PARTNERSHIPS FOR SUSTAINABLE DEVELOPMENT:
Collective action by business, governments and civil society to achieve scale and transform markets

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# PARTNERSHIPS FOR SUSTAINABLE DEVELOPMENT:

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Foreword

The Sustainable Development Goals (SDGs) are a vision statement and action plan for achieving social and environmental sustainability on our planet. Given the sheer ambition of the SDGs and the pressing need for all sectors of society to contribute to their realization, I urge businesses everywhere to help meet our common existential challenge.

How can companies contribute?

First and foremost through the manner in which they conduct their own business activities and the leverage they have across their value chains. Every company can contribute positively to sustainable development by reducing the negative impacts on people’s human rights and on the environment associated with its business – including across its value chain. Far from viewing respect for human rights and protection of the environment as merely a matter of compliance, risk management and ‘do no harm’, these commitments can be powerfully affirmative, transformative and even disruptive of traditional practices.

Second, some companies will also be able to contribute to the SDGs by developing new and innovative products, services, technologies and ways of doing business that can further contribute to improving people’s lives, and to improving the environment and combating climate change. They should do so wherever they can, but never as a substitute for respecting human rights and protecting the environment.

Despite the potential of companies to make a meaningful contribution to the SDGs in these two ways, their impact is often constrained by a combination of governance gaps, market failures and high levels of mistrust between the private sector and other stakeholders. Although by no means a panacea, collaboration and collective action can help to overcome some of these constraints.

As we have noted in previous research undertaken by our Corporate Responsibility Initiative, the challenges presented by the SDGs are complex and systemic. They have arisen over years from the actions and interactions of diverse yet interconnected and interdependent stakeholders. There is increasing recognition that they cannot be addressed in a top-down, controlled or linear fashion. New behaviors and models of cooperation are needed that enable solutions to emerge as many different individuals and organizations interact with each other – both formally through established structures and informally through networks – to experiment, learn, adapt and then scale or replicate what works.

The following paper provides an overview of five collaborative pathways that companies are using, or could use, to achieve this dynamic process of collective action and learning, with the aim of increasing the scale and impact of business engagement in sustainable development. As the paper emphasizes, these five models of collaboration are not mutually exclusive. Leading companies are usually active participants in numerous partnerships simultaneously. It is often the dynamic interaction between different levels and types of collaboration that creates the conditions necessary to achieve more systemic change.

The paper draws on more than 100 examples of collaboration and some of the literature on what works and what does not in building public-private partnerships, business alliances and multi-stakeholder initiatives. It concludes with a set of recommendations on how companies can work more effectively with each other and with governments and civil society organizations in contributing to the SDGs.

As far back as January 1999 former UN Secretary-General Kofi Annan warned, in a World Economic Forum Speech, that unless globalization has strong social pillars it will be fragile and vulnerable – “vulnerable to backlash from all the ‘isms’ of our post-cold war world: protectionism; populism; nationalism; ethnic chauvinism; fanaticism; and terrorism”. He specifically appealed to the business community to step up and play its role in achieving a socially sustainable globalization.

Clearly, we must redouble our efforts, both individually and collectively. Equally important, we have to maximize the effectiveness of our efforts to make globalization work for all because, as Annan has also said, if it doesn’t, “in the end it will work for none.” Effective partnerships and collective action offer one way forward.

Professor John Ruggie
Berthold Beitz Professor in Human Rights and International Affairs and Faculty Chair of the Corporate Responsibility Initiative, Harvard Kennedy School
Executive Summary

I. THE NEED FOR COLLECTIVE ACTION

Leadership by individual companies is necessary but not sufficient to drive transformational and systemic change toward sustainable development. Collective action and collaboration will be essential. It will be needed among companies themselves, on a precompetitive basis in specific industry sectors, issues and locations. It will also be needed on a cross-sector or multi-stakeholder basis between companies, governments and civil society organizations.

There will be business benefits for the companies that understand this agenda and align their core business activities to addressing the economic, social and environmental risks and opportunities material to their business and salient in terms of their potential impacts on people. Despite these likely business benefits, the ability of companies to spread responsible practices and deliver market-based solutions for the SDGs at scale is undermined by a variety of market failures, governance gaps, and cultural and trust impediments.

Partnerships and coalitions can play a vital role in helping to overcome some of these obstacles. They will be particularly important in addressing the following four imperatives:

• Improving the impact of all business activities, to support growth that is more responsible, inclusive and sustainable;
• Increasing the level of new private sector investment and innovation in sustainable development;
• Achieving systemic transformation of markets to work better for people and the environment; and
• Building mutual trust, accountability and a new social contract between business, governments and civil society.

II. COLLABORATIVE PATHWAYS TO SCALE BUSINESS ENGAGEMENT IN SUSTAINABLE DEVELOPMENT

A growing number of partnerships have emerged over the past two decades. They vary widely in terms of their scope, participants, governance models, purpose, and levels of activity. Most are still at a nascent stage, especially given the long-term nature of partnership building and system change. Rigorous analysis of their impact and what works is also at an early stage, but useful lessons and good practices are emerging.

Based on experience to-date, the following five types of collaboration offer particularly high potential for accelerating and scaling up business engagement in sustainable development:

• Cooperation with business partners along value chains: Most large companies have thousands of commercial business partners in their value chains. They include suppliers, distributors, retailers, investors, investees, and joint venture partners. By setting standards, creating incentives, and providing financing and capacity building opportunities for their business partners, companies can have substantial leverage in driving change towards more inclusive and sustainable growth along their own value chains.

• Project-level, financing and implementation partnerships: These usually involve one or a few companies partnering with NGOs, government entities, research organizations or each other to share risks or costs and/or to catalyze resources to develop new technologies, products, services or business models. They range from multi-billion dollar infrastructure projects to inclusive business models aimed at including low-income producers and consumers in corporate value chains to joint community investments and humanitarian partnerships.

• Industry-level, precompetitive business alliances: These involve a group of companies working together on a precompetitive basis within or across industries to drive sector-wide change. This can include spreading responsible industry standards, scaling and replicating promising innovations and models, and undertaking joint research or public policy advocacy. Some of these alliances are part of established trade and industry associations and demonstrate the potential to mobilize more associations toward sustainable development. Others have been created in recent years by smaller groups of business leaders as corporate responsibility coalitions with a dedicated focus on spreading responsible business practices and achieving sustainability goals.

• Multi-stakeholder institutions, platforms and networks: These involve collaboration among groups of companies alongside other actors such as governments and/or civil society organizations aimed at overcoming systemic market
failures or governance gaps to achieve transformational change. They include independent institutional arrangements and funds with their own formal, governance and accountability structures. They also include more informal and dynamic networks and technology-enabled open collaboration platforms.

- **Coordination between different levels and types of partnership to drive systemic change**: In most cases of successful scaling there are mutually reinforcing linkages between the different levels and types of partnership outlined above. Individual companies are increasingly part of an ecosystem of sustainable development partnerships, some led by business, others by governments or civil society. Business leaders need to understand and be more actively engaged in shaping this ecosystem, and its relationship to their own corporate strategies, cultures and performance.

### III. AN AGENDA FOR ACTION

The following paper reviews examples of partnership in these different levels of engagement and assesses some of their lessons to-date. It then proposes the following five-point Agenda for Action to strengthen existing coalitions or build new ones that offer high potential for achieving scale and transforming markets:

**#1** Strengthen precompetitive business alliances to leverage industry-wide standards and joint action

**#2** Participate in joint financing and innovation platforms to deliver specific goals

**#3** Support collective initiatives to harmonize sustainability data and reporting

**#4** Expand coalitions that are integrating sustainability criteria into capital markets

**#5** Coordinate policy dialogue and investment in key cities, landscapes and countries of operation

These recommendations are summarised in the table opposite.
An Agenda for Action: Recommendations for coalitions to achieve scale and transform markets

| #1 | Strengthen precompetitive business alliances to leverage industry-wide standards and joint action | There is substantial untapped potential to raise the bar on sustainability leadership in all trade and industry associations and through sector-focused corporate responsibility coalitions. This can be achieved by establishing industry-wide standards, setting shared goals or roadmaps for investing in the sustainable development goals, agreeing on common metrics, reporting and benchmarking members’ performance against these, sharing lessons and good practices, supporting precompetitive research and development consortia, and undertaking joint policy advocacy. CEO-level leadership and champions will be essential for success. |
| #2 | Participate in joint financing and innovation platforms to deliver specific goals | Companies should focus their engagement on issue, sector or commodity specific financing mechanisms and innovation platforms that most closely align their core business priorities and capabilities with specific SDGs. In particular, there are opportunities to create blended finance partnerships among companies, investors, development finance institutions, donor agencies, research institutes and philanthropic foundations with the goal of developing and scaling new technologies, products, business models and sustainable infrastructure. |
| #3 | Support collective initiatives to harmonize sustainability data and reporting | Collaboration is needed among providers and users of corporate sustainability data and reporting to drive greater convergence and harmonization. This is necessary to make information more comparable, consistent and useful to investors, regulators and other stakeholders as well as to companies themselves in order to improve decision-making, performance and accountability. |
| #4 | Expand coalitions that are integrating sustainability criteria into capital markets | Coalitions can accelerate and scale the integration of sustainability criteria, longer-term horizons and greater financial inclusion into the decision-making and impact of capital market institutions. Concerted efforts are needed to expand the membership and influence of existing coalitions focused on scaling responsible, inclusive and sustainable finance, such as the Sustainable Stock Exchanges Initiative, Principles for Responsible Investment and Global Impact Investing Network, among others. In particular, there is a need to increase the participation and leadership of major asset owners such as pension funds, sovereign wealth funds, endowments and insurance companies. |
| #5 | Coordinate policy dialogue and investment in key cities, landscapes and countries of operation | Spatial and location-specific coalitions that bring together companies, investors, governments, civil society and citizens to agree on shared priorities and develop common plans for action offer high potential to achieve scale and systemic impact. In particular, there is a need to increase business participation and collective action in:  
  - City-based alliances dedicated to increasing urban sustainability and resilience  
  - Integrated landscape management initiatives, especially in vulnerable watersheds, biodiversity and ocean ecosystems;  
  - Country-level multi-stakeholder platforms, chaired by government ministers that systematically engage leading companies, business associations and NGOs in setting national priorities for the SDGs. |
**IV. CONCLUSION**

Partnerships are a valuable tool to drive change toward more responsible, inclusive and sustainable growth. They can help to address some of the market failures, governance gaps and trust deficits that undermine the acceleration and scaling of business engagement in sustainable development. They can also serve as a platform for convening and coordinating the diverse actions of numerous actors and for building mutually reinforcing linkages between different sectors and sustainable development goals.

Yet, they are not a panacea. Most partnerships are difficult to build and challenging to sustain and scale. They often entail high transaction costs, and there is a need in many cases to strengthen partnership governance and accountability, as well as operational efficiency and effectiveness.

