

# FORUM DISCUSSION PAPER 2014: CONVERGENCE AND INTERNATIONAL VOLUNTEER COOPERATION

Discussion Paper for IVCO 2014



Three women from Junkabal Foundation in Guatemala show off their culinary skills as part of the USAID Violence Prevention Project implemented by CECI and RTI-International. Photo: Michel Huneault, CECI.

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Special thanks to Michel Chaurette, Christina Jenkins, survey respondents and interviewees



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# Foreword

This is the fourteenth in a series of discussion papers produced by the International Forum for Volunteering in Development (Forum), which follows on from our research work on trends in international volunteering and cooperation in recent years.

One of the key areas identified for the IVCO conference in 2014 is the issue of International Volunteer and Cooperation Organisations (IVCOs) in a converging world: a world where cross-sector collaboration among IVCOs, governments, companies and donors is a current trend.

This paper aims to look at the emergence of convergence as a theme in international volunteering, explore processes and outcomes of cross-sector collaboration, and identify some challenges and learnings for the future.

The views expressed in this paper are not necessarily those of Forum or its members, or of the organisations for which the authors work. The responsibility for these views rests with the authors alone.



**Nita Kapoor**  
Chair of Forum

## About Forum

The International Forum for Volunteering in Development (Forum) is the most significant global network of International Volunteer Cooperation Organisations (IVCOs). Forum exists to share information, develop good practice and enhance cooperation across the international volunteering and development sectors. It promotes the value of volunteering for development through policy engagement, mutual learning and by sharing innovative and good practices. Forum is a “virtual” network, with a global membership that includes a range of organisations involved in international development, including non-government and state organisations.

# EXECUTIVE SUMMARY

## How does the trend of convergence and cross-sector collaboration impact international volunteer cooperation organisations?

To attempt to answer this question, our research asked both scholars, through a review of academic literature, and Forum members and associate members<sup>1</sup>, through a web survey and a qualitative interview protocol.

This discussion paper is divided into three sections:

- Section I: The Emergence of Convergence
- Section II: Processes of Cross-Sector Collaboration
- Section III: Outcomes of Cross-Sector Collaboration

Convergence, broadly defined as “the alignment of issues, interests and therefore solutions across sectors” (Bulloch, 2011), has become a major trend in international development in recent years, and at least three broad groups of actors contribute to this trend:

- 1) **Governments** worldwide are facing strained fiscal resources, high debts and ever-increasing social demands. As public agencies look for others to share this burden (NBS, 2013), they seek the collaboration of private companies and NGOs to address social issues.
- 2) **Companies** are dealing with public pressure from governments and civil society to act as responsible corporate citizens (Aguilera et al., 2007; Campbell, 2007). They seek the assistance of NGOs to establish and restore good relationships with communities and authorities.
- 3) **Donors** expect more results from the initiatives they fund (Schmitz & Mitchell 2009; Lucea 2010); they expect that cross-sectoral partnerships, as they mobilise complementary skills and expertise from different sectors, will generate synergies and greater development outcomes.

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<sup>1</sup> Collectively referred to as ‘Forum members’ or ‘Forum member organisations’ in the remainder of this paper.

## The conclusions of this paper are:

### GENERAL TRENDS

**Survey confirms convergence trend among volunteer cooperation organisations** – The survey and interviews conducted with representatives of Forum member organisations confirm the emergence and growing importance of convergence and cross-sector collaboration in the specific context of volunteer cooperation organisations. Respondents have largely noticed and experienced increasing collaboration and convergence of interests and practices between volunteer cooperation organisations and private companies. Most respondents wish and foresee this trend to keep growing in years to come.

**The evolution is occurring at the NGO-private sector level** – The survey shows that while NGO-government relationships are well established and often long-standing and symbiotic, the NGO-private company convergence trend is more recent and novel. Governments and international institutions participate in this by being increasingly active in promoting and implementing policies aimed at fostering a greater level of collaboration between NGOs and private companies for international development initiatives.

### PROCESSES AND MECHANISMS

**Communication and mutual trust are key to successful partnerships** – Communication, relationship-building and mutual trust were mentioned repetitively and emphatically by virtually all respondents as key to fruitful and long-term collaborations with private companies. Throughout this research, achieving social transformation through broad inclusion and mobilisation is envisioned as the ultimate objective of cross-sector collaboration. Communication, relationship-building and mutual trust are the soil in which this social transformation can grow into a practical reality. Still, much road remains ahead with regard to designing and implementing efficient co-management, co-assessment, co-governing structures and inclusive stakeholder engagement mechanisms.

**Global multi-stakeholder platforms for development** – At the global level, supported and encouraged by international institutions, an increasing number of global cross-sectoral multi-stakeholder initiatives are emerging, such as the UN's Sustainable Development Solutions Network and Global Compact, the Connect4Climate network supported by the World Bank, the International Model Forest Network and the Roundtable for Sustainable Palm Oil, to name but a few (see Appendix 4 for further details on these platforms). Global multi-stakeholder platforms raise global awareness and foster real positive change in corporate practices and in community outcomes. But global multi-stakeholder initiatives may yet be at the infancy stage, and expectations are high regarding the potential of these platforms to foster inclusive and sustainable international development outcomes over the next decade and further.



## OPPORTUNITIES AND CHALLENGES

**Collaborating with companies offers many learning opportunities** – Respondents mentioned many learning benefits from increased collaboration with the private sector. As NGOs and private companies speak different languages, learning the language of business can yield operational and strategic benefits for NGOs. Several interviewees mentioned that cross-sectoral learning can boost development outcomes by opening volunteer organisations to different ways of thinking and working, widening their horizons and familiarising them with other organisational processes and approaches. Volunteering organisations are learning about more business-like ways of planning, doing and measuring that can contribute to improve their operations and decision-making processes. One interviewee summarised, “NGOs have a lot to learn from businesses in terms of efficient management culture, where time has a different value. Good project management is good project management, no matter the sector.” Through cross-sector collaboration, organisations also learn to respect and value each other’s role in society.

**Transformation through stakeholder inclusion** – Forum members are learning ways to improve inclusion mechanisms in order to mobilise and give voice to all interest groups, including community elements that are typically excluded and marginalised. To achieve this, they collaborate with traditional community institutions to reach out to the disenfranchised and create broad coalitions of interest to address community issues. Stakeholder inclusion mechanisms such as advisory bodies and public hearings through innovative processes such as PhotoVoice are emerging as favoured vehicles to mobilise a diversity of local community actors towards the emergence of truly transformational social-issue platforms. Yet, much learning remains ahead for volunteer organisations as to how to design and implement comprehensive and efficient stakeholder inclusion mechanisms.

**Integrating market principles into global development approaches** – Forum members discussed their initiatives for developing skills for employment, improving outcomes of value chains for communities, and boosting local economies to increase incomes and opportunities, which the UNDP calls market-inclusive development. Fair trade and impact investing, as examples of truly market-driven initiatives, go even one step further by effectively aiming to change the very rules of the market in favour of communities. Increasingly, development is pursued through market mechanisms, and social change is achieved through logics traditionally seen as pertaining to the private sector.

## THE FUTURE OF CORPORATE VOLUNTEERING

**A great potential to tap into** – Corporate volunteering is widely perceived across respondents as a pragmatic and effective vehicle to leverage private sector skills and resources for greater development outcomes. Corporate volunteering is pragmatic because it is based



on durable mutual interests that are “obviously tied to the bottom line” of both partners. It is effective because it is scalable, adaptable and replicable. For those reasons, corporate volunteering has the potential to become much bigger than it is today: it can become a global engine for inclusive development and spur cross-sector collaboration to a whole new level.

**Yet, much promotion and education are needed** – One issue confronting volunteer cooperation organisations is that not many public and private sector actors yet fully grasp the rich value the volunteering experience has to offer in terms of skills and leadership development, workforce mobilisation and development outcomes. As a result, much education and promotion remains to be done by volunteer cooperation organisations to stir the attention of public, private and development actors on the genuine value and potential of corporate volunteering.

### **In light of these findings, the following strategic questions are proposed to Forum members for discussion and debate<sup>2</sup>:**

- 1) Within the current dynamic of accelerating cross-sector collaboration, can the expansion of corporate volunteer programs contribute to scaling up international volunteering engagement, and if so, how should Forum member organisations proceed to take advantage of this opportunity?
- 2) How should the sharing and exchange of cross-sector collaboration knowledge and experience be promoted by Forum, and which initiatives should be undertaken to achieve this end?
- 3) To what extent does the integration of market-driven mechanisms into international volunteering cooperation approaches have the potential to yield optimal development outcomes for communities, and how far should it be pursued?

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<sup>2</sup> For additional context on the strategic questions above, the reader is invited to refer to the Strategic Questions section later in this paper.

# INTRODUCTION

## Background

Convergence, broadly defined as “the alignment of issues, interests and therefore solutions across sectors” (Bulloch, 2011), has become a major trend in international development in recent years, and at least three broad groups of actors contribute to this trend:

- 1) **Governments** worldwide are facing strained fiscal resources, high debts and ever-increasing social demands. As public agencies look for others to share this burden (NBS, 2013), they seek the collaboration of private companies and NGOs to address social issues.
- 1) **Companies** are dealing with public pressure from governments and civil society to act as responsible corporate citizens (Aguilera et al., 2007; Campbell, 2007). They seek the assistance of NGOs to have good relationships with communities and authorities.
- 2) **Donors** expect more results from the initiatives they fund (Schmitz & Mitchell 2009; Lucea 2010); they expect that cross-sectoral partnerships, as they mobilise complementary skills and expertise from different sectors, will generate synergies and greater development outcomes.

Public, private and civil society actors increasingly get the message that they need to collaborate with each other and converge in their efforts – they get the message that they will succeed together. Yet, this advocated convergence of mindsets, sectors and organisations does not come without ambiguities.

This convergence results from the transfer/permeation of practices between organisations from the three sectors. Public agencies are adopting business-like management processes and practices; NGOs and companies are creating all sorts of hybrid organisational models (Pallotta, 2008; Hoffman, 2009), mixing commercial and non-profit objectives (Boyd et al., 2009). NGOs issue commercial bonds (Austin et al., 2007), and companies use crowd funding (Ordanini et al., 2011). NGOs set up commercial activities to finance their social initiatives, and companies create non-profit subsidiaries to complement their service offering. Companies get involved in volunteering programs to develop leaders; companies establish philanthropic foundations to address social issues.

These shifting practices question the traditionally established ‘great divide’ between sectors. Some observers go as far as to say that it is becoming increasingly difficult to draw clear boundaries between the public, private and civil society sectors in terms of values,

ownership structures and activities (Crane, 2010). At the same time, each sector needs to preserve its distinct identity and role in society. NGOs are still needed to advocate for civil society and to counterweight the influence and potential abuses of companies and governments. Businesses are still needed to create jobs and wealth (Austin et al., 2007). And governments are still needed to promote common good and to design and enforce sound regulatory environments.

In this paper, we will explore the various ways in which convergence across sectors changes the landscape of relations between organisations from different sectors, with a specific focus on Forum international volunteer cooperation organisations. We will look at this through the lenses of both academics (literature review) and practitioners (analysis of survey and interview).

