance in facilitating clean water and economic stoves, to connecting a NGO with coffee traders. The ownership of these programmes will always remain local. However difficult it may be for local partners to adapt, empowering local suppliers and traders and mainstreaming sustainability does provide the solutions.

B.

B. WORKING GROUP ON FORGING HEALTH PARTNERSHIP TO COMBAT HIV/AIDS

Introduction by Shell

Shell is interested in fighting HIV/AIDS because it affects its business. The company is not an expert on HIV/AIDS and learned to build strategic partnerships instead of taking fragmented initiatives on its own. Furthermore, Shell learned how important it is to invest time in the relationship with its partners.

Introduction to the Shell/Family Health International (FHI) partnership in Nigeria

The main objective of this partnership is to provide access to high quality health care for the people in the Niger delta area.

The partnership is very successful so far. In addition to successes in preventing and treating HIV/AIDS, the organisations created co-ownership of the project. Different factors contributed to this success, including the

provision of adequate resources, people, passion, money and logistics. Furthermore, the communication system involves all stakeholders and creates an open relationship built on trust. Important reasons for the partnership's success are that the organizations found a way to handle conflicts and disagreements and that partners recognize each other's strengths and weaknesses. By staying focused on the bigger picture they try to solve problems and create a win-win situation.

Introduction to the partnership between Celtel and PharmAccess

The primary reason for Celtel to fight HIV/AIDS is because it affects its employees. Their project has two pillars: to raise awareness and to take care of all Celtel employees and their dependents. Core values of the project and the partners are confidentiality and non-





discrimination. Experiences and best practices of other companies, like Unilever and Heineken, have helped Celtel to set up this partnership.

So far, the partnership achieved a considerable increase in awareness and knowledge on HIV/Aids and treatment. Celtel and Pharm-Access advise those engaged in partnerships not to take their program for granted and to stay focussed on the people and patients for whom the programmes are designed.

Tracking achievements is very important. It is important to know the number of people being treated, the quality of the treatment, the process of the treatment, and the cost and number of people who are being tested. Companies would not normally be considered experts in the field of HIV/Aids

prevention and therefore they need partners for expertise. "We learn as we go, and one size does not fit all".

Partnerships – NGO perspective

As Shell is aware that its activities may impact the environment and local communities, it is prepared to take its responsibility and realises that there is always more than one solution to a problem. Together with other leading companies, Shell intends to work on guide-lines and a toolbox regarding partnerships. These companies may then start to influence organizations like UNEP and UNDP.

IUCN

When a company is serious about the implementation of its corporate social responsibility policy, they will prove it through their actions. IUCN would like to

see companies move from doing harm to the environment to doing everything they can to prevent damage. IUCN would like to help companies to maintain their license to operate. Bill Jackson: "In our point of view, partnerships are worthless unless it allows us to integrate biodiversity thinking in the private sector."

NECESSITIES OF PARTNERSHIPS

- Time to build TRUST
- Local presence/voice. Build local structures with local players
- Solutions need to be sustainable. Activities need to become self-sufficient and independent from continued support by donors
- Recognise and factor-in the differences between NGOs, government, business
- Continuously test basic principles and check that partners' agendas still match
- Have a mechanism to deal with conflict between partners
- Partners build from a common platform and share risks
- Passion, people, money and logistics



C. WORKING GROUP ON LOCAL ECONOMIC DEVELOPMENT

Rabobank: going for the small, sustainable entrepreneur

Cooperatives are still at the heart of the philosophy of the Rabobank Foundation. Through NGOs, the foundation provides micro-credit loans to small farmers who are united in cooperatives to put their products on the market. Rabobank traces its roots to this model, and the foundation believes the model can be replicated in every developing country. Challenges are posed by the size of cooperatives. Smaller cooperatives are easier to run as tighter social controls prevent corruption. Political establishments may feel challenged by the power of large cooperatives. Cooperatives suffer when their managers enter into politics and are able to gain financially from their position. The key is to find the right partners. Having found them, the opportunities for long-term fruitful relationships are there.

Living Earth and Shell: long term partners

Shell and Living Earth have been partners for 16 years. Over those years, a mutual understanding and relationship has developed, enabling Living Earth to freely criticise the company if it deems necessary to do so.