The success factors summarized in the table below are a synthesis of over forty academic and practitioner studies exploring what works in building partnerships, ranging from global multi-stakeholder institutions to more traditional public-private infrastructure partnerships.

Effective partnership building, especially across sectors, requires new mindsets and skill sets on the part of individuals and new capabilities and incentives on the part of institutions. It requires patience, persistence and a long-term commitment in an era of short attention spans, accelerating and disruptive change and short-term performance pressures on companies and governments alike.

None of this is easy. Yet, it is essential work if we are to make progress at the scale and systemic impact that are required. The ability to galvanize and convene other stakeholders to co-create effective partnerships for sustainable development has become one of the essential leadership imperatives for the 21st Century.

### Success factors in building partnerships

<table>
<thead>
<tr>
<th>Shared Purpose and Understanding of the Ecosystem and its Stakeholders</th>
<th>1</th>
<th>A compelling agenda for change led by strong champions who are leaders in their own organizations and are able to take decisions, allocate resources, motivate and mobilize others, and support a long-term commitment.</th>
</tr>
</thead>
<tbody>
<tr>
<td>2</td>
<td>Jointly agreed public commitments and a strategic plan for achieving them, based on rigorous consultation and relevant baseline evidence, with clearly defined roles and responsibilities for every participant.</td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Understanding of the full value chain or ecosystem required for transformation and ability to either holistically coordinate activities or stakeholders across this system or target specific interventions that mutually reinforce those of others.</td>
<td></td>
</tr>
<tr>
<td>Rigorous Process and Operational Alignment</td>
<td>4</td>
<td>Effective implementation capability, enabled by dedicated and well-resourced ‘backbone support’, committed practitioners from participant organizations who have the necessary authority and skills to engage, and effective communication and conflict resolution processes that enable regular and rigorous dialogue and feedback.</td>
</tr>
<tr>
<td>5</td>
<td>Strong alignment with and leverage of partners’ core competencies and interests.</td>
<td></td>
</tr>
<tr>
<td>Good Governance and Mutual Accountability for Progress</td>
<td>6</td>
<td>Mutually agreed metrics and governance mechanisms to track performance and ensure rigorous oversight and accountability, both within the partnership itself and externally with relevant stakeholders, including beneficiaries and vulnerable groups where relevant.</td>
</tr>
<tr>
<td>7</td>
<td>Participatory monitoring and independent evaluation approaches that facilitate shared learning and better decision-making in addition to ensuring transparency and accountability.</td>
<td></td>
</tr>
<tr>
<td>8</td>
<td>Flexibility to “course correct” and be adaptive based on evolving circumstances, disruptive events, failures, stakeholder feedback and lessons learned.</td>
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I The need for collective action

The leadership challenge is clear. It will be impossible to achieve the Sustainable Development Goals without accelerating and scaling private sector engagement and collective action by business, government and civil society.

Individual action by companies and business leaders will be crucial to driving more inclusive and sustainable growth. Yet, it will not be sufficient to achieve the systemic change and market transformation that are required. In addition to reforms in government policies and capital markets, increased emphasis must be placed on building more effective partnerships and coalitions.

In particular, collective action will be needed among companies themselves, working together along global supply chains and on a precompetitive basis in specific industry sectors, issues and locations. It will also be needed on a cross-sector basis among companies, governments and civil society organizations. This can take the form of project-level partnerships, ranging from billion dollar public-private investments in large-scale infrastructure projects to business linkages along value chains and community-level alliances. It also includes more complex multi-stakeholder institutions, platforms and networks that aim to drive systemic change across a large number of diverse yet interconnected and interdependent stakeholders.

Such collaborative efforts are not new. Yet, the need for them is greater than ever if we are to achieve the ambitious targets set by the Sustainable Development Goals (SDGs), the Paris Climate Agreement and the Addis Ababa Action Agenda on Financing for Development. So is the need to increase not only the number of partnerships and coalitions, but also their effectiveness, efficiency and legitimacy.

Simply put, without more – and more effective – business-to-business alliances and cross-sector collaboration, it will not be possible to mobilize the estimated US$5-7trillion needed each year until 2030 to meet these global commitments. It will not be possible to create the 600 million new jobs required to keep pace with population growth over the coming decade, some 90 percent of which will have to come from the private sector. And it will be impossible to ensure they are decent jobs that respect human rights, provide a living wage and improve the quality of peoples' lives in an environmentally sustainable manner.

There will be business benefits for the companies that understand this agenda and align their corporate strategy and core business activities to addressing the economic, social and environmental risks and opportunities most relevant to their business and most salient in terms of their potential impacts on people. Despite this potential, the ability of companies to spread responsible practices and deliver market-based solutions for the SDGs at scale is undermined by a variety of market failures, governance gaps, and cultural and trust impediments. Partnerships and coalitions can play a vital role in helping to overcome some of these obstacles.
Partnerships and coalitions will be particularly important in addressing the following four imperatives:

• Improving the impact of all business activities, to support growth that is more responsible, inclusive and sustainable;

• Increasing the level of new private sector investment and innovation in sustainable development;

• Achieving systemic transformation of markets to work better for people and the environment (especially commodity, consumer, financial, and labor markets); and

• Building mutual trust, accountability and a new social contract between business, governments and civil society.

1.1 Improving the impact of all business activities, to support growth that is more responsible, inclusive and sustainable

To achieve sustainable development it will be essential that business activities, especially those of large companies, fully integrate responsible business practices and performance standards. These include:

• Respect for the human rights of people whose rights are affected in connection with a company’s operations, products and services;

• Zero tolerance for corruption and fair payment of taxes;

• Environmental, social and governance (ESG) standards.

Frameworks such as the UN Global Compact’s Ten Principles (initiated in 2000), The IFC’s Performance Standards (created in 2006 and revised in 2012), and the UN Guiding Principles on Business and Human Rights (endorsed by the UN Human Rights Council in 2011) provide clear guidance for companies. The implementation of responsible business practices and performance standards is not only a risk management strategy that can help companies to earn both their legal and social ‘license to operate’. They can also help to spread international norms and good practice to countries where local governance systems or institutions are weak. And they can unleash and build the capabilities of vulnerable groups of people who either work in or are affected by global value chains in ways that directly improve lives and enhance achievement of the SDGs.

In addition to implementing responsible business practices, companies can also enhance the contribution of their existing activities to sustainable development in a variety of other areas. This includes focusing on local job creation, training and human capital development, improvements in productivity and resource efficiency, enhancing access and affordability of essential goods and services, implementing cleaner and more inclusive technologies, supporting physical infrastructure development, and strengthening institutions. The organization Shift has proposed a simple framework as a tool for helping all companies to assess and manage their impacts on people and planet. It offers a comprehensive approach, ensuring that the various activities through which a company influences sustainable development are aligned to maximize positive outcomes for people.1

In short, the development impact of existing private investment and business activities can be markedly improved if companies take a comprehensive approach to respecting human rights and identifying the SDG-related risks and opportunities most relevant to them and their stakeholders; and then implement clear policies, goals and strategies to mitigate shared risks and maximize shared opportunities.

The potential is great, yet even the companies that are leading on sustainable development face serious constraints in their efforts to drive transformational change. These include challenges in achieving scale through their own operations on a voluntary basis, especially if there is limited pressure from stakeholders to do so. Linked to this is the challenge of being able to compete on a level-playing field with sustainability laggards when investors, consumers
and regulators do not place sufficient value on superior sustainability performance and do not fully account for or penalize negative social and environmental externalities.

Partnerships and coalitions can help to address these challenges by establishing a level playing field for responsible business standards on an industry-wide basis or within specific countries and value chains. They can become a vehicle for targeted joint action with clear goals to address shared challenges, and to drive better performance along value chains. They can also help to ensure greater corporate transparency and accountability, both on an individual and collective basis.

1.2 Increasing the level of new private sector investment and innovation in sustainable development

In order to achieve the 2030 Agenda it will be necessary to go beyond improving the impact of existing private sector activities. There is an urgent need to mobilize, catalyze and channel substantially more funding for the SDGs as well as different types and sources of funding. There is a need to move from billions to trillions in resource flows.²

Clearly, domestic and international public finance will remain essential, but they are not sufficient. It will be imperative to increase the level of private finance and investment in the SDGs in all countries, especially low- and middle-income countries with growing populations. This includes both portfolio investment and direct investment, both domestic and foreign. It also includes mobilizing private sector expertise and scaling capabilities, ranging from science, technology and research skills to the innovation, implementation and operational capacities of business.

Partnerships are an important tool for leveraging diverse public and private financial resources, expertise and capabilities. They make it possible to share the risks and costs of implementing and scaling new products, services, technologies and business models that have the potential to address specific SDGs but do not initially meet corporate hurdle rates on a purely commercial basis. They can also help to improve the risk profile and returns of more traditional, long-term investment in sectors such infrastructure or in high-risk locations and fragile states. As such, they can unlock private capital and capabilities to invest in sectors or locations where sustainable development needs are greatest, but where a combination of market failures and governance gaps impede commercial rates of return, either initially at the start-up phase or on a longer-term basis.

1.3 Achieving systemic transformation of markets to work better for people and the environment

Improving the sustainability performance of specific companies and business activities and increasing private investment in specific projects and sectors are necessary, but not sufficient. In addition to embedding responsible practices and more inclusive and sustainable approaches at the level of individual companies and projects, there is also a need to achieve broader and more systemic market transformation in many sectors. No company can do this alone. Nor can any government. Systemic change requires numerous different interventions at different levels and from different actors. And it requires intermediary organizations or partnership platforms that can help to support, align and coordinate these diverse efforts.³

Transformation will be particularly important in key value chains and markets such as forestry, food and mineral commodities, energy, health, education, labor, financial services and housing. It will be essential for respecting human rights, tackling inequality, improving employability, creating productive jobs, including low-income producers, workers and consumers, scaling technological breakthroughs, and addressing systemic and interconnected environmental and social challenges.

The major corporations that are active players in key value chains and markets have a particularly vital leadership role. In many cases, a relatively small number of 50 to several hundred influential companies can deliver the critical mass that is needed to catalyze change and drive it through their value chains and business ecosystems.

The spread of the IFC’s Performance Standards in project finance through the development of the Equator Principles offers one example. Convened by the IFC, the World Bank’s private sector arm, and seven commercial banks in 2004, the Equator Principles are a voluntary collaborative
initiative aimed at embedding social and environmental risk management criteria into major infrastructure projects in developing countries. Today, they have been adopted by some 85 financial institutions in 35 countries, which together account for more than 70 percent of international project finance debt in emerging markets.