## Objectives, outline and methodology

This discussion paper aims to build on both the theory of cross-sector collaboration and the practice of international volunteer cooperation organisations. Through this analytical process, this paper aims to provide context, attempt answers and suggest opportunities for discussion and further research related to the following research question: *How does the trend of convergence and cross-sector collaboration impact international volunteer cooperation organisations?*

The paper is divided into three sections:

- Section I: The Emergence of Convergence
- Section II: Processes of Cross-Sector Collaboration
- Section III: Outcomes of Cross-Sector Collaboration

All sections begin with a succinct literature review and then contrast this with the perspectives of practitioners, which were collected by means of a web survey and a qualitative interview. Appendix 1 provides an understanding of terminology used in the context of this discussion. Appendix 2 details the methodology and general orientations of the research, including the literature review and the practitioners' data collection by survey and interview.

## Profile of respondents

The survey methodology was designed with the objective of drawing a representative portrait of the opinions and experiences of Forum organisations. Thanks to the high level of participation in the survey and interview, we believe that the analyses and conclusions presented in this paper largely satisfy this objective.

Of the 29 member and associate member organisations of Forum:

- 20 completed the web survey (response rate of 69%), and
- 17 responded to the qualitative interview (response rate of 59%)

Among the 20 organisations that completed the web survey:

- 75% were NGOs, 10% were networks or associations of NGOs and 15% were governmental agencies.
- Three of the responding organisations do not engage in volunteer cooperation work directly, but rather perform umbrella functions to monitor the quality of the projects managed by volunteer cooperation organisations and coordinate the attribution of government funding. These organisations responded to the survey with the activities of their member NGOs in mind.
- 85% of respondents engage in volunteer sending and capacity building operations.
- 65% engage in democracy and governance, 60% in small enterprises and the informal sector, 60% in agriculture and 55% in environment.
- 45% engage in or support advocacy activities.
- 45% of responding organisations had a 2013 annual budget of at least \$US20 million, while the remainder of the survey population had annual budget sizes scattered all along the \$US0-20 million range.

# SECTION I: THE EMERGENCE OF CONVERGENCE

Convergence and intensifying of cross-sector collaboration is being discussed in academic and practitioner circles alike as a major ongoing trend that is transforming the landscape and dynamics of international development. In this first section, we will try to understand the factors and mechanisms underlying the emergence of this trend.

## LITERATURE REVIEW

### Beyond the great divide

**From enemies to partners** – Traditionally, the relationship between civil society organisations and private companies has been fraught by long-lasting stereotypes and mutual reluctance to work together. For decades, this culture of cross-sectoral mistrust has been deeply rooted into the discourses of influential economists and political leaders. However, over the last decade the discourse has been dramatically changing. Nowadays, cross-sector collaboration is being touted by international institutions, governments and development practitioners alike as a catalyst to “address the increasingly complex and interconnected economic, social, and environmental challenges of our times” (Sachs, 2014).

### A shifting mindset in business

**Focus has shifted from shareholders to stakeholders** – For decades, influential economists such as Friedrich Hayek and Milton Friedman promoted the virtues of minimal government intervention, economic individualism and *laissez-faire*. As Friedman (1970) famously put it, “The social responsibility of business is to increase its profits.” A response to Hayek and Friedman came in the early 1980s with stakeholder theory, which rather argued that companies must listen to a wide range of stakeholders beyond their investors, including consumers, employees, communities, governments and the environment (Freeman, 1984). Suddenly, governments and civil society became part of the solution rather than being the problem. Business concepts such as corporate social responsibility (CSR), sustainability and the triple bottom line of financial, social and environmental performance (Elkington, 1998) progressively claimed their spot in the mainstream. Today, cross-sector collaboration is being promoted as a key determinant for achieving ambitious goals such as eradicating extreme poverty, reducing inequalities across and within countries, and preserving the environment (United Nations, 2014).

## Convergence and divergence

**Economic convergence** – In the 1980s, a concept coined *economic convergence* (Abramovitz, 1986) gained traction among macroeconomists. The idea was that countries with low initial levels of productivity have the potential to grow faster than developed countries and progressively catch up with the rich countries in terms of standards of living. According to Kemal Dervis of the Brookings Institution, over the past two decades, per capita income in emerging and developing economies taken as a whole has grown almost three times as fast as in advanced economies (Dervis, 2012). However, per capita incomes in several regions of the world, notably some regions of Africa, have largely stagnated over that period while they have soared in South Korea, China and parts of Latin America. While convergence of per capita incomes between countries has happened in some parts of the world, income inequalities within countries have also widened almost globally. In other words, the world has experienced *economic convergence* between countries but *economic divergence* within countries.

**Convergence in development efforts** – Nowadays, the term convergence is back in the jargon of development practitioners and scholars, but this time it has a different meaning. Now it refers to the idea of sectoral convergence: “the alignment of issues, interests and therefore solutions across sectors” (Bulloch, 2011). The United Nations and many others feed the hope that global cross-sector partnerships will fuel development for decades to come (SDSN, 2014b; Sachs, 2014; Yaziji & Doh, 2009; Kindornay, 2014) and that it will contribute to address the issue of economic divergence. Convergence is advocated by the UN as a framework to achieve post-2015 Sustainable Development Goals.

## Cross-sector complementarity

**Interdependence** – The public, private and civil society sectors possess distinct and complementary functions that are all needed to create prosperous, inclusive and sustainable societies (Googins & Rochlin, 2000). *Governments* perform essential fiscal perception and income redistribution tasks, turning taxes into roads and public transportations, water, sewage, schools and hospitals; they enforce regulatory environments to protect the rule of law; they provide public security and emergency relief. *Private companies* create wealth, technological innovation, consumption goods and employment (Wilkinson & Wood, 2012). And *NGOs* act as watchdogs to denounce the abuses of public officials and corporate leaders and to force change. They assist the disenfranchised, address unmet needs of society (Van Tulder & Kolk, 2007), and foster social innovation (Austin & Reavis, 2002).

**Constructive interaction** – Governments, companies and NGOs have deeply entrenched stakes in each other’s agendas. However, Porter & Kramer (2011) observe that “most companies remain stuck in a ‘social responsibility’ mindset in which societal issues are at

the periphery, not at the core.” They posit that “the solution lies in the principle of shared value, which involves creating economic value in a way that also creates value for society by addressing its needs and challenges. Businesses must reconnect company success with social progress.” However, Porter & Kramer remain elusive on the definition of value and who shares it. There are multiple ways in which NGOs can collaborate with companies and governmental bodies to establish joint initiatives that pool their distinct resources and abilities to achieve outcomes beyond what each sector can do on its own (Waddell, 2011). “You may not agree with their (NGOs) tactics, but they may be asking legitimate questions you should have been asking yourself. And if you can find at least one common goal... you’ve also found at least one reason for working with each other, not against,” wrote Jeff Swartz (2010), CEO of Timberland. In parallel, NGOs and businesses have roles to play in the legislative process so that governments put in place sound regulatory environments.

## Collaboration and confrontation

**Complementary approaches** – NGOs pursue a diversity of agendas, adopt various tactics and are located in various segments of the confrontation/collaboration continuum (Baur & Schmitz, 2012). On the one hand, advocacy organisations often adopt confrontational tactics to shed light on unacceptable behaviours and consequences caused by businesses and governments. The advocacy approach is to mobilise public opinion in order to force corporations and governments to change their practices. For that reason, it can be problematic for advocacy organisations to engage too much with the private sector, as they need to preserve their independence, their credibility and their ability to criticise. On the other hand, service-delivery NGOs most often opt for collaborative approaches to mobilise public and private resources in their drive to achieve greater outcomes (Berger et al., 2004). Following this dual logic, one understands why Greenpeace, an advocacy NGO, often confronts companies with its “supremely effective [public relations] guerilla tactics” (Swartz, 2010), while Doctors Without Borders, a service-delivery NGO, actively partners with all interested actors to access the resources, skills and workforce they need to improve health conditions of vulnerable populations (Yaziji & Doh, 2009).

## What do critics say?

**The devil’s advocates** – Until now, we have presented a mostly positive picture of cross-sector collaboration. Yet, convergence also has its lot of critics. Indeed, collaboration does not always produce value and may sometimes actually be counter-productive, leading partners to reach bad solutions, create new problems or fail to address the social issue at stake (Bryson et al., 2006). By their very nature, cross-sector partnerships are “fraught with fragilities and incompatibilities which often predispose partners to distrust, conflict and premature failure” (Le Ber & Branzei, 2010).



**Risk of co-optation** – Banerjee (2008) warns that “discourses of corporate citizenship, social responsibility and sustainability are defined by narrow business interests, serve to curtail interests of external stakeholders” and are mainly “intended to legitimize and consolidate the power of large corporations.” On a related line of ideas, Edwards (2010) argues that “nobody wants to bite the hand that feeds them or seem out of step with the latest fashions of the funders” and that, as a result, “some very important older questions [are] in danger of being buried under hype and adulation – questions of deep social change and social transformation, of democracy versus plutocracy, and of people’s willingness to work together on common problems as full and equal citizens, not as clients and consumers.”

**Know who you partner with** – As we have said before, private companies and development organisations face increasing pressures for greater accountability. The implementation of CSR policies creates a need for companies to partner with NGOs and public agencies to establish their corporate citizenship credentials (Baur & Schmitz, 2012). Meanwhile, NGOs are pressed by donors, and governmental agencies by their citizens, to make more efficient use of their resources and show measurable results (Edwards, 2010; Lucea, 2010). In this quest for efficiency, it makes increasing sense for both NGOs and governments to look for private partners and create joint social and environmental initiatives. However, many authors insist that partners must be carefully selected and their motivations well understood.

## Diverse motivations for CSR

From the perspective of companies, partnerships with NGOs may be motivated by CSR policies. The section below maps several diverging approaches and rationales for companies to pursue CSR policies.

**Public relations** – Visibility, brand and image are often cited in the literature as incentives for CSR initiatives involving cross-sector collaborations. “Increasingly, philanthropy is used as a form of public relations or advertising, promoting a company’s image or brand through cause-related marketing or other high profile sponsorships” (Porter & Kramer, 2002). Likewise, Berger et al. (2004) observe that “companies often have what nonprofit managers perceive to be an insatiable appetite for favorable publicity from the alliance, despite their claims that the social alliance is not a public relations effort.” This drive for recognition is not all bad, but it does create incentive for companies to support projects, approaches and partners that offer visible results, and to look for quick wins instead of long-term solutions.

**Risk management** – Some companies see the money they spend in CSR as an insurance premium to hedge against reputational risk by associating the company with an NGO that attracts public sympathy. The problem for the NGO is that it plays the role of the insurer: when it receives resources, the NGO implicitly accepts that its reputation be used by the

company as a shield against public criticism (Yaziji & Doh, 2009).

**Investment** – McWilliams & Siegel (2001) argue that “managers should treat decisions regarding CSR precisely as they treat all investment decisions.” Simply put, CSR must provide good return on investment on short time horizons. One problem with this conception is that the incentive for the company is to look for low-hanging fruits and select quick, simple and financially profitable issues to tackle, leaving governments and NGOs with the most complex and costly social and environmental issues to solve.