To Shell, there are many different reasons to enter into partnerships. What they have in common is the objective to share outcomes that are beneficial to everyone involved. Shell is interested in learning, for example how it can improve stakeholder engagements and understand local resistance. These behaviours support the longevity of a partnership.

Two recent examples of positive outcomes of the partnership: In an environment where it is difficult to create an independent



forum for discussion, Shell and Living Earth facilitated dialogue sessions in partnership with Sakhalin State University. By partnering with the university, it was possible for the local population to engage with Shell and express concerns. In return, Shell had the opportunity to answer to these concerns. In Kampala, Uganda, Living Earth and Shell generated 3,000 jobs in waste management and sanitation, leading to an improvement in hygiene as well as self-sustaining jobs.

FACTS ABOUT PARTNERSHIPS

- Each partnership is unique. Not one size fits all
- Partners' skills and expertise are more valuable than cash or funds
- Value of a long-term partnership comes from the bond it creates, the in-depth understanding and the freedom to criticise
- Partners stay independent in their decision-making and programmes
- Effective programmes are those that can be replicated in other locations
- "Mainstreaming" sustainability solutions is an acceptable practice.

D. WORKING GROUP SANITATION ON 2008 UN YEAR OF SANITATION, OPPORTUNITIES FOR PARTNERSHIPS

Introduction to sanitation partnership Red Cross

The main goal of the Red Cross partnership is to improve the health of people by providing safe and clean drinking water, sanitation and education about hygiene around the globe.

Introduction to the partnerships of Unilever

The objective of this partnership is to improve the health of more than 5 million people through active promotion of personal hygiene and thereby contributing to Millennium Development Goal 4.

The added value of Unilever in the partnership are the skills it brings, more so than funds. The expertise of Unilever can help in managing stakeholder relationships and the company can develop sustainable business

models. It is important to stay flexible and to continually test the principles of your partnerships in order to see whether they still match the agendas of all partners.

Introduction to the Shell/Red Cross partnership

Forty percent of Shell's workforce lives in countries that are affected by a lack of sanitation. Although the importance for the company may not immediately be apparent, it does affect the company's work. Three elements are of vital importance to a successful partnership: an open mind, time to build trust between the partners, and the intentions to make long-term investments. To illustrate the impact of sanitation, consider that death in the final stages of AIDS is usually a consequence of an infection. It is highly probable that simple personal hygiene measures will already improve the



quality and quantity of life for people suffering from HIV/Aids. As a result of the working group, a new partnership in the area of sanitation and hygiene will be explored.

Discussion

Members of the panel:

Mr. Ruud Treffers (Director General International Cooperation, Ministry of Foreign Affairs)

Mr. René Grotenhuis (Director Cordaid)

Mr. Mike Wilkinson (Vice President Sustainable Development, Shell)

Cordaid is not involved in strategic partnerships with Multinationals. The organisation prefers to create a network of local NGO partners to form partnerships.

Cordaid feels the issue of 'conflict' causes,

or intensifies, a lot of the problems that we try to resolve with partnerships. Grotenhuis stresses the fact that no one can solve the existing problems on their own. Partnerships should have added value and fit with other existing initiatives and programmes. Companies must be careful not to use corporate social responsibility as window-dressing.

The Dutch government has embraced the concept of partnerships from the perspective that they must have an added value to contribute to development en poverty reduction. The ministry would like to do more in a partnership than just offering money. It also wishes to be recognised for the expertise it has to offer.



DO'S AND DON'TS OF PARTNERSHIPS

- **Be open and transparent**
- **Do not treat each other as contractors**
- **Do not use partnerships as 'green wash'**
- **Do put in real effort and resource (all partners)**
- **Don't get over-focussed on measuring deliverables.**
- **Do make sure partners get to know each other well – no surprises**
- **Be open to partners' opinions**

Shell's main impression is that there is no single blueprint for partnerships. The possibility of embassies and governments becoming parties to partnerships can give a boost to these ways of cooperation. However, it is important that governments and multinationals should not be waiting for one other to take the initiative. Instead, they should take a shared responsibility.

Closing remarks

The issue of partnerships is a learning process for all parties involved. The private sector is strong in long-term thinking and building relationships. During this afternoon at Shell, everybody has contributed to sharing learnings and experiences to build better partnerships in the future.