Another evolving example is WWF’s Market Transformation Initiative. WWF has identified 15 forestry and agricultural commodities that affect the livelihoods and food supply of some 1.5 billion people, including many of the poorest on the planet, and that have the greatest impact on biodiversity, water and climate. Its theory of change is focused on engaging the major corporations and financial institutions active in these commodity value chains, along with policy advocacy. As WWF argues: “Around 500 companies control roughly 70 percent of global markets for our priority commodities. If we can get a critical mass of companies to use credible production standards, we can push commodity markets to a tipping point where sustainability becomes the norm.” Similar arguments can be made for other key value chains and markets.

Industry-wide or multi-stakeholder platforms that move from transactional partnerships to more transformative or systemic models can play a crucial role. They can enable collective advocacy for the policy reforms that are often needed for such change. They can facilitate better data collection, analysis and benchmarking to drive industry-wide improvements in performance and accountability. They can align and coordinate the diverse interventions of participating institutions. And they can help to improve the enabling environment for achieving shared business value and development results more broadly, including for small and medium enterprises.

1.4 Building mutual trust, accountability and a new social contract between business, government and civil society

Trust in both business and government remains at alarmingly low levels. Large numbers of people in almost every country feel that their elites – both politicians and business leaders – are not delivering for the public good. Since 1990, over 1 billion people have escaped poverty as a result of globalization and trade, market-based systems, technological advances and more open societies. Many more have entered the middle class. Yet, the benefits have been unevenly distributed in most countries. Political and business leaders are facing growing public discontent and a backlash against globalization and large corporations, as citizens struggle to deal with rising inequality, an inability to benefit from digital and other technology breakthroughs, and job insecurity and uncertainty.

In short, at a time in the world’s history when the resources and capabilities of private enterprise are needed more than ever before, business leaders are facing a large public trust deficit. While by no means a panacea, partnerships and coalitions that enable government officials and business leaders to engage and consult more effectively with each other and with citizens are one tool that can help to address this challenge. They can help to jointly identify key priorities and concerns, and co-create a shared vision and agenda for change among diverse and often dissenting individuals and organizations. If effective, they can help to build mutual respect and trust and strengthen the social contract between business, government and society.

In summary, effective partnerships and coalitions can help to overcome market failures, governance gaps and trust deficits that impede both business progress and more inclusive and sustainable development. There is an increasingly strong business case for companies in all sectors and countries to get more engaged in such collaborative efforts. This business case includes their potential to improve the broader investment climate or enabling environment for doing business, enhance enterprise risk management, help companies to harness new business opportunities and markets, and increase the level of employee and stakeholder loyalty and engagement.
Pioneering companies have demonstrated what is possible. A core group of about 250 to 300 companies has played an active role investing in sustainable development over the past two decades, both on an individual basis and through working in partnership with others. Many of the most ambitious and effective partnerships and coalitions have been catalyzed and led by this vanguard. They are often the leaders in their industry sector or country in terms of their size, market share, influence and ability to mobilize other partners.

In addition to the corporate leaders, several thousand other companies have embarked on efforts to integrate sustainability risks and opportunities into the way they do business and to report publicly, if not always consistently, on their progress. For example:

- An estimated 7,500 companies now produce sustainability or corporate responsibility reports in accordance with Global Reporting Initiative guidelines.
- The Dow Jones Sustainability Index (DJSI) undertakes an independent Corporate Sustainability Assessment of more than 3,400 companies every year to produce its family of sustainability-related indices. Similar ranking and benchmarking efforts cover comparable numbers.
- The corporate membership of the UN Global Compact now tops 9,000 companies, some two thirds of them from emerging markets.
- The institutional investor membership of the Principles for Responsible Investment has reached 1,500 signatories that collectively manage almost $60 trillion in assets, although at present less than 25 percent of these assets are explicitly managed through a sustainability lens.

These numbers illustrate progress, but they are still a fraction of the estimated 80,000 multinational companies in the world, including more than 45,000 companies that are publicly listed on the world’s stock exchanges, let alone millions of small and medium enterprises.

Likewise, the banks and institutional investors that have funded or invested in more inclusive business models and technologies or in sustainable infrastructure still represent a fraction of the estimated US$135 trillion aggregate balance sheet of the banking sector globally and the close to US$100 trillion investment assets under management.

The majority of the world’s private enterprises have not yet incorporated sustainability criteria into their corporate strategies, decision-making and operations. Most of them have not engaged in partnerships beyond traditional business agreements and joint ventures. Current voluntary progress by the private sector has been encouraging but not sufficient given the scale and urgency of the economic, social and environmental challenges to be addressed. It has been too slow, superficial, silo'd and small-scale to drive the type of systemic change that is needed.

Clearly, business alone is not responsible for taking action. Government policies and regulations will be essential for overcoming the constraints to accelerating and scaling business engagement in sustainable development. They will be especially important in:

- Putting a price on carbon and on scarce natural resources;
- Replacing fiscal incentives that undermine job creation, social inclusion and environmental conservation with incentives that reward these practices;
- Developing national action plans to implement the SDGs and the UN Guiding Principles on Business and Human Rights;
- Requiring companies to be more transparent and accountable in disclosing their non-financial as well as financial performance, including environmental and social issues, political lobbying activities and tax payments; and
- Undertaking ongoing policy and regulatory reforms to improve the overall investment climate for business in key sectors that will be essential for the achievement of the SDGs, and for small and medium enterprises that will be the key sources of job creation.
At the same time, collaboration among companies, especially the largest multinational and domestic corporations, and on a cross-sector basis between business, government and civil society offers untapped potential to drive more transformational change. Many senior business executives recognize both the need and opportunity for collaborative action. For example:

- A 2016 survey of 1,000 CEOs from more than 100 countries and 25 industries undertaken by Accenture and the UN Global Compact, found that “87 percent of them believe that the SDGs provide a window of opportunity to rethink and reset business approaches to sustainable value creation.” 85 percent of the CEOs surveyed, “… see cross-sector coalitions and partnerships as essential to accelerating transformation towards sustainable development, including greater collaboration with national governments on SDG Action Plans.”

- Likewise, GE’s 2016 Global Innovation Barometer, which surveys over 2,700 senior innovation executives across 23 countries, found that, “the majority of businesses (77 percent) are seeing financial results from collaboration”, with collaborative approaches to innovation being particularly important when strategies are geared towards breakthrough innovations (85 percent).

- Annual surveys undertaken by GlobeScan and SustainAbility over the past decade have drawn on the insights of hundreds of sustainability leaders in companies, NGOs, academic institutions and government agencies. Recent surveys highlight growing agreement on the need for multi-stakeholder partnerships and for shifting from transactional types of cooperation to more transformational collective action among many actors.

The five areas where more than half the respondents saw collaboration as being most effective were (in order of importance): advocating for pro-sustainable development public policy; engaging citizens or consumers on sustainable development issues; establishing or maintaining sustainability standards; engaging the investment community on sustainable development issues; and ensuring sustainable practices in the value chain.

Respondents from all sectors also agree strongly on the important role of the private sector. More than three-quarters of the experts responding to recent surveys, for example, believe that, “multinational companies will be the key drivers of broad-scale collaborations to drive sustainable development over the next five years, playing a large or very large role compared to other actors.”

The challenge now is to take partnerships and coalitions to the next stage. First, there is the need to build more of them and engage many more companies and private investors. Second, is the need to ensure that they are more effective, efficient and legitimate from the perspective of key stakeholders.
Business engagement in partnerships and coalitions for sustainable development is not new. The decades since the 1992 Rio Earth Summit have been an active period of experimentation and field building in this area. Having said that, the field is still nascent. There is still no commonly agreed definition, nomenclature or categorization for the plethora of different collaborative models that have emerged during this period, which vary widely in terms of their scope, participants, governance models, purpose, and levels of activity.

A 2015 study on multi-stakeholder initiatives, for example, identified 15 different names for collaborative efforts in global development, ranging from public-private partnerships (PPPs) to collective impact. Even the term PPPs is applied in substantially different ways, from transactional and contractual infrastructure projects to more transformational and multi-dimensional alliances. This diversity of definitions clearly creates challenges when it comes to comparing and evaluating different models of partnership. This paper uses a broad definition and includes a variety of partnerships that share the following core characteristics:

“A collaborative relationship in which all participants agree to work together to achieve a common purpose or to undertake a specific task and to share risks, resources, competencies and benefits, with reciprocal obligations and mutual accountability for outcomes.”

Based on experience to-date, the following five levels of collaboration offer particularly high potential for accelerating and scaling up business engagement in sustainable development:

- Cooperation with business partners along value chains
- Project-level, financing and implementation partnerships
- Industry-level, precompetitive business alliances
- Multi-stakeholder institutions, platforms and networks
- Coordination between different levels and types of partnership to drive systemic change.

Some of the progress made and key lessons learned from these different levels of collaboration are addressed in Part II. Although partnerships and coalitions offer great potential for accelerating and scaling business engagement in sustainable development, it is important to emphasize at the outset that they are by no means a panacea. Even when a partnership is the most appropriate tool to tackle a systemic challenge, it usually requires a lot of work, time and investment in relationship building to ensure that it is fit-for-purpose and more efficient and effective than the participants acting alone.

Most partnerships and coalitions are difficult to build and challenging to sustain and scale. They often entail high transaction costs, even at the level of specific projects and value chains, let alone when it comes to driving more transformational change across industries and in national and global governance systems.

Cross-sector partnerships have also generated criticism from some scholars and civil society organizations relating to their governance, accountability and power dynamics, as well as operational efficiency and effectiveness. This has particularly been the case where public sector resources have been used to catalyze private sector business models and profits to deliver public goods, such as in large-scale infrastructure projects and global public health and education partnerships. These critiques should not prevent the use of partnerships as a tool to achieve both business value and development impact, but they point to the importance of ensuring that collaborative initiatives are well managed, governed and evaluated.

Effective partnership building, especially across sectors, requires new mindsets and skill sets on the part of individuals and new capabilities and incentives on the part of institutions. It requires patience, persistence and a long-term commitment in an era of short attention spans, accelerating and disruptive change and short-term performance pressures on companies and governments alike. None of this is easy. Yet, it is essential work if we are to make progress at the scale and systemic impact that is required.
Collaborative pathways to scale business engagement in sustainable development

Five models of collaboration among companies, and between business, governments and civil society offer high potential to scale business engagement in sustainable development.

The five models are summarized in Diagram 1. The following pages outline some examples and lessons learned. None of these models of collaboration or levels of engagement is mutually exclusive. Most leading companies are active participants in all of them simultaneously.

In many cases it is this multi-level and multi-dimensional engagement by companies and other actors that offers the greatest potential to drive systemic change and to achieve alignment among different SDGs or across industry sectors. It is also the most dynamic and difficult type of collaboration to define, categorize or evaluate.