**Human resources** – Austin & Seitanidi (2012b) briefly enumerate the benefits that can be derived by employees from participating in cross-sector collaboration, including “new or strengthened managerial skills, leadership opportunities, technical and sector knowledge, broadened perspectives.” In this context, the incentive of the company is to provide skills development experiences to their employees. It should be noted that other than that, the academic literature has relatively little to say about HR benefits of cross-sector collaboration.

**Strategic advantage** – Post & Waddock (1995) define *strategic philanthropy* as corporate resources given in a way that has meaning and impact on the firm as well as the community that receives those resources. While pursuing CSR initiatives aims at providing social benefits, the company’s charitable involvement has other motives than altruism (Campbell & Slack, 2008). For example, by supporting initiatives that strengthen local economies and skills of workers, companies improve the market conditions and the pool of qualified workers. This notion stresses the competitive advantages of adopting a strategic approach to philanthropy in order to improve the quality of the business environment (Porter & Kramer, 2002). However, many long-term benefits of CSR initiatives for companies, although very real, are hard to measure and value (Barnett, 2007).

#### SUMMARY TABLE: DIVERSE MOTIVATIONS FOR CSR

<i>Approaches</i>	<i>Rationales</i>	<i>Implications</i>
Public relations (PR)	Visibility, image, community acceptance, licence to operate	Preference for ‘quick wins’ rather than long-term solutions
Risk management	Insurance premium to protect against reputational risk	Civil society partners share the company’s reputational risk
Investment	Maximise return on investment & minimise time horizon	Priority given to profitability rather than to social needs
Human resources (HR)	Providing skills-enhancing experiences to employees	Companies favour short-term corporate volunteer placements
Strategic advantage	Win-win situation for company and community	Requires alignment of company and community interests

## SURVEY OF VOLUNTEER COOPERATION ORGANISATIONS

We will explore below the perspectives of Forum members as to the determinants that are driving the trend of convergence and the motivations of each sector to intensify cross-sector collaboration. Here are a few general observations to begin with:

**Cross-sector collaboration will be central to achieving the UN's Post-2015 SDGs –** Respondents to the survey were almost unanimous in affirming the belief of their organisation that cross-sector collaboration will play a major role in achieving the UN's Post-2015 Sustainable Development Goals. 55% of respondents (pretty much or absolutely) agreed that their organisation engages in frequent NGO-private company collaboration, while 20% declared that they do not engage in any. 35% of responding organisations engage in frequent multi-party collaborations involving government(s), NGO(s) and private company(ies).

**Collaborating with partners with affinities first –** A majority of respondents said that their organisation is very inclined to collaborate with actors from all sectors, although many appear more comfortable collaborating with other organisations of similar nature (90%), co-operatives (80%), and small and medium enterprises (70%) than with large companies (60%). With regard to the general attitude of their organisation towards large companies, 60% of respondents saw their organisation as collaborative, 30% as critical and 10% as confrontational.

### Relations with governments

**Experience in working with home government –** All Forum member organisations that responded to the survey declared that they engage in frequent collaborations with governments. The main motivations are to obtain funds (80% absolutely or pretty much agreed), gain political influence (55%), and increase their social outreach (50%). Interviewees explained that governmental agencies have a long tradition of engaging with civil society. For decades, government agencies have maintained close, and often symbiotic, relationships with civil society organisations. Most well established NGOs receive significant core funding from their domestic government and have enjoyed this support for a long time. NGOs are often conceived by government agencies as the delivery arm of their development programs to do the work on the ground. Governments design funding programs and provide directions to NGOs in accordance with the strategic development outcomes they pursue.

## **A changing government funding context:**

- **Less funding** – Interviewees from smaller and more recently-founded NGOs, especially those based in developing countries, explained that they obtain less or no core funding from their domestic government and therefore rely more heavily on private donors, international sources and collaborations with private companies to fund their activities.
- **Merging of development aid and trade** – In some countries, official aid funds have been reduced and linked to the foreign relations department of the government, which tends to create an environment where NGOs are competing against each other for governmental funds and for private partners instead of collaborating with each other as they used to. “This has brought us to turn inwards to protect our secret recipes,” said one interviewee. In this context, many volunteer sending NGOs are looking towards the private sector to diversify their sources of funding and to reduce their dependence on domestic government funding.

**Longstanding relationships with host governments** – are also commonplace among mature NGOs, especially in respect of cooperation work in public health and education. In these longstanding relationships, the new element is the increasing participation of private companies in discussions that used to include only host governments and civil society. Companies now want to play an active role in processes such as social and environmental planning in mining communities. Although collaborations between NGOs and host governments largely rely on informal relationships, many organisations put in writing some elements of their relationships with host governments through memorandums of understanding which define the main objectives and the scope of the collaboration.

## **Expectations of governments and supranational institutions**

**Funding agencies expect and push NGOs to partner with companies** – Responding organisations partner with private companies to meet development sector expectations (65% pretty much or absolutely agreed), to meet funders’ expectations (60%), and to cope with declining official development aid (45%). Several interviewees explained that their domestic and host governments are heavily promoting partnerships between the private sector and civil society. This governmental insistence appears to be a trend common to many countries. The convergence message appears to be first promoted by supranational institutions (e.g. UN, IMF and EU) and to then trickle down to governments, where it influences development policies and priorities.

**International institutions are both funders and recipients of funds** – Yet, as one interviewee

explained, it also goes the other way around, where supranational institutions are not only funders of development projects but are also recipients of funds from member governments, and so have an incentive to align their message with the priorities of their funding members. Some governments go so far as to impose on the NGO the presence of an official private partner as a mandatory selection criterion in funding bids for official development aid. In response, development NGOs increasingly look for private partners in advance and go 'hand in hand' meeting public funders to present a joint proposal.

## Motivations of volunteer cooperation organisations

**Beyond funding: partnering for expertise, volunteers and outreach** – The main resources sought by responding organisations when engaging or considering engaging in collaborations with private companies are expertise (85% pretty much or absolutely agreed), funding (70%), volunteers (65%) and social outreach (60%). That funding ranks high in the resources sought by responding organisations is perhaps not surprising, especially in the context where NGOs are trying to diversify their funding sources and reduce governmental dependence as the environment becomes increasingly competitive and public funds increasingly scarce.

**Access to expertise** – It is revealing that expertise ranked higher than funding in the motivations to partner with private companies. The case of corporate volunteering is an especially attractive one in that respect, as it simultaneously provides development organisations with two highly sought-after resources: skills and volunteers. Interestingly enough, when asked about the most promising opportunities in partnering with private companies, respondents stated capacity building for their partners (75%) more often than capacity building for their own organisations (50%), which reflects the main emphasis of responding organisations on generating outcomes for the beneficiaries.

**Greater development outcomes** – Achieving greater social outreach emerged as a popular rationale for collaborating with private companies. In support of that, several interviewees mentioned that partnering with private companies has provided their organisation with access to new markets and networks, and has improved their visibility and public image. All things considered, delivering greater development results emerges as the common denominator of all the most sought-after resources. "It would be absolutely impossible for us to secure our mission without cross-sector collaboration," affirmed one participant.

## Motivations of companies

**HR motives** – One trait that emerges from the academic literature is that many private companies are motivated to partner with NGOs as an attempt to improve their public

image (CSR, licence to operate, etc.). “Companies want to associate with NGOs that have a strong brand and reputation,” said one interviewee. However, it is important to understand that the academic literature refers to NGOs in general and does not treat the specific context of volunteer cooperation organisations. Interestingly, many interviewees perceived the HR motives as more important than the PR motives for private companies when they consider collaborating with volunteer cooperation organisations.

**Corporate volunteering makes sense** – Corporate volunteering is certainly the chief HR vehicle for companies to partner with volunteer cooperation organisations. Corporate volunteering is increasingly seen by companies as an effective tool for providing leadership-building experiences for employees identified as high potential. Companies participating in corporate volunteering also see it as a good measure for rewarding loyalty and fostering commitment and retention of employees. An interviewee with extensive corporate volunteering experience explained, “Corporate volunteering is more obviously tied to their bottom line than ‘shared-value’ programming, especially in terms of staff retention and recruitment.”

**Market development motives** – Improving the business environment was also described by some respondents as a motivation pursued by some companies. By collaborating with governments and civil society to put in place mechanisms that strengthen local economies, multinational companies invest in the expansion of their future consumer base. A related phenomenon, impact investing (a form of ‘venture capital with a social twist’), has enjoyed increasing popularity over the last decade. Some multinational companies invest in education and vocational training projects to develop their pool of qualified candidates in developing countries. NGOs are also seen by companies as a valuable source of market intelligence in emerging markets and as good partners to have for gaining acceptance when entering new communities.

**Building the business case to make partnership sustainable** – In terms of PR motives, interviewees explained that companies often want their cross-sector partnerships to be visible in the host countries where they do business rather than in the country where they belong, with the objective of building their ‘licence to operate’. Collaborating with development organisations can help the company better understand its value chain and get closer to its suppliers in the South. But many interviewees believed that PR motives alone are not a sufficient base for a successful partnership. “There needs to be some sort of business interest, a value added on both sides; just doing that from a philanthropic aspect doesn’t work,” said one interviewee. The growing interest of companies in partnering with civil society appears to echo a larger discussion going on about corporate citizenship, but it is also about companies developing their employees and creating a greater sense of purpose to mobilise and retain the best talents.

## Motivations of governments

**A drive for quantifiable results** – Some comments scattered through the interviews allow an approximate portrait of the motivations of governments and supranational institutions in promoting cross-sector collaboration. Interviewees explained that governments and supranational institutions often see civil society organisations as their delivery arm, or as the implementation on the ground of their strategic initiatives. One interviewee, speaking about her organisation’s domestic government, said, “They are becoming more interested in tangible, measurable results, and it has affected the way we design projects. At the end of a project you need to be able to show a dashboard, or something that synthesises your work into a few good-looking numbers.” This drive for quantifiable results often seems to reflect the PR motives of governments: to report progress on their international commitments and to refurbish their image in their constituencies. Interviewees observed that some governments (Germany, the U.K. and Canada were mentioned) encourage their domestic populations to become involved in international volunteering, which they see as a tool for developing the skills and abilities of their citizens. When volunteers come back to their country, governments are interested to see how they engage in development issues and how this international experience helps them build their career.

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### In three quotes: The Emergence of Convergence

*“Companies used to have philanthropic budgets to spend on several different organisations, but now they have changed that approach. Now they want to be involved in the project. And this goes to the heart of the CSR concept: how can I be associated in a project starting at the design and implementation stages?”*

*“That trend towards convergence will be even stronger for newer NGOs, but we are seeing it too. Donors are saying ‘we want to see public-private partnerships, we want to see the NGO broker a private sector partner into our grant agreement.’”*

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*“There’s a variety of challenges that are not being addressed by one player alone. It brings together different industry partners with different NGOs and the public sector as well to find ways in which these challenges can be addressed through a series of areas of expertise across industries and sectors.”*



# SECTION II: PROCESSES OF CROSS-SECTOR COLLABORATION

In this section, we will explore through which mechanisms and processes cross-sector collaboration begins and unfolds, and what are the key principles to keep in mind to make it work and bring it to the next stages.

