

How partnering between NGOs and business can keep both organisations ahead of the curve.

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The commercial reality for businesses means there is significant pressure to be ahead of the curve in every aspect of operations – market insight, supply chain management, human resources, finance ... If not their product offer or operations can become obsolete. The same is true for NGO's, without looking to find new ways to work, it can be very difficult to survive in an extremely tight grant market where innovation is one of the key funding drivers. In the way we work, innovation and excellence can be derived from having the foresight on future opportunities and planning to take advantage when they arise.

Foresight is a human attribute that allows us to weigh up pros and cons, to evaluate different courses of action and to invest in possible futures. The process of strategic foresight encompasses broadening our perceptions of what future possibilities may unfold and therefore, considering various situations beyond our normal line of sight. One way to achieve this foresight is for business and NGOs is to consider beyond their normal spheres of influence and look to how they can partner with other organisations to achieve innovation.

NGOs have a lot to offer business, and business has a lot to offer NGOs. This is not a CSR type arrangement where a cheque is handed over thanks to a fundraising drive at a bank. Philanthropy is an important aspect in a relationship between business and NGOs, but is unlikely to achieve innovation for either partner. NGOs have community insight and trust and business have commercial tenacity which is sometimes required in project design. Joining the two organisations can result in an electric combination which achieves ground breaking results.

A mouth-watering example of a strong private public partnership where mutual benefit was achieved is between Save the Children and GSK. Since 2013, the partnership has combined GSK's scientific expertise and global reach with Save the Children's on-the-ground knowledge in some of the world's poorest countries. It aims to save the lives of a million children over five years through:

- developing child-friendly medicines to reduce child mortality and new-born deaths
- widening vaccination coverage to reduce the number of child deaths in the hardest to reach communities
- increasing investment in the training, reach and scope of health workers

- researching new affordable nutritional products to help alleviate malnutrition in children

GSK is spending the equivalent of AU\$31.5 million training 5000 third-world health workers, running programs to improve childbirth practices in remote settings in Kenya and providing health services in The Congo.

One great example where the company is using local know how from Save to develop a solution is with neonatal care. Infections that start in the umbilical stumps of newborn babies claim the lives of nearly 200,000 children each year. GSK has reformulated its mouthwash into a gel that can be applied to a baby's belly button to prevent infection.

A Johns Hopkins study found that infants who received a single cleansing with the mouthwash chemical chlorhexidine were 20 percent less likely to die than infants who received dry cord care. Other studies have found a 24-38 percent decrease in deaths.

GSK has turned the chemical into a gel because it is likely to stay on the wound longer. The information on the gel will be made available to other manufacturers at not for profit prices so the lowest cost producers can make the gel and GSK won't charge royalties.

What's different about this partnership is that they are using the GSK's know-how to develop medicines and vaccines, and working with Save to deploy them to the communities and people who need them. Through combining expertise, resources and influence on both sides of the partnership means Save receives funds for their projects, new insights on program design and implementation, and GSK develops innovative products that meets the Bottom of the Pyramid market needs – both sides win, and, more importantly, millions of children are positively impacted. Watch this [video](#) on the partnership.

Often when two polar organisations are driven to work together it is because they're experiencing the same pain. A successful partnership between NGOs and business depends on a shared goal and it's important to understand where the common self-interest lies. One example in the market is a dwindling supply of commodities. With 10 billion people coming to the market by 2050, the world needs to produce more raw material using fewer environmental resources while reinvigorating rural economies.

One great example of mutual benefit achieved through having a shared goal is between Ok Tedi Foundation (OTDF) and Olam. OTDF is an independent, NGO dedicated to improving the quality of life for the people of Papua New Guinea. Part of their responsibility is to improve the economic empowerment of Western Province. The Foundation looked to redesign the rubber industry in the Province in a way that created greater opportunities for income generation in these remote communities that would otherwise remain living in extreme poverty. Business for Development was commissioned by OTDF to map the

existing value chain, identify new supply chain opportunities and introduce off-take partners that will enable income generating activities for these farmers.

After mapping the process an MOU was negotiated with Olam International, one of the world's largest global commodity trading companies as a key commercial off-take partner. By year end, it is planned to begin construction of a rubber factory with a view to produce creped rubber for export to supply the identified market demand. This will provide immediate access to global markets for the rubber produced by the people of the remote Lake Murray and Middle Fly areas, utilising a new road and port facility recently constructed by OTDF. Over time, it is anticipated that this initiative will benefit thousands of Papua New Guineans in Western Province, who will now have the opportunity to build links with international markets for their rubber and be able to improve their incomes and livelihoods in the years to come. Olam, at the same end has a consistent source of rubber which guarantees a source for their market requirements.

It's not easy getting two very different organisations playing in the sand pit together. There can be an air of mistrust, flicking of sand and an unwillingness to share toys. What can help, and here comes the plug, is to have a partnership broker like Business for Development to find common ground and achieve mutual benefit. Brokers are skilled professionals who are able to take partners through a robust partnering process to ensure alignment of interests and ensure they are effective. As a broker, Business for Development has often likened the role as being a tightrope walker. As you teeter along this rope of negotiations between parties there are competing forces. Everyone has their own agenda, even NGOs, which means you need a neutral party to balance the partnership and ensure there is give-and-take on both sides.

Jim Kim, the World Bank President said "Engaging the private sector is not about how we feel about business; it's about how high our aspirations are for poor people. If we rely upon foreign aid, then our aspirations are far too low." Combining business and NGOs to work together can create the impetus needed in order to be ahead of the curve and create transformational change required for communities to overcome extreme poverty. Yes, business will profit from it, but what is wrong with that? It could mean enabling some of the world's poorest people access new markets and doubling their income; finding unique ways to deliver cold storage vaccines to remote communities; improving transparency through data collection.... All the while carving new avenues in view of new market forces, and helping community development at the same time. All, simply put, ahead of the curve.