Diagram 1 Collaborative pathways to scale business engagement in sustainable development
Large companies that have operations and subsidiaries in numerous countries or a sizable market share and influence in their industry are able to drive scale through their own business activities. In particular, they can achieve a substantial scaling impact through cooperating more systematically with business partners along their value chains.

Depending on its industry sector and business model, a multinational company can have 60,000 to 100,000 suppliers, traders, distributors and/or retailers in its global value chain. Some of these will be other multinational companies, with their own extensive value chains and ecosystems of business partners. Others will be large domestic or regional companies and small and medium-sized enterprises. In the case of financial institutions such as banks, insurance companies and asset managers, their business partners can range from different types of institutional investors to the clients, companies and projects that they invest in or provide financial services to.

Directly and indirectly, these companies and their business partners impact the lives of millions of people as producers, workers, distributors and consumers as well as those living in communities and regions surrounding their business operations. It is estimated, for example, that about one in six workers in the world today are employed in multinational value chains. In addition, the senior executives of large companies and their local business partners often have direct access to government ministers and the media where they operate, and are able to serve as role models, catalysts and conveners of other companies.

In short, there is enormous untapped potential to achieve a cascade effect across geographic and industry boundaries through large companies cooperating directly with key business partners on sustainability issues. This cooperation can take a variety of forms, which often include a combination of the following:

- **Influence** – where a company serves as a role model and provider of good practices, information and training to other companies in its value chain;

- **Leverage** – where a company is more strategic and systematic in identifying and working closely with the other companies in its value chain that have the greatest potential for achieving a multiplier impact and “demonstration effect” within their own value chains and business ecosystems; and

- **Structured partnerships with contractual obligations and performance requirements** – where a company embeds specific sustainability process and performance criteria into its supplier or investment guidelines and contracts, and establishes internal and/or independent auditing and capacity-building systems to monitor and improve the progress made by its suppliers or investees.

Cooperation with business partners can focus on setting and spreading performance standards in areas such as ethics, human rights, social and environmental performance. It can also focus on co-investing and collaborative innovation with direct suppliers and other business partners. And in a growing number of cases, it focuses on achieving a combination of both of these objectives.

The four examples in Box 1 from diverse industry sectors and companies offer a tiny sample from hundreds of similar initiatives of what is possible. In all cases these are examples of large companies cooperating directly with key business partners on a mutually beneficial and commercially viable basis in their own value chains.

In every case these same companies are also engaging in other system-wide initiatives, from precompetitive industry coalitions to multi-stakeholder platforms. In doing so, they are creating mutually reinforcing feedback loops. On the one hand they are able to draw on and share the practical experiences and lessons of their own value chain partnerships more widely. At the same time, they can bring examples of industry good practices back to help strengthen these direct business or investment relationships from both a commercial and sustainability perspective. The potential for many similar types of direct supply chain partnerships is enormous and largely untapped.
Box 1 Examples of cooperation with business partners and investors along value chains

1 Spreading responsible business standards and practices through suppliers

*Nike and Gap*, offer examples of two companies that have led the way in the apparel sector to establish comprehensive and collaborative programs with their manufacturing suppliers to improve working conditions in the factories they source from. Over the past two decades, they have shifted from a top-down, audit-based focus to a more cooperative approach to supplier engagement aimed at educating and building the capabilities of factory managers, strengthening the voice and organizing capacities of workers, and changing incentives and skills for company buyers, in order to address some of the systemic challenges to respecting workers rights. More recently they’ve developed complementary partnerships focused on workers’ empowerment more broadly, ranging from work-based health and wellness programs to financial literacy and leadership development. In addition to the more collaborative and mutually accountable direct approach they are taking with their suppliers, the companies are also partnering with other competitors, NGOs and trade unions in a number of multi-stakeholder initiatives to achieve industry-wide impact.

In 2015, in support of *The Coca-Cola Company’s* goal to sustainably source its 14 key agricultural ingredients by 2020, a Supplier Engagement Program was finalized to help suppliers comply with the company’s Sustainable Agriculture Guiding Principles (SAGPs).

Building on over a decade of experience with its Supplier Guiding Principles, the SAGPs, which were established in consultation with internal teams across the company, key suppliers and external experts, set expectations on human and workplace rights, environmental stewardship and farm management practices, thereby aligning with a number of the SDGs. The Supplier Engagement Program is a structured 7-stage framework that enables the company to provide its suppliers with information and guidance on the SAGPs, assessments, audits, measurement of progress and validation to enable them to qualify for sustainability certification with industry-wide standards relevant to their specific commodities. This provides a good example of cooperation with suppliers within a company’s own value chain that is also aligned with more systemic and transformational industry-wide initiatives.

2 Co-investment and collaborative innovation with value chain partners

In 2016, building on the experience and lessons of the first decade of its Ecomagination initiative, *GE* launched the *Ecomagination 2020 Partnerships* program, aimed at working with some of its key business partners to accelerate innovation in water and energy efficiency. The company has partnered with, “…eight global, like-minded companies to co-create and commercialize transformative solutions to these challenges.” In the goal is to, “…create a network effect with ground-breaking technology, new business models and innovative funding structures.”

Initial partners were Statoil, Masdar, Walmart, Total, BHP Billiton, Intel, and Goldman Sachs and MWH. In each case they have jointly identified a specific, but global energy or water challenge with GE and with the goal of co-developing and co-financing a set of solutions to address this challenge. Once trialed and tested in one location the goal is for the solutions to be globally scaled or replicated on a commercial basis.

In 2016, in partnership with a diverse group of investors as Limited Partners, the *Abraaj Group* launched the *Abraaj Growth Markets Health Fund*. This is a US$1 billion private equity fund dedicated to investing in and strengthening sustainable, affordable and high quality health ecosystems in selected cities in South Asia and Africa. It is co-funded by the Bill & Melinda Gates Foundation, the IFC, Phillips, Medtronic and Merck, among others. The Fund will invest in companies focused on the provision of healthcare services, the distribution of medical technologies and medicines, and other healthcare opportunities. It will work closely with its partner companies not only to help them to grow their business and scale their outreach to patients, but also to share lessons and best practices between cities and countries. Alongside its investment committee, the Fund has established an external impact advisory committee consisting of leaders in global health and impact investing to assess the broader development impact of the fund.
Project-level partnerships occur between one or a small group of companies and other actors (investors, public donors, private philanthropists, government entities, social enterprises, NGOs, and research institutions). They usually bring participants together under a formal agreement to accomplish a certain objective or set of objectives often within a set timeframe. They typically include an implementation plan with well-defined roles and responsibilities, and with monitoring and evaluation mechanisms that enable partners to make ‘course corrections’ as needed over the life of the project. They usually aim to overcome specific financing, resourcing, design, operational, market access or governance barriers to harnessing new investments and business opportunities or embedding responsible business practices in specific projects or value chains.

They include partnerships to finance, develop and deliver new infrastructure, products, services, technologies and business models that are either more inclusive of low income producers and consumers, more environmentally sustainable and lower-carbon and/or that adhere to specific human rights and sustainability performance standards. These can range from multi-billion dollar infrastructure projects to individual consumer products or delivery mechanisms that improve access to essential goods and services.

There are thousands of project-level, financing and implementation partnerships already in existence. For example:

• The World Bank estimates that public-private partnerships for infrastructure are now used in more than 134 developing countries, contributing about 15 to 20% of total infrastructure investment. The majority of investments, however, have gone to five major economies (Brazil, China, India, Mexico and Turkey). There are also divergent opinions on how effective PPPs have been in meeting the needs of the poor, delivering efficiency and lowering costs relative to funding and implementation models that have remained fully public. Despite the challenges of designing, structuring and implementing infrastructure PPPs, most governments, “…continue to see significant potential and need for expanded use of PPPs to help build infrastructure for growth.”

• There has also been substantial growth in PPPs for health as a way to, “expand access to higher quality health services by leveraging capital, managerial capacity and know-how from the private sector”, with 78 projects approved by the World Bank Group alone between 2004 and 2015. Many more project-level PPPs for health, as well as a growing number for education, have been approved by governments and other development finance institutions in developed and developing countries.

• Over 2,100 partnerships have been listed on the UN’s Partnerships for SDGs website since it was created in 2015. Many of these are project-level initiatives, some with the potential for scaling and replication. Although it is still early days for evaluation, in 2016 several UN entities, including the UN Global Compact, launched “Partnership Data for SDGs” as an effort to improve the tracking of information and progress on registered partnerships and increase transparency on results.

• Likewise, the Business for 2030 platform, also created in 2015 and hosted by the US Council for International Business, has posted examples of some 165 partnerships from 47 companies to-date. These cover 81 of the 169 SDG targets in about 150 countries. The platform aims to publicly share lessons on what works and what does not, drawing on both the examples provided by companies and broader research.

• Over 1,100 commitments have been made by companies and investors that are participating in the We Mean Business coalition, which was established as a common platform to accelerate the transition toward a low-carbon economy by amplifying the business voice, catalyzing specific actions and promoting smart policy frameworks.
Although the commitments are made by individual companies and investors, many of them involve some type of collaboration with other organizations.

- In 2014, USAID publicly released a data set listing nearly 1,500 public-private partnerships supported by the Agency since 2001 under the auspices of USAID's Global Development Alliance. Although some of these were multi-stakeholder platforms engaging large numbers of partners, many were project-level partnerships. A team from Brookings and Georgetown University analyzed the data and interviewed the executives of 17 U.S. corporations that had engaged in PPPs with USAID (with their level of engagement ranging from 10 to over 60 partnerships each). The development issues that attracted the most engagement from corporate partners where: economic growth, trade and entrepreneurship (accounting for 22% of the number of PPPs); health (21%); and agriculture and food security (13%).

- The Every Woman Every Child network has a strong focus on catalyzing and tracking specific commitments from organizations across a range of sectors, including business. To date some 300 organizations have made financial, policy, service and delivery commitments, and many of these are in the form of project-level partnerships. As of May 2014, some US$34.2 billion had been disbursed to various projects through these commitments.

- Business Fights Poverty, which dates back to 2005, is one of the world’s largest online networks of professionals collaborating for social impact, connecting over 25,000 people from business, government and civil society. Via its online platform, the organization has published over 5,000 case studies, reports and articles, many of which focus on partnerships for sustainable development. It also facilitates open collaboration – both face-to-face and online – around specific, 3-to-9 month “Challenges” on issues ranging from youth employability to embedding the SDGs, with each driven by a core group of about 2-3 companies, an NGO, an academic partner and a donor organization.

- Between 2005 and 2014, the Clinton Global Initiative tracked over 3,500 commitments made by its members from different sectors, a large percentage of which are companies. Most of these are project-level partnerships alongside some multi-stakeholder platforms. An assessment undertaken in 2014 showed that cross-sector partnerships between at least one company and one NGO had more than doubled during the period. CGI estimates that together these commitments have improved the lives of over 430 million people in more than 180 countries. Some 41.8 percent had been completed, 39.9 percent were still underway, and 4.8 percent had been unsuccessful, with 1.6 percent stalled.