## LITERATURE REVIEW

### Risk and fit assessment

**Knowing who you partner with** – The process of planning for a cross-sector collaboration does not begin with implementation. Indeed, beyond the desire to find cross-sector partners, it is essential for cooperation organisations to first invest sufficient time and effort in order to select the right partner(s) and to avoid any harmful association.

**Due diligence is critical** – Analysing the potential for a collaboration process should first begin with the ‘do no harm’ premise in mind. That is, if a cross-sector collaboration has the potential of doing more harm than good, then the opportunity should be declined. But answering that simple question requires investing serious effort in a risk and fit assessment – in other words, conducting a thorough due diligence process (Austin & Seitanidi, 2012b). Managers often do not spend enough time at that stage (Austin, 2000b). Insufficient experience in collaborative relationships may also lead to overstating the potential benefits and neglecting the complexity and risks associated with new collaborative ventures (Jamali & Keshishian, 2009; Berger et al., 2004), in which case following a structured due diligence process is all the more important. Fit assessment may also “increase managers’ ability to anticipate and capture the full potential of the partnership” for the organisations potentially involved and the “potential to externalize the value to society” (Austin & Seitanidi, 2012b). Moreover, considering the societal level may encourage the prospective partners to consider the broader political implications and elaborate paths to global governance mechanisms (Crane, 2010).

**Fit assessment** – Berger et al. (2004) provide a list of criteria to be considered in assessing the organisational fit of potential cross-sector partners: *mission; tangible and intangible resources; management; workforce; target market; product/cause; culture; cycle (i.e. concordance of business cycles or time frames); evaluation fit (i.e. partners agreeing on common measures of success)*. Complementary to the fit assessment is the identification of the potential partners’ *linked interests* in solving the social problem being the object of the collaboration under

consideration (Austin & Seitanidi, 2012b), since analysing linked interests may allow serious incompatibilities to be identified that would warrant reframing the relationship or abandoning it altogether. Le Ber & Branzei (2010) further assert that the degree to which the problem is linked to the interests of the organisations determines the potential to institutionalise the co-creation process within the organisations and generate greater, longer-term benefits for the organisations and beneficiaries.

**Key success factors** – Several authors enumerate key success factors (Gray & Stites, 2013; Crosby & Bryson, 2010; Jamali & Keshishian, 2009) that are aligned with Berger et al.'s (2004) fit assessment criteria and with Austin & Seitanidi's (2012b) identification of linked interests. This correspondence underlines the importance of fit and linked interests assessment in order to select the partnership opportunities carrying potential to be successful; and conversely, to identify and decline partnership opportunities that carry more risks than potential benefits. According to Berger et al. (2004), many problems encountered in partnerships can be predictable, including misunderstandings; misallocation of costs and benefits; mismatches of power; lack of complementary skills, resources and effective decision-making styles; mismatching of time scales; and mistrust.

## Power dynamics

**Size matters** – It is interesting to note that power mismatch is mentioned by Berger et al. (2004) as a problem that can be predicted but not as a fit assessment criterion. In effect, power imbalances can result in serious risks for the weaker partner (Le Ber & Branzei, 2010; Seitanidi & Ryan, 2007), including that of seeing the relationship being used to the benefit of the more powerful partner (Banerjee, 2008; Baur & Schmitz, 2012). Indeed, an important motive for both partners to engage in partnership is to gain visibility and enhance their public profile (Rondinelli & London, 2003).

**Trusting your partner** – The partner on the weaker end of an “asymmetric dependence” relationship (Lui & Ngo, 2005) risks ending up being influenced or manipulated, and may try to protect its own interests by pretending to be cooperative while it actually tries to avoid its partner's requests. This type of power dynamic is mutually damaging as both partners are wasting efforts and resources in a relationship that does not carry the basic level of trust needed for a collaborative project to yield its expected results, which further risks damaging the reputations of the partners. Rondinelli & London (2003) argue for the importance of senior executives with long tenures to act as pre-partnership champions to take the leadership role in conducting the necessary due diligence and lay the bases of the relationship to be established.

## Partnership implementation

**Implementation steps** – Once due diligence has been conducted with satisfying results, partnership design and implementation can be seen as a progressive formalisation (or institutionalisation) process. Googins & Rochlin (2000) elaborate the following “critical steps”: *Defining clear goals* → *Obtaining senior level commitment* → *Engaging in frequent communication* → *Assigning a professional to lead the work* → *Sharing the commitment of resources* → *Evaluating progress/results*.

**The institutionalisation process** – At the initial stages of the partnership, trust-based governance measures play an important role in informal control dynamics (Rivera-Santos & Rufin, 2010). These measures include the adaptation to cultural differences; mobilisation of employees through charismatic leadership (Bhattacharya et al., 2008); mutual respect, openness and constructive criticism (Austin, 2000a); information and knowledge sharing; and conflict management (Seitanidi, 2010). In parallel, some institutionalisation measures should be undertaken early in the process, such as redacting a memorandum of understanding (Seitanidi & Crane, 2009); deciding organisational structures (Berger et al., 2004); and agreeing on the partnership management (Seitanidi & Crane, 2009). Seitanidi & Crane (2009) posit that “a partnership has reached institutionalization when its structures, processes, and programs are accepted by the partner organizations. The institutionalization process should be conducted in such a way as to create shared, consensus decision-making and co-regulation mechanisms in order to balance the power dynamics between the partners”. Creating mechanisms that enable multiple stakeholders (both internal and external) to voice their concerns can facilitate accountability (Utting, 2005) and social acceptance of the partnership and its objectives.

## Stages of collaboration

**From philanthropy to social transformation** – In this section, we offer a brief summary of a model developed by Austin & Seitanidi (2012a), composed of four stages of collaboration between non-profit organisations and private companies (please refer to Appendix 3 for further details on this model). We have chosen to use this framework as it is simple yet comprehensive and widely accepted in the cross-sector collaboration literature. The four stages of collaboration summarised below represent the broad nature of the relationship and the level of engagement of the partners. The four stages can also be seen as steps in a dynamic process of integration of partners and stakeholders in a collaborative project (i.e. a progressive institutionalisation process). Although Austin & Seitanidi’s intention is to characterise the relationships between non-profits and private companies, for the purpose of our discussion we will extend the framework to private company relationships of all types of development organisation (i.e. all Forum members).

- **Philanthropic:** Relationship in which the resource flow is unilateral, flowing from the private company to the development organisation. The nature of transferred resources is often mainly financial. Organisational interaction is typically infrequent and very limited.
- **Transactional:** Relationship in which the resource flow is bilateral. There is an explicit exchange of resources and reciprocal value creation. The nature of transferred resources the partners are deploying is often more specialised assets. The value co-creation process requires the involvement of both partners and entails a certain level of organisational compatibility.
- **Integrative:** Resource flow is bilateral. The partners' missions, values and strategies evolve as a result of working together successfully and developing a deeper interaction and greater mutual trust. The partners use more of their key assets and core competencies and they combine these resources through frequent interaction. Social betterment objectives are shared by the partners and the collaboration is seen as material to the strategic success of both partners.
- **Transformational:** Resource flow is multilateral and includes the stakeholders of the social project being pursued. Partners share a common determination to advance a social innovation process in which the beneficiaries take an active role. The collaboration evolves into a 'Social Issues Platform' that mobilises a coalition of stakeholders towards shared social betterment objectives.

*Philanthropic* and *transactional* collaboration require a limited level of commitment from the collaborating organisations. They do not require any significant form of organisational adaptation and may often be undertaken opportunistically, with a short-term commitment in mind, as a reactive measure from the company to soothe an image problem, or by the NGO to obtain additional resources in a period of scarcity.

*Integrative* collaboration entails a deeper evolution in the partner organisations' missions, values, operating modalities and strategic objectives. Motivations behind the pursuit of the collaboration are more directly related to the social issue targeted by the partnership. Consequently, a significant share of the co-created value may accrue to the beneficiaries rather than the partnering organisations.

*Transformational* collaboration is seen by Austin & Seitanidi (2012a) as somewhat of a more theoretical construction. New forms of organisational interaction take place where the partners become participants in a larger movement of social innovation, which unites a network of stakeholders. We could say that the partners become the initiators of a movement that gets bigger than its founders and takes on a life of its own. Global multi-stakeholder platforms described in Appendix 4 can be seen as empirical approximations of this concept.

## Key success factors

**Success factors, linked interests and shared value** – Jamali & Keshishian (2009) enumerate the following success factors for cross-sector partnerships: *resource dependence; commitment symmetry; common goals; fluid communication; converging working cultures; individual excellence; mutual investment; integration; institutionalization; integrity*. The presence of these success factors may create a context enabling a relationship to reach deeper collaboration stages (as defined by Austin & Seitanidi, 2012a) and unlock new types of co-created value (or *shared value*, in the words of Porter & Kramer, 2006, 2011). A strong parallel can be drawn between Jamali & Keshishian's (2009) *success factors*, Austin & Seitanidi's (2012a) *linked interests* and Porter & Kramer's (2006, 2011) *shared value*. Indeed, looking at each of the success factors through the prism of linked interests shows to which extent the mutual understanding by leaders of partnering organisations of their linked interests creates a mutual commitment to the relationship. And this is when shared value gets created for the partnering organisations and for society. However, according to Porter & Kramer (2011), “realizing it will require leaders and managers to develop new skills and knowledge—such as a far deeper appreciation of societal needs, a greater understanding of the true bases of company productivity, and the ability to collaborate across profit/nonprofit boundaries. And government must learn how to regulate in ways that enable shared value rather than work against it.”

## Stakeholder inclusion

**Giving everyone a voice** – For a collaborative effort to achieve its full potential, partners need to consider the entire network of stakeholders gravitating around the issue rather than limiting their considerations to the stakeholders directly linked to their respective organisations (Selsky & Parker, 2010; Polonsky, 2001). Reaching out to external stakeholders forms the basis of the inclusion mechanism by allowing all relevant parties to have a say in the matter, including dissident and critical voices (Pinske & Kolk, 2012). Indeed, critics may have distinct perspectives that are worth listening to. Stakeholder inclusiveness provides access to a wider range of opinions, ideas, resources and community segments that are all too often left behind. Inclusive approaches and stakeholder network-building actions offer the potential of mobilising external social forces, building wider acceptance and visibility in the communities where it takes place, and can eventually contribute to fostering a collective movement of social innovation.

**The blurring of cross-sectoral boundaries** – Stakeholder-inclusive approaches to development recognise the critical importance of community participation in achieving broader human well-being (Stiglitz et al., 2009) and foster a culture of mutual accountability. Societal responsibility in a broader sense would manifest in industry-wide solutions and

multi-stakeholder initiatives where a corporation would perceive itself as one of many stakeholders rather than as the command center of a stakeholder network (Crane et al., 2014). This stakeholder mindset echoes Selsky & Parker's (2005) conception of a 'societal-sector platform', according to which a sector (public, private, non-profit), or a coalition of actors, can "substitute for another if the natural sector fails to provide the expected product." This substitution mechanism contributes to the 'blurring boundaries' of sectors, where the specific functions and frontiers of the public, private and civil society sectors are increasingly overlapping and interdependent (Crane, 2010). That is, the respective interests and operating modalities of the traditional sectors are converging (Austin et al., 2007).