- A less encouraging study undertaken in 2014 by the International Civil Society Centre (ICSC) reviewed 330 partnerships that were launched as commitments made at the World Summit on Sustainable Development in 2002. Many of these were project-level initiatives. It found that, “38 percent of all the partnerships sampled are simply not active or do not have measurable output. 26 percent show activities, but those are not directly related to their publicly stated goals and ambitions.” The study observed an underlying problem that many of the partnerships reviewed, “...have vague and diffuse goals and lack appropriate monitoring and reporting mechanisms, making the causality between the output of the partnership and impact on the ground difficult to establish.”

The challenge of evaluation and accountability for results remains an important one for all levels of partnership. This is even the case at the project-level where the relationship between inputs, outputs, outcomes and impact is usually or should be the most direct, let alone when it comes to the more complex and multi-dimensional global multi-stakeholder initiatives and platforms.

The above assessments capture what is likely only a fraction of the thousands of project-level partnerships that companies are engaged in around the world, but they offer a sense of the range of activities underway at this level. Box 2 illustrates some examples of these partnerships in different industry sectors and their role in supporting the SDGs.
As we look forward to achieving the SDGs, the following categories of project-level, financing and implementation partnerships offer particularly high potential in helping to accelerate and scale business engagement in the SDGs:

### 2.1 Sustainable infrastructure projects

Despite ongoing critiques and controversy related to PPPs for infrastructure, there can be no doubt that substantial investments in infrastructure, especially for energy, water and sanitation, transport and telecommunications, will be essential to ending extreme poverty, promoting shared prosperity and achieving the sustainable development goals. There can also be no doubt that private finance and managerial and technical expertise will be needed to achieve what is required.

The challenge going forward is twofold. First, is the ongoing need to address longstanding obstacles to infrastructure development. This requires improving regulatory environments, investment climates and government capacity, tackling corruption, removing price distortions, attracting and structuring both public and private project finance, and designing viable delivery and payment mechanisms. Second, is the closely related need and business opportunity to invest in and develop what is being termed as “sustainable infrastructure – projects that are socially inclusive, low carbon, and climate resilient.” As research by the Global Commission...
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on the Economy and Climate has demonstrated, “Investing in sustainable infrastructure is key to tackling the three central challenges facing the global community: reigniting growth, delivering on the SDGs, and reducing climate risk in line with the Paris Agreement.”

Institutional investors, especially asset owners such as pension funds, insurance companies and sovereign wealth funds will have a crucial role to play. In many cases, governments and development finance institutions will need to partner with them to share risks and costs. Large companies, local businesses and social entrepreneurs can be incentivized and supported to develop affordable and reliable delivery models. Hundreds of new project-level partnerships are possible in sustainable infrastructure.

2.2 Partnership projects to build inclusive business models

Sustainable infrastructure that is designed and priced to be more socially inclusive is one example of inclusive business models. Box 2 illustrates others. They include agribusiness companies committing to include more smallholder farmers in their supply chains. Healthcare companies, developing new pricing, packaging and business models to make essential medicines and diagnostics more accessible and affordable to low-income consumers. Commercially viable models developed by consumer goods companies to sell their products through small and micro-distributors and retailers. Oil, gas and mining companies investing in comprehensive local content programs in the communities and regions surrounding their capital-intensive operations. And financial institutions that develop market-based solutions to provide micro-finance savings, credit and insurance products to micro-entrepreneurs and low-income households.

In short, as the IFC summarizes, “Inclusive business models are those which integrate low-income consumers, suppliers, retailers or distributors in their core business operations, on a commercially viable basis. By adopting the models, companies build the capacity of low-income farmers and entrepreneurs; increase access to finance for suppliers and consumers; create or adapt products to meet local needs and requirements; and develop innovative distribution approaches to hard-to-reach communities.” They offer great potential for helping to achieve a number of the SDGs.

If it were easy for large companies to invest in and build such models, partnerships with development actors would not be necessary. It is not easy. Both companies and low-income populations face a variety of market, infrastructure and public policy constraints making it difficult for them to engage on a commercially viable basis. Project-level financing and implementation partnerships can help to overcome some of these constraints at an operational level, while larger coalitions can help to tackle the challenges more systemically.

Since 2005, for example, “…the IFC has committed more than $12.5 billion and worked with over 450 inclusive businesses in over 90 countries. These companies have integrated more than 250 million people into their core business operations, including farmers, students, patients, utility customers, and micro borrowers.” In almost all cases, other partners have been involved in the process, ranging from local banks and information technology companies to NGOs and research organizations. The Inter-American Development Bank has also been a leader in this area. There is untapped potential for increasing the number and scale of such project-level, inclusive business partnerships. They are not easy, however. Even project-level partnerships between two or three partners can be challenging to implement.

Appendix I, for example, illustrates the broader ecosystem of organizations that were needed to deliver a four-year US$11.5 million partnership between The Coca-Cola Company, the Bill & Melinda Gates Foundation and TechnoServe to enable small-scale fruit farmers in Kenya and Uganda to double their incomes by building inclusive value chains. At its conclusion in 2015, some 54,000 farmers were engaged in a variety of value chains, 30 percent of them women. Producer incomes had increased by an average of 142 percent and two local processor companies were certified to meet Coca-Cola’s quality standards as suppliers. Minute Maid Mango – the first product to use locally sourced juice as a result of Project Nurture – was launched in September 2010 in Kenya and May 2011 in Uganda. In addition to the three project partners, relationships with a variety of other companies, government departments, banks and local NGOs were needed to deliver these outcomes. The three partners needed to understand the entire value chain and system in which they were working in order to deliver commercially viable results for both the farmers and the company.

II COLLABORATIVE PATHWAYS TO SCALE BUSINESS ENGAGEMENT IN SUSTAINABLE DEVELOPMENT

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Another example is The Niger Delta Partnership Initiative, which was established with an initial $50 million commitment by Chevron in 2009 to develop collaborative solutions to economic and social challenges in Nigeria’s Niger Delta. Its local implementing partner, the Foundation for Partnership Initiatives in the Niger Delta has worked with over 20 partners, from donor agencies to different levels of government and NGOs, as well as the company’s community investment and local content teams in Nigeria, to design and manage programs. These range from agricultural value chain initiatives to peace building activities. An independent evaluation conducted by the Initiative for Global Development found these partnerships were essential not only for resource mobilization, setting rigorous standards and accountability, but also in terms of spearheading innovation and new models. Hundreds of similar project-level partnerships are being implemented to build more inclusive business models and value chains. They require similar persistence, executive leadership and an ability to understand the full value chain and variety of partners needed.

### 2.3 Technology partnership projects as scaling and enabling platforms

A third category of project-level partnerships that is linked to all the others and offers substantial potential for scaling business engagement in the SDGs is partnerships among science and technology-based companies with other companies and institutions in other sectors. Breakthroughs in the research, development, deployment and application of new technologies and the convergence of existing technologies offer immense possibilities for achieving the SDGs. They also create risks, especially in terms of their implications for the future of work, inequality and the threat of other unintended ethical, social and environmental consequences.

One thing is clear, the speed, scale, scope and disruptive nature of technological change are unprecedented. This change needs to be harnessed as much as possible for the public good. The drivers and beneficiaries of technological transformation need to spread the positive impacts as widely as possible, and to support people who are negatively impacted or excluded. Partnerships, at both the project-level and in the form of larger coalitions, can help to achieve these objectives.

Business leaders and entrepreneurs in sectors such as information and communications technologies (ICT), biotechnology, nanotechnology, materials sciences, the sourcing, storage and distribution of energy, construction, transportation and manufacturing have a particularly vital leadership responsibility. As do the investors and bankers who are financing them. First is their role as innovators of new products, services, business models, financing mechanisms and enabling platforms. Second, is their role as influencers of public policy, job creation, consumer behavior and sustainability outcomes. Their ability to build unconventional partnerships with each other and with academics, policy makers, and labor, civic and environmental leaders will be crucial to harnessing technology for more inclusive and sustainable growth.

Dramatic growth in the reach and penetration of mobile technology alongside access to the Internet has transformed affordability and access to information and services in finance, education, health, agriculture, energy, water and other utilities. It has enhanced the effectiveness and speed of humanitarian response, improved women’s empowerment and provided platforms for civic and political activism. According to GSMA, the industry association for mobile operators, “…two thirds of the world, or 4.7 billion unique subscribers, are now connected by mobile networks with approximately 200 million additional people being connected each year.”

Since GSMA established its Mobile for Development initiative in 2007, about 50 mobile operators have participated in more than 100 project-level partnerships with a variety of development partners and companies in other sectors. These and similar initiatives are demonstrating the potential to reach underserved populations on a commercially viable or social investment basis, and to develop scalable mobile platforms that have measurable social and economic impact.

Most of the top mobile operators are engaged, sometimes through their foundations, but increasingly on the basis of commercial or hybrid business models. Innovators include Vodafone, China Mobile, Airtel, MTN Group, Telefonica to name a few. Likewise, leading telecommunications...
equipment service providers, such as Huawei Technologies, Cisco Systems and Ericsson, and software companies, such as Microsoft and SAP are partnering with the operators alongside agribusiness companies, banks and insurance companies, pharmaceutical companies, and national and municipal governments, to deliver socially inclusive, environmentally smart and economically viable development solutions.

Some of the world’s best scientists work in multinational companies in sectors such as energy, pharmaceuticals, chemicals and agriculture and nutrition. There are opportunities for them to partner more with their counterparts in universities and research institutes, and with a growing variety of public-private product development partnerships, which to-date have been particularly effective in mobilizing blended finance and expertise to develop essential medicines and vaccines. A number of leading universities are also establishing sustainable energy initiatives working in partnership with companies in the energy, material sciences, transport and construction sectors.

Donor agencies and private foundations can provide catalytic financing to support companies in developing new technologies, applications and/or business models that have the potential to be quickly scaled up or replicated. The widely cited partnership between Vodafone/Safaricom and the Department for International Development’s (DFID) Financial Deepening Challenge Fund in 2006, is just one example. This enabled the company to pilot the technology solutions and business models that led to the first generation of mobile banking in Kenya, reaching over 17 million users within five years. Since then numerous additional partnerships and applications have been developed on this platform from health information to support for smallholder farmers. USAID’s Global Development Lab and Grand Challenges Canada offer two other examples of this catalytic role.

2.4 Project partnerships to build skills and capabilities

Almost all companies have workplace and community programs focused on educating and training people to develop the skills and expertise needed either directly for the company’s own business and industry sector or to improve employability and empowerment more broadly. These range from partnerships focused on STEM (science, technology, engineering and math) education or on building entrepreneurial mindsets and skillsets, to those focused on developing basic literacy skills. They range from university-level scholarships and college readiness partnerships to early childhood education programs. Some support students with high potential, others focus on youth at risk.