## SURVEY OF VOLUNTEER COOPERATION ORGANISATIONS

### **Levels of experience of respondents in collaborating with companies vary greatly –**

As of now, all responding organisations are engaged in ongoing government-NGO relationships, either as the NGO or as the government counterpart. 50% of organisations are involved in one to nine collaborations with private companies, 30% are involved in 10 or more collaborations, while 20% are not currently involved in any private company collaboration. Among responding organisations with prior experience of collaborating with private companies, 31% declared that their organisation most often collaborates in unilateral resource flows, 38% most often in bilateral resource flows, and 31% most often in multilateral resource flows (involving multiple partners across sectors). This is to say that organisations of widely varying levels of experience in cross-sector collaboration were represented in the survey.

**The nature of resource flows and partners** – Interestingly, 31% of responding organisations with prior experience of collaboration with companies said they mainly provide resources to partners, 13% said they mainly receive resources, and 56% said they both significantly provide and receive. Resources most often provided to private partners are volunteers (88%), social outreach (81%) and expertise (81%). Resources most often received from partners are funding (81%), expertise (81%), technology (50%) and volunteers (44%). The most common industries in which private partners operate are information technology (56%), agriculture, communications, financial services, food production and distribution, and management consulting (all 44%). 19% said they collaborate with the extractive, retail, and sales and marketing industries, and only 6% with pharmaceuticals and transportation.

### **Increasing involvement in cross-sector collaboration**

**Volunteer cooperation organisations seek more collaboration** – Among responding organisations that are already engaged in collaborations with companies, 94% plan to increase their involvement, while 6% plan to maintain a similar level of involvement. Meanwhile, all four responding organisations not currently engaged in collaborations with companies want to engage in the future. Both the survey and the interviews validate the presence of a strong desire amongst development practitioners for increased collaboration with companies to boost the outcomes of development projects. While remaining sceptical about the intrinsic motivations and critical about the behaviours of some companies, most interviewees saw a lot of potential in more collaboration with the private sector and agree that it can be done in a way that yields mutual benefits.

**Varying degrees of experience and knowledge** – A vast majority of interviewees want to become involved or further increase their level of involvement in collaborations with the



private sector. However, their respective organisations possess varying levels of experience. Some respondents are still in the exploration process and feel they have insufficient knowledge to engage in it, while others have hundreds of ongoing private partners and are managing complex, deeply integrated, multi-year partnerships involving co-governance structures and advanced stakeholder inclusion mechanisms. And yet others have some experience but feel there is still much they need to learn.

**Hard for small NGOs to find partners** – Interviewees from less-experienced NGOs explained that they often struggle to find private counterparts interested in collaborating because of their low levels of collaboration knowledge and experience, low brand recognition and limited staff capabilities. Still, some explained that their small size does make them more agile, more focused and entrepreneurial – valuable assets that are often overlooked in practice. Small NGOs from developing countries are especially struggling because large companies in the country are headquartered in London, New York, Tokyo or Melbourne, where the CSR money is located. Some younger and smaller NGOs expressed the need to learn from more experienced organisations. They also insisted they have distinctive assets to contribute.

**Building experience takes time** – A finding that arose very clearly from the interviews is that the ability and confidence of development organisations to advance in the stages of collaboration is dependent on their level of experience in collaborations and partnerships, and that building that experience takes time. It takes time to build knowledge and skills, to get to know your partners, and to create trust and confidence. We do not have data to support this, but the same dynamic is likely to apply to private companies when it comes to collaborating with civil society organisations. It may therefore be fair to assume that the number and the depth of collaborations (see Austin & Seitanidi's Collaboration Stages) between development organisations and private companies will keep growing in years to come.

## Progressing in the collaboration stages

**Four stages of collaboration** – Getting into cross-sector collaboration is a progressive learning process in which development organisations typically begin with unidirectional (*philanthropic*) resource transfers from their donors, and low-commitment bidirectional (*transactional*) resource transfers. As time goes by and participants gain experience, confidence, knowledge, understanding and trust in their partners, they typically progress towards the *integrative* stage of collaboration, where the time horizon and the scope of collaborations progressively shows a more strategic commitment from both partners. At that stage, some interviewees began calling it a partnership rather than a collaboration. At the integrative stage, partners begin formalising co-governance, monitoring and evaluation structures. According to the theory, the next step in advancing along that continuum is

the *transformational* stage, involving the creation of a stakeholder-inclusive social-issue platform. In practice, however, none of the interviewees estimated that the organisation they represent has ever fully reached the transformational stage. However, some large and well-established organisations detailed very advanced stakeholder inclusion mechanisms that they use in some partnerships to build broader coalitions of actors and to give a voice to each, which is certainly a prerequisite to the creation of a social-issue platform.

## Multi-party collaborations

**The public-private-NGO triangle** – Respondents explained that partnerships with large companies often involve governments in a regulatory function, which creates a multi-party collaboration. A good example of this was discussed in relation to the extractive sector. There, some NGOs act as intermediaries to facilitate integration of the activities pursued by the extractive company with the needs of the local community. In the process, the NGO advises the host government on how to put in place a sound and fair regulatory environment to create a win-win situation for the community and for the company. Another typical example was partnerships with universities, colleges and vocational training schools. These relationships often involve the host government that oversees the education system regulations, and where the NGO acts as an intermediary and facilitator in the relations between education institutions, the local government and the community.

## Due diligence and risk assessment

**Most conduct due diligence** – 88% of responding organisations with prior collaboration experience declared that they always conduct a formal due diligence process before engaging in a collaboration with a private company, while one organisation (6%) said they sometimes do, and one (6%) said they do not. Experienced development organisations said that they largely adapt the format and the depth of the due diligence process to the scope and time horizon of the collaboration. The most important criteria for selecting a private partner were their legal and ethical history (85%), the fit of cultures and values (85%), and resources (75%).

**Risks of partnering with companies** – The issues seen as most problematic in collaborating with a private company were the risk to reputation (65%) and the risk of diverging interests (65%). One interviewee explained that the main focus of their due diligence process is risk assessment: “What are the risks, are they manageable, and is our organisation ready to bear those risks?” Another respondent added that, “due diligence is a snapshot in time that sometimes does not reflect positive or negative trends in the industry or within the company. These tools and processes don’t substitute for good judgement on who you’re going to partner with.” Other risks mentioned were key staff turnover; the partner drops

the project and the organisation is left unable to fulfill its commitment; and alignment of the project with a drive for funds rather than community needs.

## Evaluation and monitoring

**Success requires monitoring** – Sharing her experience, an interviewee said, “It is very important to ensure success, you have to monitor constantly. We have very regular meetings with everyone at the table and are constantly monitoring and sharing information as we go along. We do surveys and evaluation at the end.” “Putting together a plan over several years for which there will be goal-post benchmarks that we keep track of collectively – that’s the main way,” said another interviewee. “We have evaluations of our performance in these partnerships and evaluations of the performance of our volunteers based on feedback that we get from our partner organisations and from third parties in the countries we operate. We have an annual planning and reporting cycle where progress will be assessed. More formally, it will happen in our volunteer cooperation programs every 5-year cycle in which we do our planning and our programming. And there will be usually donor-mandated evaluations for the work that we do – which we encourage and support – both for the feedback and for the learning that we can take from it.”

## Paperwork

**Documents do not substitute for relationships** – Respondent organisations typically use memorandums of understanding for formal agreements with corporate partners and with local and host governments. When working with partners of their own country, organisations appear to have more detailed formal documents, which presumably are more legally binding in their countries of belonging. One interviewee tempered, “In corporate relationships, we can’t guarantee that we’ll get a volunteer to provide and they can’t guarantee either. So there are good reasons on both sides to avoid legally-binding documents.” Another said, “We sign memorandums of understanding, but I don’t know how legally-binding they are. And I’m not sure to which extent that matters, because we enter into agreements with partners we are relatively confident about and we try to resolve issues when and where they come up. Formal agreements don’t substitute for all the informal understandings and relationships, which are critical.”

## Co-governance structures

**Formalisation at the integrative stage** – The most common co-management elements among respondents are joint assessment of outcomes (75%), joint project management (63%) and joint monitoring of progress (50%). One interviewee shared, “The entity that obtains the grant in a proposal usually takes the lead in the delivery of the project. In a

situation where the company receives the funds and takes the lead, they are sometimes less inclined to implement stakeholder inclusion mechanisms and they may want to do it their way.” However, it appears from the interviews that most forms of co-governance structures such as steering committees and co-directorships begin at the integrative stage. An interviewee with significant experience in collaboration said, “In projects we have managed with private companies, we have implemented co-direction structures, steering committees, and there are minimally meetings of both organisations at least every six months, so there are official bridges between the partner organisations. In some cases it was even the private company that was managing the budget, while in other projects we were managing the budget. Our CFO and that of the company are in regular contact to make sure that funds are well managed.”

## Stakeholder inclusion mechanisms

**Giving everyone a voice** – In collaborations at the advanced integrative stage, development organisations strive to put in place stakeholder inclusion mechanisms to build a coalition of interests around a development issue (a social-issue platform). “We conduct consultations at the rural or urban communities and with civil society prior to implementing the project, and once the project is in place, to give a voice to the users,” said one. Along the same line, another explained, “We try to use existing community mechanisms as much as possible, and then we work with the communities to make them more inclusive than they traditionally have been, and it’s often done through particular activities. One of our favourites is called PhotoVoice. It certainly helps that we’ve been in the countries we work in for a long time: depth of experience in communities makes it a lot easier for us to do that. I think the tools and techniques we use could be shared with others.” Another added, “We also do it in countries where we don’t have a resident office. In these cases we work with really well-established local organisations that have such a presence and experience, and we rely on their advice.” However, it is not all that easy, explained a respondent: “This is the ideal situation. In reality, sometimes the balance of power may impede this sort of broad consultation. And sometimes when you are working with a powerful organisation, those opinions are not being taken into consideration, they’re not being listened to, and sometimes, unfortunately, limited space is actually allocated to getting those opinions.”

## Best practices and success factors

**Common interests are critical** – A common message from most interviewees was the central importance of choosing partners with whom there is a solid and durable commonality of interests. “We need to have common interests with our partners and we need to understand each other’s motivations,” said one interviewee. “Try and be as clear as possible about what you want to do together and how each of you will benefit through the partnership,”

said another. Many explained that it takes time to build a strong relationship based on transparency, trust and frequent communication, and that it is important to “respect each other’s distinctive skills.” It is beneficial to have ‘champions’ on both ends, leaders within the partner organisations who are in charge of the partnership project and who really ‘own’ it. Further, there needs to be a very high level of commitment for the initiative within the partner organisation, beginning at the CEO and CFO levels, for the partnership to work in the long term, explained interviewees.

**CSR is not enough** – The academic literature presumes a strong link between cross-sector collaboration and CSR. However, as we explored in the first section (in ‘Motivations of volunteer cooperation organisations’), in practice, companies have many other interests beyond CSR for collaborating across sectors. And the long-term success of a collaboration may in fact be closely related to the nature of the common interest on which the partnership is founded. “What we’ve noticed is that whenever there’s a downturn in business, it’s the CSR budget that goes first. So, there are other interests that are more durable in nature,” said one interviewee. Overall, many emphasised the importance of keeping focused on priorities: “the focus has to remain on the outcomes for communities,” and “the partnership has to remain a tool and not become an end.”

## Communication, relationship and trust

**It is all about relationships** – This theme came up in so many interviews that it deserves a paragraph of its own. It is “very important to have a trusted human counterpart in the partner organisation: an individual who is committed to international development, has an experience in it and truly believes in it,” said a respondent. “When things don’t go as smoothly, you need to have a relationship with someone to talk it through and figure out what we’re going to do. Once again, it’s all about relationships,” said another, adding, “A good relationship relies on trust and transparency. If you’ve done something and you think you should have done it better or differently, than you need to say so, and say how you’re going to fix that.” One participant explained that who your partner is in the company changes many things: “When your partner is in the HR function, it is easier because they understand the time needed to build a strong relationship as we do. However, when the partner is in the operations, they do not have the patience to build that relationship. They want actions, they want results.” Interviewees shared a common experience that “communication is very time-consuming but it is supremely important to build relationships, trust and cohesion,” and that, “relationships have to be based on trust and transparency.” “It takes time to build a common understanding of how to do things,” another said. “You have to domesticate the beast,” one elegantly summarised.

## Deal or not with the ‘bad guys’?

**Some say yes, others say no** – When it comes to engaging or not with the extractive industry, two schools of thought co-existed across the respondents. On the one hand, many refuse to engage with mining or other corporations with mixed labour rights and environmental records. Meanwhile, others see the ‘bad guys’ as partners of choice. They see opportunities to improve the deal of communities impacted by the extractive activities, strengthen the regulatory environment and improve relations between the company and community. One interviewee observed, “We work with governments overseas that have very bad records, so we feel that we should be applying the same standards to businesses as well.”

## Power relationships

**Power issues can be dealt with** – Power asymmetry is often mentioned in the literature as a risk to consider. On that, one interviewee reflected, “You need to choose your partners right in order to avoid power issues,” meaning that when interests are aligned, the stronger partner has an incentive to act fairly to preserve the relationship. Another respondent said, “I guess our brand and reputation protects us against power abuses of partners.” However, one nuanced, “We find, even though we’ve had a 10-year relationship with some of these corporations, there’s still this intrinsic idea that they are the donor and we are the recipient, so it’s an unequal footing or negotiation position we are in.”

**Diversifying partners to gain leverage** – A respondent shared that the comfort zone of her organisation is working with SMEs, because “they are more lean and flexible, and it takes less time to figure out if there’s a commonality of values and ethics.” But she also added, “Sometimes there’s no choice, for example if you’re working in a community and there’s the big mining company there, you have to work with it. But often you can also work along the value chain, with the suppliers for instance, or other smaller groups that come and tag themselves on to that. In the case where there’s a very big company that has a lot of power in the region, diversifying our partners gives us more leverage.”

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## In three quotes: Processes of Cross-Sector Collaboration

*“What we’ve noticed is that whenever there’s a downturn in business, it’s the CSR budget that goes first; so there are other interests that are more durable in nature.”*

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*“Formal agreements are not a substitute for all the informal understandings and relationships, which are critical.”*

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*“The most important is to respect each other’s distinctive competences.”*



# SECTION III: OUTCOMES OF CROSS-SECTOR COLLABORATION

We have seen where the convergence trend emerges from and how cross-sector collaboration proceeds. Now, let's explore what are the outcomes of cross-sector collaboration for the partner organisations, but most importantly, for the communities where development initiatives take place.

## LITERATURE REVIEW

In this section, we will explore the main outcomes of cross-sector collaboration at the organisational level and in terms of development.

### Types of value resulting from collaboration

Austin & Seitanidi (2012a) propose four different types of value resulting from cross-sector collaboration, which we summarise very briefly as follows:

- **Transferred resource value:** Benefits derived by a partner from a resource from the other partner. Some transferred resources are depreciable, such as funds or in-kind contributions, while others are durable, such as new skills learned.
- **Associational value:** Benefits derived from collaborating with another organisation, such as improved organisational image and credibility.
- **Interaction value:** Intangible benefits derived from the process of partners working together, such as trust, learning, knowledge, accountability, joint problem-solving, communication and conflict resolution capabilities.
- **Synergistic value:** Intangible benefits derived from the premise that combining partners' resources enables them to have greater impact than they would on their own. The synergistic effect of the collaboration creates economic and social benefits that reinforce each other, fostering a potential for social innovation and transformation at the micro (individuals), meso (organisations) and macro (society) levels.

**Sources of value and collaboration stages** – While *transferred resource* and *associational* value accrue to partners in philanthropic and transactional as well as in later stages of collaboration, the potential benefits for partners are greater in the integrative and transformational stages. *Interaction* value requires a deeper collaborative relationship,

accruing mostly to partners involved in an integrative or transformational collaboration. It should be noted, however, that transferred resource, associational and interaction value occur mostly at the meso (partner organisations) and micro (employees) levels. *Synergistic* value provides greater benefits at the macro level (society) through the mobilisation of external stakeholders and through social innovation. Synergistic value mainly happens at the integrative and transformational stages of collaboration.

## From the fringe to the mainstream

**Mass adoption: sell-out or success?** – Causes advocated by NGOs often begin in the fringes and progressively move to the mainstream. The process goes as follows: an NGO begins raising awareness for a little-known social issue. As the issue gains importance in the public eye, companies integrate the concept in their business approach, which mainstreams the issue. What began as a peacenik utopia ends up as a mass product. The typical example is fair trade. The issue was raised by militant NGOs defending labour rights in the South, and looked marginal at first. Nowadays, all big café chains have fair trade products. Banerjee (2008) argues that mainstreaming perverts once-noble causes and waters down these issues, allowing corporations to keep with business-as-usual while showcasing trendy labels. However, the adoption of civil society causes by corporations and their expansion into mainstream business practices can also be seen as a victory. Wasn't wide adoption of fair trade the goal of its initial promoters?

## Stakeholder inclusiveness

**Countering co-optation and silencing** – Stakeholder inclusion mechanisms that allow a diversity of voices to be heard (Holzer, 2008) may reduce the risk of co-optation of NGOs by corporations (Utting, 2005; Crane & Matten, 2007). Partnerships between private companies and development organisations may often limit opportunities to express “divergent opinions that would lead to fundamental changes” (Seitanidi, 2010). Some authors go further and assert that comprehensive inclusion mechanisms are necessary to “give voice to those in less powerful positions” (Noffke, 1998) and to counterbalance “silencing mechanisms such as censorship, suppression, intimidation, marginalization, trivialization, discounting and gate keeping” (Barrett, 2001), which are “applied systematically in organizations to mute contributions from specific groups” (Le Ber & Branzei, 2010).

**Transformation through inclusion** – The implementation of legitimate and effective stakeholder inclusion mechanisms is essential to advance towards Austin & Seitanidi's (2012a) transformational stage of collaboration. But the emergence of a social-issue platform requires a more profound transformation. Indeed, it requires that initiating organisations

relinquish some of the control and accept the platform taking on a life of its own. In other words, partners have to accept what was their private project becoming community-owned. At that stage, initiators become contributors to a platform that serves a broader cause and listens to a broader set of interests. These dynamics require a profound transformation of mindsets in the business and development community in order to happen. And it appears that we are not there yet. And that may partly explain why the difficulties in reaching the transformational stage of collaboration are so heavily documented in the literature (e.g. Seitanidi & Ryan, 2007; Crane, 2010; Bryson et al., 2006; Berger et al., 2004; Austin, 2000a).

## Global multi-stakeholder platforms

**Networks for change** – Supra-governmental organisations are promoting the creation of global cross-sector networks dedicated to fostering communication and collaboration among organisations in all sectors of society towards addressing specific developmental goals, such as the United Nation’s Sustainable Development Solutions Network (SDSN, 2014c) and Global Compact (UNGC, 2013a), Connect4Climate (World Bank, 2014), the International Model Forest Network (IISD, 2014), or the Roundtable for Sustainable Palm Oil (WWF, 2014). Please see Appendix 4 for brief descriptions of these global platforms.

## Confrontation and collaboration: costs and benefits

**The carrot and the stick** – Some observers argue that having companies and governments bear the costs (i.e. confrontation) of their behaviours forces them to play fair (Edwards, 2010; Yaziji & Doh, 2009; Banerjee, 2008). Edwards (2010) observes, “it has always been civil society and government that have pressed businesses to [act as good corporate citizens]; and to exercise their influence effectively, both government and civil society need to be strong and independent.” Others argue that the key to achieving results is that companies and governments reap benefits (i.e. collaboration) from collaborating to address social issues (Berger et al., 2004; Porter & Kramer, 2011; Austin, 2000a). In reality, confrontation and collaboration are two faces of the same coin: they are the two terms of the costs-benefits equation, central in any business case (Holzer, 2008). In that context, “the best response [for the firm] seems to be deterring relationships laden with animosity, and instead refocusing on some level of collaboration between the firm and NGO” (Yaziji & Doh, 2009).

## SURVEY OF VOLUNTEER COOPERATION ORGANISATIONS

**Collaboration has been mostly beneficial** – 63% of responding organisations experienced in collaborations with private companies consider that it (pretty much or absolutely) has improved the reputation of their organisation, while only 13% say it has somewhat damaged it. Another major benefit identified is the access to new organisational networks (63%). However, in some countries, the trend towards collaborating with private companies appears to run counter to the traditional collaborative relationship between NGOs, with NGOs increasingly competing against each other for private partners and funds. One respondent warned that the trouble may begin when an NGO transforms private partnerships into a competitive tool against its fellow NGOs, including with partnership exclusivity agreements.

### Cross-sectoral learning

**Distinct languages** – “15 years ago, I would not have been able to describe our activities in the same way, and the culture within the organisation would have been quite antipathetic to any collaboration with business. Businesses were seen as being on the other side of the street, and people didn’t want to cross the street to talk to them,” recalled an interviewee. One respondent shared, “You need to learn the language of the business if you’re an NGO, and the language of the NGO if you’re a business. You know that you need to learn a new language when you arrive in a different country, but you somehow forget that when you interact with someone from a different sector of society.”

**Being more efficient** – For many respondents, cross-sectoral learning can boost outcomes. “We feel in many ways that it can contribute to more effective development or the work that we do. It helps shape new models of doing things. Definitely, we learn from the others, so it’s constructive from that point of view. It also opens NGOs that are kind of in a world of their own to new ways of thinking, new ways of working, so I believe it widens horizons, and also it gives us other methodologies.” In a related line of ideas, one says, “People in this organisation who have been involved in those have learned about a more business-like way of planning, of doing, of measuring, which is a very useful enhancement for our organisation. It makes us less insular, less inward-looking, more likely to take lessons on board.” Another adds that, “NGOs have a lot to learn from businesses in terms of efficient management culture, where time has a different value. Good project management is good project management, no matter the sector.”