Corporate leaders in the field of education, such as Pearson, IBM, GE, Cisco Systems and Microsoft engage in a full spectrum of partnerships, from providing financing or employee volunteers to education institutions and building the capacity of teachers to undertaking policy advocacy. They have also established comprehensive and often independent initiatives to evaluate the efficacy and impact of their education partnerships. A growing number are setting up innovation funds, such as Pearson’s Affordable Learning Fund or flagship projects such as Cisco’s Networking Academies, GE’s Developing Futures™ in Education program, Pearson’s Project Literacy platform, and IBM’s Pathways in Technology Early College High Schools (P-TECH), to name just a few. Going forward workforce development partnerships and alliances between companies, educators and policy makers to explore the future of work in a digital economy are likely to become increasingly important.

In conclusion, there are thousands of project-level, financing and implementation partnerships already in existence between individual companies and partners in other sectors. They range from commercially driven alliances to large-scale social investment commitments. Many major corporations have established flagship programs to serve as the platform or umbrella for dozens if not hundreds of project-level partnerships. Some examples of these are provided in Table 1. While many project-level partnerships already exist, there is an urgent need for more of them to achieve the SDGs and for companies and their partners to focus on leveraging resources as efficiently and effectively as possible and on being rigorous in assessing impact.
**Table 1 Examples of flagship company partnership initiatives and co-investment funds** (illustrating a variety of core business and social investment models)

| Financing, researching and developing environmental projects and technologies | • **Bank of America’s Environmental Business Initiative**, a US$125 billion commitment made in 2015, which builds on a prior US$53 billion program, and focused on financing a wide range of energy efficiency and low-carbon energy projects. Also the US$8 billion **Catalytic Finance Initiative**, which the bank launched in 2014 and subsequently engaged a number of other commercial and development finance co-investors.  
| • **Citi’s Environmental Business Goal**, a US$100 billion commitment for solutions that meet criteria such as renewable energy, energy efficiency, sustainable transportation, green buildings and water. Also, **Citi for Cities**, which partners with cities on financing advice, efficiency optimization and digitization of services.  
| • **Dow’s Breakthrough to World Challenges** commitment that exceeded its 2015 goal of achieving at least three breakthroughs that will significantly help solve challenges in the areas of food, water, health, energy and climate change, working in partnership with companies, academics and NGOs. |
| Inclusive nutrition and agricultural value chain initiatives and livelihood funds | • **Unilever’s Enhancing Livelihoods Fund**, a partnership with Oxfam and Ford Foundation to provide loans, guarantees and grants to incentivize suppliers to invest in new processes that meet sustainability criteria. Also, the **Nutrition Intervention Programme**, a partnership with the Global Alliance for Improved Nutrition aiming to enhance nutrition and hygiene for 2.5 million smallholder farmers.  
| • **Mars and Danone’s 3F Livelihoods Fund for Family Farming**, which funds suppliers, impact investors and public development institutions to implement initiatives to improve the ecosystems, productivity and livelihoods of rural farming communities. To-date Euros 120 million have been invested and the aim is to work with some 200,000 farmers towards more sustainable practices.  
| • **Nestle’s Farmer Connect** programme, which is committed to local sourcing of raw materials and works in a variety of partnerships to engage with about 780,000 mostly smallholder farmers, accounting for half the company’s dairy ingredients and significant volumes of coffee and cocoa.  
| • **DSM’s Improving Nutrition, Improving Lives** partnership with the World Food Programme (WFP), which aims to improve the nutritional value of food delivered by WFP through product innovations, such as fortified rice. In 2015, WFP reached 28.2 million people with food that was improved by this partnership.  
| • **SABMiller’s 4e, Camino al Progreso** (Path to Progress) partnership with FUNDES, Inter- American Development Bank and others, providing business and leadership skills and funding to reach 200,000 small retailers in Latin America by 2020. |
| Women’s economic empowerment partnerships | • **Walmart’s Global Women’s Economic Empowerment Initiative**, which has committed to source US$20Billion from women-owned businesses in the US; double spend with women’s businesses globally; train one million women in farms and factories; and promote gender diversity among Walmart’s suppliers.  
| • **Coca-Cola’s 5by20 initiative** aims to enable the economic empowerment of 5 million women entrepreneurs in its value chain by 2020 as producers, suppliers, distributors, retailers, recyclers and artisans, through partnerships with local NGOs and global partners such as UN Women, TechnoServe and others. The initiative has reached more than 1.2 million women across 60 countries.  
| • **Gap Inc.’s P.A.C.E (Personal Advance and Career Enhancement)** workplace program, which trained 28,000 women factory workers between 2007 and 2015 on a variety of skills, working with CARE, International Centre for Research on Women (ICRW) and Swasti Health Resource Center.  
| Access to health partnership programs | • **Abbott** partnered with Tanzania’s Ministry of Health in 2001 in a joint effort to strengthen the country’s healthcare system. In the past decade, more than $100 million has been invested in modernizing services in the country’s leading teaching and referral hospital and 23 regional-level hospitals, serving millions of people from urgent emergency care to laboratory tests and chronic disease management.  
| • **Merck for Mothers**, a 10-year, US$500 million commitment to apply the company’s scientific, business and global health expertise and resources in partnership with others to reduce maternal mortality. To-date it has improved access to health services for an estimated 5.2 million women in 30 countries.  
| • **GSK and Save the Children’s partnership**, which aims to help save one million children’s lives over five years. To-date working jointly on programs in 37 countries from improving access to basic healthcare, developing child-friendly medicines, training health workers and joint advocacy for child health policies.  
| • **AbbVie’s Neglected Diseases Initiative**, which has shared the time and technical expertise of 160 of the company’s scientists, more than 120,000 compounds and scientific tests to partners such as Drugs for Neglected Diseases initiative, Medicines for Malaria Venture, and the TB Alliance and TB Drug Accelerator. |
There are a growing number of examples where groups of companies are coming together on a precompetitive basis in either the same industry or across industries to jointly address the risks and opportunities of sustainable development and drive change at an industry level.

Such business alliances now exist in most industry sectors. To-date, the majority of them have focused on developing common principles, and in some cases creating a level playing field for establishing standards and targets for improving sustainability performance and reporting on an industry-wide basis. Today, a growing number are also focused on mobilizing joint business resources to overcome systemic obstacles to scaling and replicating promising innovations and business models or undertaking policy advocacy targeted specifically at supporting sustainable development. A few of them are addressing all of these goals within the same alliance.

Two broad types of precompetitive collective business action have emerged to drive sustainable development over the past two decades:

### 3.1 Representative industry bodies

Representative business organizations, such as Chambers of Commerce, Organizations of Employers or Trade and Industry Associations, have obviously been established for decades in most sectors and countries as well as at a global level. They focus mainly on advocating for and promoting direct, competitive business interests for their hundreds and sometimes thousands of member companies. They are often criticized for playing to the “lowest common denominator” in order to represent all their members, and for defending the status quo or taking an obstructionist approach to policies that further the goals of sustainable development.

A vanguard of these associations, however, is starting to take a much more proactive and progressive stance on key sustainability issues and are establishing dedicated units or programs focused on addressing them. In the vast majority of cases, a small cohort of influential member companies and their CEOs is spearheading this evolving leadership role.

Four notable examples that offer useful lessons for other trade and industry associations are summarized in Table 4. These are just four examples from a possible universe of hundreds of representative trade, industry and business associations. If large numbers of trade and industry associations were to take a more strategic and ambitious approach to encourage or even require their member companies to support the sustainable development goals, the multiplier effect would be substantial. Collectively, these associations reach thousands of companies in almost every country, with millions of employees, influence with governments, and substantial revenues and R&D spend.

A 2013 study of just five associations (the Consumer Goods Forum, IFPMA, CropLife International, the International Fertilizer Industry Association and the European Chemical Industry Council), for example, found that the annual revenues of their member companies were about US$4.3 trillion. The authors concluded, “As trade associations advance their programming along a business and society trajectory, they will not only increase their ability to be force multipliers on important issues; they will also simultaneously increase their value proposition for their member companies.”

The CEOs of leading companies are starting to put pressure on their trade associations to take a more progressive stance. More CEOs should follow their lead. At the same time, given public distrust in the political lobbying activities of many industry associations, such actions could raise additional concerns about ‘big business’ having undue influence. These concerns must be understood and respected. Trade and industry associations can help to address them by being transparent about their funding and activities, setting public goals and commitments and being open to independent evaluations on progress. The four associations profiled above are demonstrating what is possible.
### Table 2: Examples of trade and industry associations leading on sustainable development

| Making industry-wide public commitments to achieve sustainability goals and targets | **The Consumer Goods Forum** (CGF). CGF can trace its history back to 1953, and today has the vision of “achieving better lives through better business”. With over 600 manufacturing and retail member companies and a 50-member CEO-led Board, the CGF has established pillars of work on environmental and social sustainability, health and wellness and food safety, among others. The work of each pillar is guided by public resolutions and commitments, with specific time bound targets that aim to drive industry-wide focus and performance on relevant challenges. They include commitments on addressing deforestation, the use of HFC refrigerants, food waste, forced labor and health and wellness. In 2016, the Global Social Compliance Programme was also integrated into CGF, which is a cross-industry effort to drive convergence in tools and reporting to improve social and environmental performance in consumer goods supply chains. |
| Establishing industry-wide performance standards and a Technology Roadmap | **The International Council of Chemical Associations** (ICCA). Alongside some of its regional affiliates, ICCA was one of the first trade associations to publicly address issues of health, safety and environment. In 1985, in response to the Bhopal Disaster, the Canadian chemical industry established the Responsible Care program to drive continuous improvement in health, environmental and security performance and improve stakeholder engagement. A global charter was adopted in 2006 and the program is now implemented by national chemical associations and companies in more than 60 countries. In the past few years ICCA has also launched programs on sustainable development, focusing on the role of chemicals in improving access to health, food security and clean water, among other issues, and on energy and climate. This includes a Technology Roadmap initiative, focused on exploring and promoting technologies that can drive new business value while explicitly tackling global social and environmental challenges. ICCA’s members account for 90 percent of all global chemical sales and it points out that, “95 percent of all manufactured goods are touched by chemistry.” |
| Producing an industry-wide Code of Conduct and Health Partnerships Directory | **The International Federation of Pharmaceutical Manufacturers and Associations** (IFPMA). IFPMA represents the world’s largest biopharmaceutical companies and regional and national associations. Its members include the world’s top ten biopharmaceutical companies by revenue and the industry spends US$141.6 billion a year in R&D. In 2012, it produced an expanded Code of Conduct, which all its members are required to sign. It maintains a developing world Health Partnerships Directory profiling more than 250 partnerships examples from its members, which is the largest of its kind and has been evaluated by Business for Social Responsibility. In 2012, IFPMA made a pledge with some of its member companies to increase investment partnerships in Neglected Tropical Diseases (NTDs) and to provide about 1.4 billion annual treatments until 2020 targeted at nine diseases that account for some 90 percent of NTDs. |
| Establishing an industry-wide benchmark to assess contributions to the SDGs | **GSMA.** GSMA, which represents 800 mobile operators and other companies in the mobile ecosystem is the first representative industry association to produce a public report outlining the industry’s contribution to the Sustainable Development Goals. The 2016 Mobile Industry Impact Report, “…establishes a benchmark through which the industry will assess its success in contributing to the SDGs. It serves as a blueprint for other industries as they commit to achieving the SDGs.” GSMA’s Mobile for Development initiative supports over 100 project partnerships that aim to test and spread scalable innovations and partnerships in mobile solutions to address a range of development priorities. These include solutions in mHealth, mAgri, Digital Identity, Mobile Money, Connected Women and Disaster Response. |
3.2 Dedicated corporate responsibility and sustainability leadership groups

Although representative business associations at the global, regional and national level reach the largest number of companies, a second group of business-led, precompetitive alliances has emerged over the past two decades that includes a smaller number of companies, but has been more influential in driving the agenda for sustainable development. These are self-selected business leadership groups or corporate responsibility coalitions. They are business-led, business-funded and self-governed and they have a dedicated focus on addressing sustainability issues relevant to their industry or countries of operation. In almost all cases they have been established by a relatively small start-up cohort of business champions at the CEO level, and the most successful ones remain CEO-led.