**Preserving your identity** – Nonetheless, one respondent cautioned against the risks of forgetting who you are: “We want to preserve the identity of our organisation and our value although we need to adapt to the world we live in. We can have some adaptations, but we

cannot compromise on our core value and mission. We need to remain true to ourselves.” One respondent shared, quite philosophically, “It is important that parties learn to respect each other’s role in society and in community.”

## Corporate volunteering

**An excellent complement** – A majority of respondents said engaging in corporate volunteering adds planning complexity (70% pretty much or absolutely agreed), and changes the time-horizons of projects (60%) and the length of missions (55%). All respondents with prior experience in corporate volunteering agreed that they had to adapt the format of their placements to fit what companies are comfortable with, which often means placements of two weeks to three months duration, and very specific and narrowly-defined mandates for specialised professionals. Given the short duration of this type of placement, mandates have to be well defined and planned in advance to bear fruit. Corporate volunteers have to be up and running on day one. Several interviewees agreed that corporate volunteers can be a very efficient complement to traditional volunteers, who are typically involved in longer-term assignments of a broader scope and more generalist responsibilities. However, interviewees also agreed that corporate volunteers cannot replace traditional volunteer placements: a mix of both maximises the contribution of short-term interventions by corporate volunteers while traditional volunteers ensure the long-term alignment of the projects.

**A crowded market** – Several interviewees observed that the ageing population of rich countries creates a scarcity of new volunteers, and hence the need to look at the private sector to fill their needs for volunteers. In some countries, competition seems to be building up in the volunteer cooperation market: “It is a very crowded market. There are many new programs and organisations that describe themselves as volunteer agencies but are in fact more on the tourism side and share practices with the travel agencies. It’s become very difficult for people to discern a real agency from a tourist shop.”

**A pragmatic vehicle** – Many development organisations see corporate volunteering as a logical and efficient opportunity to increase their volunteer workforce and obtain rare skills. Corporate volunteering works because it is based on durable mutual interests:

- 1) it is a great skills-enhancing experience for employees of the company, and
- 2) volunteers and skills received by the development organisation boost outcomes.

Here again, less-experienced NGOs are having a hard time to find private partners to engage in corporate volunteering because they lack a strong brand, opportunities and knowledge.

## Funding diversification

**Finding new sources of funds** – Many NGOs mentioned that they see collaborations with the private sector as a means of diversifying their sources of funding beyond their domestic government. A respondent from an NGO with significant governmental funding explained, “We often design projects based on funding availability, and want to change that to be more effective in our work. For that, we need more diversified sources of funding. Instead of putting the cart before the horse, we want to determine what is it we want to do, and then try to find the funding to do the work.” Funding diversification allows the organisation to be proactive rather than reactive in its project planning. However, an interviewee warned, “I think the caveat is that dependency factor: how independent can an organisation be if they have a primarily corporate portfolio? It can be hard to stay committed to a non-profit mission if you are continuously driving for income from corporations, and corporations certainly do have their own motives.” Younger NGOs often have no or low governmental core funding and deal with financial precariousness. For them, cross-sector collaboration is not an option, it is vital, and central to their business models. Yet paradoxically, they are the ones with the greatest difficulty accessing it.

## Achieving greater results

**Outcomes should determine partners** – “We would not be able to achieve what our mission is as an organisation without cross-sector collaboration.” Respondents agreed that, “the process of finding a corporate partner should be aligned with the development outcomes we want to achieve in a specific area, not driven by the partner. The starting point is addressing a community-felt need.” Respondents identified the following as having been boosted through cross-sector collaboration:

- Capacity building in communities, for the volunteer organisation and the company
- Gaining public and political influence, and accessing different networks
- Moving out of the “insular non-profit mindset” and being more efficient and less bureaucratic
- Providing wider volunteering opportunities for populations where organisations are located
- Advancing strategic objectives of governments and contributing to their development priorities
- Strengthening the economies of developing countries and creating jobs and incomes
- Improving the regulatory frameworks of host governments

- Rearranging value chains in ways that are beneficial to local producers and communities
- Developing a stronger community of intercultural exchange
- Instilling social conscience in the corporate world
- Leveraging the skills of our domestic countries for development outcomes

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### **In three quotes: Outcomes of Cross-Sector Collaboration**

*“15 years ago, I would not have been able to describe our activities in the same way (...).  
Businesses were seen as being on the other side of the street and people didn’t want to cross the  
street to talk to them.”*

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*“It is important that parties learn to respect each other’s role in society and in community.”*

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*“We’re interested in building coalitions and building partnerships as part of the intrinsic way we  
work. And that way we’re building a broader stakeholder platform, and a richer offering.”*



# KEY CONCLUSIONS

## GENERAL TRENDS

**Survey confirms convergence trend among volunteer cooperation organisations** – The survey and interviews conducted with representatives of Forum member organisations confirm the emergence and growing importance of convergence and cross-sector collaboration in the specific context of volunteer cooperation organisations. Respondents have largely noticed and experienced increasing collaboration and convergence of interests and practices between volunteer cooperation organisations and private companies. Most respondents wish and foresee this trend to keep growing in years to come.

**The evolution is occurring at the NGO-private sector level** – The survey shows that while NGO-government relationships are well established and often long-standing and symbiotic, the NGO-private company convergence trend is more recent and novel. Governments and international institutions participate in this by being increasingly active in promoting and implementing policies aimed at fostering a greater level of collaboration between NGOs and private companies for international development initiatives.

## PROCESSES AND MECHANISMS

**Communication and mutual trust are key to successful partnerships** – Communication, relationship-building and mutual trust were mentioned repetitively and emphatically by virtually all respondents as key to fruitful and long-term collaborations with private companies. Throughout this research, achieving social transformation through broad inclusion and mobilisation is envisioned as the ultimate objective of cross-sector collaboration. Communication, relationship-building and mutual trust are the soil in which this social transformation can grow into a practical reality. Still, much road remains ahead with regard to designing and implementing efficient co-management, co-assessment, co-governing structures and inclusive stakeholder engagement mechanisms.

**Global multi-stakeholder platforms for development** – At the global level, supported and encouraged by international institutions, an increasing number of global cross-sectoral multi-stakeholder initiatives are emerging, such as the UN's Sustainable Development Solutions Network and Global Compact, the Connect4Climate network supported by the World Bank, the International Model Forest Network and the Roundtable for Sustainable Palm Oil, to name but a few (see Appendix 4 for further details on these platforms). Global multi-stakeholder platforms raise global awareness and foster real positive change in corporate practices and in community outcomes. But global multi-stakeholder initiatives may yet be at the infancy stage, and expectations are high regarding the potential of these platforms to foster inclusive and sustainable international development outcomes over the next decade and further.

## OPPORTUNITIES AND CHALLENGES

**Collaborating with companies offers many learning opportunities** – Respondents mentioned many learning benefits from increased collaboration with the private sector. As NGOs and private companies speak different languages, learning the language of business can yield operational and strategic benefits for NGOs. Several interviewees mentioned that cross-sectoral learning can boost development outcomes by opening volunteer organisations to different ways of thinking and working, widening their horizons and familiarising them with other organisational processes and approaches. Volunteering organisations are learning about more business-like ways of planning, doing and measuring that can contribute to improve their operations and decision-making processes. One interviewee summarised, “NGOs have a lot to learn from businesses in terms of efficient management culture, where time has a different value. Good project management is good project management, no matter the sector.” Through cross-sector collaboration, organisations also learn to respect and value each other’s role in society.

**Transformation through stakeholder inclusion** – Forum members are learning ways to improve inclusion mechanisms in order to mobilise and give voice to all interest groups, including community elements that are typically excluded and marginalised. To achieve this, they collaborate with traditional community institutions to reach out to the disenfranchised and create broad coalitions of interest to address community issues. Stakeholder inclusion mechanisms such as advisory bodies and public hearings through innovative processes such as PhotoVoice are emerging as favoured vehicles to mobilise a diversity of local community actors towards the emergence of truly transformational social-issue platforms. Yet, much learning remains ahead for volunteer organisations as to how to design and implement comprehensive and efficient stakeholder inclusion mechanisms.

**Integrating market principles into global development approaches** – Forum members discussed their initiatives for developing skills for employment, improving outcomes of value chains for communities, and boosting local economies to increase incomes and opportunities, which the UNDP calls market-inclusive development. Fair trade and impact investing, as examples of truly market-driven initiatives, go even one step further by effectively aiming to change the very rules of the market in favour of communities. Increasingly, development is pursued through market mechanisms, and social change is achieved through logics traditionally seen as pertaining to the private sector.

## THE FUTURE OF CORPORATE VOLUNTEERING

**A great potential to tap into** – Corporate volunteering is widely perceived across respondents as a pragmatic and effective vehicle to leverage private sector skills and resources for greater development outcomes. Corporate volunteering is pragmatic because it is based on durable

mutual interests that are “obviously tied to the bottom line” of both partners. It is effective because it is scalable, adaptable and replicable. For those reasons, corporate volunteering has the potential to become much bigger than it is today: it can become a global engine for inclusive development and spur cross-sector collaboration to a whole new level.

**Yet, much promotion and education are needed** – One issue confronting volunteer cooperation organisations is that not many public and private sector actors yet fully grasp the rich value the volunteering experience has to offer in terms of skills and leadership development, workforce mobilisation and development outcomes. As a result, much education and promotion remains to be done by volunteer cooperation organisations to stir the attention of public, private and development actors on the genuine value and potential of corporate volunteering.

# STRATEGIC QUESTIONS

## 1) Corporate volunteering to promote international volunteer engagement

*Context* – Private partners of Forum member organisations that are engaged in corporate volunteering programs understand the value of this experience to broaden the perspectives of their employees, and expand their skills and leadership abilities. But companies converted to the virtues of the volunteering experience remain anecdotal within the broader private sector. Many still believe that the volunteering experience mostly amounts to relaxing vacationing in sunny countries with minimal professional value. Increasing engagement of companies in corporate volunteering programs may indeed provide positive exposure for international volunteering at large and contribute to promote its value to a wider audience.

**Within the current dynamic of accelerating cross-sector collaboration, can the expansion of corporate volunteering programs contribute to scaling up international volunteering engagement, and if so, how should Forum member organisations proceed to take advantage of this opportunity?**

## 2) Sharing cross-sector knowledge within the volunteer cooperation community

*Context* – Opportunities, know-how and capabilities to engage in collaborations with private companies vary greatly across Forum member organisations. In a context of increasing competition and scarce public funds, the trend toward more collaboration with the private sector sometimes results in less collaboration among volunteer cooperation organisations. Forum member organisations must find ways to share their experiences and opportunities between themselves in order to make international volunteer cooperation stronger and apt to deliver optimal development outcomes for communities. This includes collaborating between large development organisations, but may also mean favouring mentoring relationships between experienced and less-experienced organisations, who insist that while they have much to learn from their more experienced peers, they too have valuable assets to bring to the table.