A notable, but by no means comprehensive list of sector-focused examples is profiled in Box 3. They all demonstrate the multiplier effect of large companies working together on a precompetitive basis to drive sustainable development in their own industry sector and along their key global supply chains. Several of them have undergone independent reviews or evaluations to assess their impact and to help strengthen their collective role.

There are also a number of global cross-industry initiatives with a dedicated focus on working collaboratively to achieve sustainable development at both the global and national levels. Four notable examples are:

- The CEO-led World Business Council for Sustainable Development, which brings together more than 200 leading multinational companies and a network of some 70 national business councils;
- Business for Social Responsibility, which is a collaborative network of some 250 companies across major industry sectors and countries;
- The World Environment Center, which spreads good practice on environmental management; and
- The B Team, a group of about 20 entrepreneurs, business leaders and thought leaders who are working collaboratively to catalyze a better way of doing business.

In recent decades a number of interesting joint initiatives have also emerged where business leadership coalitions have achieved an even greater multiplier effect by combining their efforts to spread good practices, mobilize resources and/or advocate for policy reforms related to sustainable development.

One of the most successful examples and models to date has been the We Mean Business coalition. This coalition consists of other business-led groups working together on a sector and cross-industry basis, as well as several hundred individual companies and investors. They are jointly advocating for specific public policies and jointly committing to specific business actions aimed at accelerating and scaling the transition to a low carbon economy. The coalition played a key role as a collective voice of business in supporting the negotiations leading to the Paris Climate Agreement, advocating on both a global basis and with key national governments. It is profiled on page 36.

Another example is the Cross-Sector Biodiversity Initiative, where ICMM from the mining sector, IPIECA for the oil and gas sector and the Equator Principles banks have joined forces to develop tools and guidance and share good practices related to biodiversity and ecosystem services in the extractive industries.

Another development over the past few decades has been the growth in country-level, cross-industry corporate responsibility and sustainability coalitions. Research in 2013 carried out by the Doughty Centre for Corporate Responsibility at Cranfield University and the Corporate Responsibility Initiative at Harvard Kennedy School, found that, “Around 70 countries have some form of business-led corporate responsibility coalition, including more than two-thirds of the world’s 100 largest economies.”

Notable examples include: Business in the Community in the United Kingdom; Swedish Leadership for Sustainable Development; the National Business Initiative in South Africa; Philippine Business for Social Progress; Maala-Business for Social Responsibility in Israel; the Vietnam Business Forum; the Dutch Sustainable Growth Coalition; Instituto Ethos in Brazil; and the Council for Better Corporate Citizenship in Japan.
In summary, over the past few decades a relatively small number of industry-level, precompetitive business alliances have demonstrated the potential to spread industry-wide standards, mobilize financial resources and expertise, and influence market trends and public policies towards more responsible, inclusive and sustainable growth. These precompetitive, business-led models offer untapped potential going forward. They are likely to be especially important in industries and value chains that have a major impact on the environment or the human rights, quality of life and opportunities for poor people. Examples include infrastructure, health, nutrition, energy, water, agriculture, forestry, metals and mining, information technology, financial services, manufacturing, logistics, transportation and automotives, and tourism.

Box 3 Examples of sector-specific corporate leadership coalitions focused on sustainable development

**The International Council on Mining and Metals**: This is a coalition of 23 of the world’s leading mining companies and 34 regional and national mining associations, which together are responsible for a significant proportion of global minerals and metals production, and is dedicated fully to improve safety and sustainable development in the sector. Founded in 2001, membership is at the CEO-level and all members are required to commit to a set of 10 Sustainable Development Principles, supporting position statements and transparent and accountable reporting practices.

**The Electronic Industry Citizenship Coalition**: EICC was established in 2004 by eight companies to develop and implement a Code of Conduct aimed at driving industry-wide improvement on social, environmental and ethical issues in the electronics supply chain. Today, it has some 110 member companies in the electronics, retail, auto and toy sectors, and a strong focus on workers’ rights and wellbeing, and set of working groups targeted at addressing challenging issues in the value chain.

**The Sustainable Agriculture Platform**: SAI Platform was created in 2002 by a small group of seven food and drinks companies with a dedicated focus on achieving sustainable production and sourcing of agricultural raw materials. Today, its 50 members include seven of the world’s top agribusiness companies and are focused on six working groups (arable and vegetable crops, beef, coffee, dairy, fruit and water), aiming to share knowledge on key issues and generate business solutions and investments that affect the lives of millions of farmers.

**The Global Agribusiness Alliance**: In 2016, a new alliance was established involving 36 agribusiness companies headquartered mainly in Asia, Africa and the Middle East, with an explicit commitment to support the SDGs and tackle some of the major environmental and social challenges facing agricultural supply chains and rural communities.

**The Equator Principles**: In 2006, the IFC co-convened a small group of seven banks to develop a joint risk management framework, modeled on the IFC Performance Standards to identify and manage social and environmental risk in projects. Today, the principles have been officially adopted by about 84 financial institutions and cover over 70 percent of international Project Finance debt in emerging markets.

**The Principles for Responsible Investment**: Created in 2006, with support from the UN Global Compact and UNEP, the PRI established a set of six principles to accelerate the integration of ESG factors into financial investment. Today, it has 1,500 signatories, mainly asset managers but also a growing number of asset owners, which collectively manage an estimated $60 trillion.

**IPIECA**: This alliance brings together 36 multinational corporations and 16 industry association representing a further 400 companies to improve environmental and social performance in the oil and gas industry. Its members account for 60% of the world’s production in some 146 countries. Working groups focus on issues such as climate change, health, biodiversity and ecosystems services, water, social responsibility and health.

**GBCHealth**: This is a cross-industry coalition with a dedicated focus on investing business resources and technology in improving global health. Created in 2001 by a small group of 17 companies and initially focused on tackling HIV/AIDS and then also tuberculosis and malaria. GBCHealth has worked with hundreds of companies to establish workplace, community and national-level health partnerships. It also provides a private sector platform for global multi-stakeholder initiatives such as The Global Fund to Fight AIDS, Tuberculosis and Malaria, the Roll Back Malaria Partnership, and Every Woman Every Child.

**Global Business Coalition for Education**: Created in 2012 by a founding group of 15 companies, GBC-Education now has more than 30 corporate members. It is focused on mobilizing the voice, capabilities, resources and innovations of the business community to accelerate progress in delivering quality education.
These are formal institutions or informal platforms and networks where groups of companies are collaborating with governments, donors, investors, NGOs, trade unions, producer associations and/or academic and research institutions – and in some cases a combination of all these together. They are often multi-dimensional in nature and aimed at overcoming broad market failures or governance gaps to achieve more transformational change nationally, globally or on a sector-wide basis.

They demonstrate wide variance in terms of leadership, funding and governance. Some are independently funded and governed institutions, while others are dynamic networks, communities of practice and open-collaboration and innovation platforms. Despite their diversity, most share a common goal of combining the resources, capabilities and interests of many actors across sectors to achieve more systemic change than any group could achieve on its own.

Although no comprehensive or exhaustive database exists, in part due to definitional challenges, there are likely several hundred multi-stakeholder initiatives operating at global and national levels. Since 2002, there has been an estimated fourfold increase in the number of multi-stakeholder initiatives (MSIs) at the global level.\textsuperscript{42} Many of these have country-level implementation bodies or affiliates.

### 4.1 MSIs to spread responsible business standards

Some of the global MSIs have focused primarily or exclusively on developing principles for responsible business and spreading responsible business standards along global supply chains. Well-established MSIs in this area that have been in existence for eight years or more and that have undergone independent evaluations include:

- **Spreading universal principles**: the UN Global Compact and its principle-based framework for business in human rights, labour, the environment and anti-corruption.

- **Improving human rights, social and environmental performance in consumer goods, electronics and apparel supply chains**: the Fair Labor Association; the Ethical Trading Initiative; the Global Network Initiative; the Garment Industries Transparency Initiative; the Better Work program; the Bangladesh Accord and Alliance initiatives; and the ACT (Action, Collaboration, Transformation) initiative on living wages.

- **Improving natural resource governance and impact on people and the environment**: the Extractives Industries Transparency Initiative; the Voluntary Principles on Security and Human Rights; Marine and Forest Stewardship Councils; the Water Resources Group; and a number of commodity-specific certification programs in agriculture, forestry and minerals.

- **Tackling corruption and money laundering**: the Partnering Against Corruption Initiative hosted by the World Economic Forum; Transparency International’s sector and country-based Integrity Pacts, especially in large-scale construction, infrastructure development and public procurement; the Wolfsberg Group (an association of thirteen major banks focused on developing frameworks and guidance to tackle financial crimes); and the UN Global Compact’s Working Group on Anti-Corruption.