**How should the sharing and exchange of cross-sector collaboration knowledge and experience be promoted by Forum, and which initiatives should be undertaken to achieve this end?**

## 3) Development cooperation through market mechanisms

*Context* – Several Forum member organisations are pursuing development initiatives that use market mechanisms and that adhere to logics traditionally associated with

the private sector, with the objective of changing the structures or the rules of markets in order to generate better outcomes for communities. This has led to the formation of multi-stakeholder platforms in which public, private, and civil society entities collaborate to reconcile business interests with community needs, often in controversial industries such as resource extraction and energy generation.

**To what extent can the integration of market-driven mechanisms into international volunteering cooperation approaches improve development outcomes for communities, and how far should it be pursued?**

# FURTHER RESEARCH AVENUES

## **Documenting the outcomes of cross-sectoral initiatives for development**

Cross-sector collaboration is largely assumed in both academic and practitioner circles to contribute to achieving greater development outcomes for communities. However, the evidence base to substantiate those assumptions remains shallow, and few studies, if any, have specifically addressed this question. Therefore, pursuing further research on the outcomes of cross-sector collaboration – identifying the specific impacts, measuring their extent, and contrasting cross-sectoral initiatives with more traditional approaches in the field – would contribute to addressing this deficit by adding facts, numbers and specifics to discussions on the subject, and so contribute to better project planning, monitoring and evaluation.

## **Best practices of cross-sector collaboration in volunteer cooperation**

The academic and practitioner literature vastly discusses, analyses and repertories the success factors and best practices of cross-sector collaboration, with a particular emphasis on the relationship between civil society organisations and private companies. However, studies analysing the success factors and best practices of cross-sector collaboration in the specific context of international volunteer cooperation organisations are almost non-existent. Bridging this knowledge gap would be of particular interest for Forum member organisations. Success factors and best practices of cross-sector collaboration in international volunteer cooperation for development is one of many subjects treated in the survey portion of this study, but the importance of this question for Forum member organisations and their peers certainly calls for further research specifically focused on this question.

# APPENDICES

## Appendix 1 – Terminology

In this appendix, we define a set of terms and concepts in order to specify the context and understanding in which they are used for the purpose of our discussion.

**Cross-sector collaboration or partnership:** Commitment between and among public, private and non-profit institutions (any combination), in which individuals from partner organisations commit various resources and agree to work cooperatively toward common development goals (Kindornay, 2014). In the context of this discussion, the terms *collaboration* and *partnership* are used interchangeably, although the term *partnership* may imply a deeper or more formal commitment between organisations.

**Sustainable development:** Perhaps the most widely accepted definition of sustainable development is that of former Norwegian Prime Minister Gro Harlem Brundtland, “Meeting the needs of the present without compromising the ability of future generations to meet their own needs.” While the UN development goals for 2015 were referred to as the Millennium Development Goals (MDGs), the UN objectives for the post-2015 period have been named the Sustainable Development Goals (Porter & Kramer, 2006). According to the UN Sustainable Development Solutions Network, under the sustainable development framework, all regions of the world should have the ability to grow and prosper (SDSN, 2014b).

**Corporate social responsibility (CSR):** The UN Global Compact (2013c) defines CSR as the delivery of long-term value in financial, social, environmental and ethical terms.

**Corporate citizenship:** Refers to a company’s appraised CSR record, or more generally, to how positively perceived are the behaviours of the company in terms of contribution to the society. According to Porter & Kramer (2006), CSR advocates typically base their case on four distinct arguments: moral obligation (companies have a duty to “do the right thing”), sustainability (need for a healthy societal and environmental context to have long-term success), licence to operate (tacit acceptance from government, communities and stakeholders) and reputation (image, branding and sense of belonging).

**Triple bottom line:** Refers to a company’s global record in financial, social and environmental terms (Elkington, 1998).

**Beneficiary:** In this discussion, the term beneficiary is understood as the intended ‘target’ of a social initiative – typically a poor or vulnerable individual or segment of society (Le Ber & Branzei, 2010).



**Micro, Meso, Macro:** This terminology is borrowed from Austin & Seitanidi (2012b). The terms micro, meso and macro distinguish the levels of analysis for the various impacts of a cross-sector development partnership. *Micro* refers to the impacts on individuals; *meso* points at the organisational level for partners in the development project; and *macro* refers to systemic changes at the level of society that result from the collaborative development project. The terms internal and external are also used to segment the levels of analysis: *internal* refers to the impacts on organisations involved in partnerships (meso) and their employees (micro), while *external* refers to the impacts on the society as a whole (macro) and on individual beneficiaries (micro).

## Appendix 2 – Research methodologies and orientations

The survey methodology was designed with the aim of drawing a representative portrait of the opinions and experiences of Forum member and associate member organisations. Thanks to the high level of participation in the survey and interview, we believe that the analyses and conclusions presented in this report largely satisfy this aim. Out of the 29 Forum member and associate member organisations, 20 completed the web survey (69% response rate) and 17 responded to the qualitative interview (59% response rate). Respondents completed the web survey between 26 June and 11 July 2014; and qualitative interviews were performed between 2 July and 29 July 2014.

The **literature review** focused mostly on streams of literature related to cross-sector collaboration and partnerships (mostly between NGOs and private companies; some articles from the perspective of NGOs and others from the perspective of private companies), corporate social responsibility (including the related notions of corporate citizenship, social licence to operate and triple bottom line accounting) and stakeholder theory. It should be noted that the literature discusses the private, public and civil society sector in general terms: to our knowledge, no author treats the specific context of international volunteer cooperation organisations, which is approximated mainly through the practitioners' lenses. The literature review also included some selected publications from supranational institutions (United Nations, International Monetary Fund, World Bank) and from interest groups and think tanks (Network for Business Sustainability, North-South Institute, Third-World Network). The literature review mostly – although not exclusively – focused on articles published since 2006 in order to prioritise recent developments in academic thinking and recent case studies. A few concepts were borrowed from the neo-classical economics literature to add some elements of context given their historical significance (economic convergence and divergence, *laissez-faire* economics), but neo-classical economics literature has not been reviewed per se.

The **web survey** was made up of 44 multiple-choice questions and one general comments section. It was designed to take about 20 minutes to complete. A first section addressed the characteristics of responding organisations (e.g. nature of organisation, size of budget, typical activities). A second section addressed the level of past and current involvement of organisations in the different forms of cross-sector collaboration (government-NGO, NGO-private company, government-NGO-private company). Then, the following sections touched on the level of involvement of organisations in collaborations and partnerships, their motivations and concerns, and the content of resource transfers, with a particular focus on collaborations of international volunteer cooperation organisations with private companies. The web survey mostly addressed the first two sections of the study: the emergence of the convergence trend and the processes of cross-sector collaboration. The

outcomes of convergence and cross-sector collaboration (observed and expected) were mainly discussed in the qualitative interview.

The **qualitative interview** was composed of 10 open questions, with most questions comprising optional sub-questions to guide the discussions. It was designed to take about 40 minutes to answer. The qualitative interview was designed to develop a deeper understanding of the complexity and subtleties of the context in which responding organisations evolve, and to collect answers and explanations that cannot be expressed through answering multiple choice questions. Interviews were recorded and transcribed. Answers provided by interviewees were then reclassified by theme, in order to repertory the answers of various interviewees on each of the specific themes identified. The ‘Survey of volunteer cooperation organisations’ parts in Section I, II and III derive from our analyses of the most frequent and relevant responses obtained through the web survey and qualitative interview. Web survey results were used to support qualitative interview answers, and conversely, qualitative interview answers were used to provide context and explain web survey results.

## Appendix 3 – Austin & Seitanidi’s Collaboration Continuum

The following table is a direct extract from Austin & Seitanidi (2012a):

	<u>Stage I</u>	<u>Stage II</u>	<u>Stage III</u>	<u>Stage IV</u>
<b>NATURE OF RELATIONSHIP</b>	<i>Philanthropic &gt; Transactional &gt; Integrative &gt; Transformational</i>			
• Level of Engagement	<i>Low ← ----- → High</i>			
• Importance to Mission	<i>Peripheral ← ----- → Central</i>			
• Magnitude of Resources	<i>Small ← ----- → Big</i>			
• Type of resources	<i>Money ← ----- → Core Competencies</i>			
• Scope of Activities	<i>Narrow ← ----- → Broad</i>			
• Interaction Level	<i>Infrequent ← ----- → Intensive</i>			
• Trust	<i>Modest ← ----- → Deep</i>			
• Internal change	<i>Minimal ← ----- → Great</i>			
• Managerial Complexity	<i>Simple ← ----- → Complex</i>			
• Strategic Value	<i>Minor ← ----- → Major</i>			
• Co-creation of value	<i>Sole ----- → Conjoined</i>			
• Synergistic value	<i>Occasional ← ----- → Predominant</i>			
• Innovation	<i>Seldom ← ----- → Frequent</i>			
• External system change	<i>Rare ← ----- → Common</i>			

## Appendix 4 – Examples of global multi-stakeholder platforms

Supranational institutions are increasingly setting up global cross-sector networks dedicated to fostering communication and collaboration among organisations in all sectors of society towards addressing specific developmental goals. Here is a description of but a few important global cross-sector initiatives:

**UN Sustainable Development Solutions Network (SDSN)** was launched in 2012 by UN Secretary-General Ban Ki-moon and aims to “mobilize scientific and technical expertise from academia, civil society and the private sector in support of sustainable development problem solving at local, national, and global scales” (SDSN, 2014c). The SDSN is directed by Economist Jeffrey Sachs, who is also director of the Earth Institute at Columbia University.

**UN Global Compact (UNGC)** was launched in 2000 as a forum for discussion and network for governments, companies, labour organisations and civil society organisations. It currently has more than 10,000 participants, including over 7,000 businesses in 145 countries (UNGC, 2013a). The Global Compact is a policy initiative to establish a globally recognised policy framework for the development, implementation and disclosure of environmental, social and governance policies and practices (UNGC, 2013b).

**Connect4Climate (C4C)** was launched in 2011 by the World Bank, the Italian Ministry of Environment, and the Global Environment Facility in “collaboration with more than 150 knowledge partners, including international institutions, social media networks, UN agencies, NGOs, academia, civil society, private sector, public sector, and youth organizations.” C4C acts as a global platform to foster interactions between stakeholders of all sectors in order to raise awareness and share knowledge on issues related to climate change (2014).

**International Model Forest Network (IMFN)** is a collaborative platform where NGOs and companies work together to find solutions to the problem of deforestation, after governmental and intergovernmental processes have failed. The Forest Stewardship Council (FSC) was one of the first initiatives to promote business responsibility, by bringing together a wide range of stakeholders to identify and promote more sustainable business practices (IISD, 2014).

**Roundtable for Sustainable Palm Oil (RSPO)** was formed in 2003. RSPO promotes the growth and use of sustainable oil palm products through credible global standards. RSPO is an industry-led, not-for-profit association that unites stakeholders from seven sectors of the palm oil industry to develop and implement global standards for certified sustainable palm oil. It includes environmental and social non-government organisations, such as WWF and Oxfam, as well as oil palm producers, palm oil processors or traders, consumer goods manufacturers, retailers, banks and investors (WWF, 2014).

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