### 4.2 MSIs to mobilize public and private finance and expertise for sustainable development

Other global MSIs have been established with the primary goal of mobilizing financing, expertise and other resources to meet crucial sustainable development needs, such as improving the productivity, incomes, livelihoods and resilience of low-income producers and improving access to health, food security, nutrition, energy, education, training, technology and financial inclusion. Well-known examples, most of which have been independently evaluated, include:

- **Health and nutrition**: GAVI – the vaccine alliance; the Global Fund to Fight AIDS, Tuberculosis and Malaria; the Global Alliance for Improved Nutrition; Scaling Up Nutrition; and a number of other disease specific or population-specific global health funds (examples include Medicines for Malaria Venture; the TB Alliance and TB Accelerator; Every Women Every Child, among many).
• Biodiversity, food, agriculture and forestry: the Global Environment Facility; the New Vision for Agriculture (Grow Africa and Grow Asia); the New Alliance for Food Security and Nutrition; Alliance for a Green Revolution in Africa; the Tropical Forest Alliance; and commodity-specific value-chain coalitions (the World Cocoa Foundation; Aquaculture Stewardship Council, Better Cotton Initiative, Roundtable on Sustainable Biofuels, Global Roundtable on Sustainable Beef, Roundtable on Sustainable Soy, Bonsucro, Forest Stewardship Council, and Marine Stewardship Council, among others).

• Clean water and sanitation, energy access and infrastructure: Sustainable Energy for All; the Global Infrastructure Facility; the Global Alliance for Clean Cook Stoves; the Global Water Partnership; the Water Resources Group; and Power Africa.

• Financial and digital inclusion: the Consultative Group to Assist the Poorest; the Better Than Cash Alliance; the Alliance for Affordable Internet.

• Training and education: the Global Partnership for Education; Let’s Work coalition.

• Humanitarian assistance: NetHope; Logistics Emergency Team; Partnership for Quality Medical Donations.

Most of the global MSIs and their country platforms, whether focused on spreading responsible business practices or mobilizing financial and other resources, have been initiated and led by intergovernmental bodies such as the United Nations and the World Bank. Several have also had substantial start-up support from private foundations, with the Bill & Melinda Gates Foundation, Rockefeller Foundation and UN Foundation playing particularly active leadership roles. The engagement of private sector companies and business champions has grown over time in many of them, although large companies and investors have played a key role in establishing a few of these initiatives, ranging from EITI and the Global Network Initiative to the New Vision for Agriculture.

There are also a growing number of city-based MSIs that are bringing together diverse public, private and civic actors. Box 4 illustrates three examples, among many.

Most of these MSIs have been subject to critiques by scholars and NGOs. Not surprisingly, MSIs are the most challenging types of partnership to build and sustain. They face particular challenges in terms of governance and accountability, especially given the power dynamics that are often involved and the combination of public sector resources with potential private sector benefits. They are also operationally challenging to manage and usually require a backbone organization or intermediary to facilitate alignment, mediation, communication and coordination of the many participants and levels of engagement.

Despite these challenges, emerging evidence suggests that they offer ongoing potential to drive the type of transformational or systemic change that is needed. This is especially the case with those that are targeted at a specific sector and/or a clearly defined set of sustainability goals, and that cover a range of both market interventions and financing mechanisms with public policy engagement.
Public consultation should be the starting point. Given the diversity of stakeholders, it is essential to align diverse participants: what works in multi-stakeholder institutions, platforms and networks

Multi-stakeholder initiatives are not to be entered into lightly. All alternatives should be considered, especially before establishing an independent institution and governance structure. If a decision is made to proceed, the following factors have been highlighted in a number of studies on MSIs and are reflected in the experiences of the MSIs listed in this section:

**Strong and credible governance is paramount:** MSIs need to demonstrate strong governance and accountability mechanisms, with participating companies, governments and NGOs all required to report publicly on progress and with a strong focus on assessing relative costs and benefits for end-users or beneficiaries.

Creating a shared vision for change is essential to align diverse participants: it is worth investing substantial time and resources upfront to build mutual understanding and trust and to develop a joint and clearly stated shared vision, strategy and goals for achieving scale and transformational change. These should be based on a rigorous consultation process, with participants of the partnership as well as other stakeholders, and where relevant, science-based targets.

A set of operating principles and/or comprehensive guidance provides a foundation for effective implementation: establishing some “rules of engagement” in addition to outcome-based goals can be essential for setting and managing expectations, clarifying roles and responsibilities and ensuring effective communications and conflict resolution.

**Country ownership is key in most cases:** Where global MSIs are delivered through country-level platforms, it is essential that they are publicly championed by the Head of Government and/or relevant Ministers in these countries, and aligned to relevant national plans. Likewise, business and NGO participants should work through and empower their country-level subsidiaries or affiliates wherever possible and/or engage local private sector and civil society actors.

Recognize and leverage the complementary leadership roles of senior champions and practitioners: Complex MSIs often require the support of top-level leaders to ensure sustained funding and attention, given the time and resources needed to build them. Regular galvanizing and milestone events can be used to keep them engaged. At the same time, participating organizations must allocate talented and respected practitioners to manage relationships and engagement on a day-to-day basis.

**Take a holistic ecosystem or whole of value-chain approach:** Understanding the ecosystem and its key players, constraints and leverage points is often crucial to success – and is usually required on a country-by-country basis given the importance of context. Linked to this, most of the longstanding MSIs combine innovative financing mechanisms and operational delivery with some element of public policy engagement or advocacy. Likewise, even if they are aiming to address a specific sustainable development challenge or set of challenges, they usually look at the range of social, economic and environmental outcomes and potential unintended consequences in designing and implementing their interventions.

**Identify common performance and impact metrics and commit to independent evaluations:** Due to the existence or potential of public distrust and the diversity of participants, interests and expectations associated with most MSIs, it is important to agree on common metrics for performance at the outset and also be willing to invest in independent evaluations on a mutually agreed time table. Such evaluations should be used for joint learning as well as accountability.

**Be willing to invest resources in a backbone organization or secretariat:** Given the complexity of many global MSIs, most of them need dedicated and preferably independent support to coordinate the diverse levels, interventions, projects and players involved. At a minimum, such support is required at the global level, but is often also necessary at country-levels where relevant.

Different types of entity can act as a backbone organization. In some cases an independently governed and funded secretariat can be established, as was the case with GAVI, the Global Fund and GAIN. In others a trusted foundation, intergovernmental body or nonprofit organization can play this role. The United Nations, for example, acts as the host for the UN Global Compact, Sustainable Energy for All and Every Woman Every Child, among others. The World Economic Forum serves as the backbone for initiatives such as the New Vision for Agriculture, the Tropical Forest Alliance, and Internet for All. Foundations such as the Rockefeller and UN Foundations have also incubated and served as backbone support for new multi-stakeholder initiatives.
It is important to note that none of these partnerships at different levels are mutually exclusive. If impact at scale is to be achieved, the following three types of linkages will be essential:

**Linkages between different levels of partnership:** Leading companies are often participating or playing a leadership role in all levels simultaneously. They are engaging in dozens of different partnerships within their own supply chains, for example, and with other companies and non-business partners at the project-level. At the same time, most large companies are participating in between five to 30 partnerships at the industry-level and in multi-stakeholder platforms and networks.

Likewise, almost all of the most effective global-level multi-stakeholder initiatives are effective primarily because they have either country-level implementation networks and/or because they are explicitly aimed at empowering diverse innovation and implementation through many separate project-level partnerships and collaboration along specific supply chains.

Diagrams 2 to 4 illustrate what this cascade effect looks like in practice in the cases of the New Vision for Agriculture, the Global Alliance for Improved Nutrition and We Mean Business. Similar diagrams would be relevant for most of the major global multi-stakeholder initiatives such as the vaccine alliance GAVI, the Global Fund to Fights AIDS, Tuberculosis and Malaria, the Global Alliance for Clean Cookstoves, and the Extractive Industries Transparency Initiative, to name a few.

**Linkages between different types of interventions:** In addition, the most effective partnerships usually involve a set of different interventions, even at the project-level. For example, those that are focused on spreading responsible business standards may also be exploring new business models and/or innovative financing mechanisms. Many of the most effective market-based partnerships that are focused on delivering commercial business results are also engaged in public policy advocacy or technology innovation. Initiatives focused at the production or supply end of a value chain usually need to understand the consumption or demand dynamics of the market in order to achieve change that is sustained and effective.

**Linkages between the different SDGs:** It is also important to note the systemic relationships between the SDGs themselves. Although framed as 17 separate goals, almost all of them have the potential to either reinforce or undermine each other depending on how they are addressed. Many companies and partnerships are focused on identifying one or a small number of SDGs to prioritize; usually those aligned most closely with their core business risks, opportunities and capabilities. At the same time, it is essential to understand the linkages between all the different SDGs, at a minimum in order to avoid negative impacts and ideally to leverage positive relationships. When a company or partnership is focused on SDG#3 to improve health and wellbeing, for example, it should also explicitly assess how this supports SDG#5 on gender equality. Or a partnership prioritizing SDG#7 on affordable and clean energy, for example, should also understand its relationship to SDG#3 on health and wellness, SDG#5 on gender equality, SDG#8 on decent work and economic growth, and so on.

In summary, individual companies are increasingly part of a dynamic ecosystem of sustainable development partnerships. Some of these are led by business, others by governments or civil society. Many are at the project-level, while a smaller number are industry-level, business alliances or global and national-level multi-stakeholder initiatives. Most of these different types and levels of partnership are constantly evolving and non-traditional in nature. Business leaders increasingly need to be system leaders. They need to understand and be more actively engaged in shaping the partnership ecosystem in which they participate, and its relationship to their own corporate strategies, cultures and performance.

Appendices 2 to 6 illustrate examples of the evolving partnership ecosystem in the cases of: food and agriculture; health and wellbeing; financial services for sustainable development; and metals and mining.
The New Vision for Agriculture (NVA) was launched by the World Economic Forum (WEF) in 2010, with initial support from 17 champion companies and their CEOs. A small team in WEF and a couple of regional secretariats (Grow Africa and Grow Asia) provide the backbone support, playing a vital role in mobilizing, aligning and coordinating the diverse efforts of numerous institutions and individuals in the network, across sectors, countries and agricultural commodities. Between 2010 and 2015, some 1,400 individuals (ranging from Heads of State, the CEOs of companies and NGOs, and the leaders of farmer organizations to operational practitioners) and more than 500 different institutions were engaged in the NVA network. The backbone teams at the Forum, and in Grow Africa and Grow Asia, helped to build and support independent national and state-level platforms in 19 countries with a strong commitment to country ownership and action. In each location, market-driven projects were established, led by private sector companies. These are rooted in viable business cases and take a holistic approach to understanding the full value chain for the commodities in question. By the end of 2015, the organizations and partnerships involved in NVA had committed over $10.5 billion in investments, of which almost $1.9 billion had been realized. More than 90 value chain projects had been established in a variety of agricultural commodities. They had reached 9.6 million smallholder farmers, most of them in Africa. Project evaluations showed participating farmers had increased yields and incomes between 10% and 75%, as well as improving technologies, farming and environmental practices.

The New Vision for Agriculture and its network of partnerships
The Global Alliance for Improved Nutrition (GAIN) was established in 2002 during a Special Session of the UN General Assembly on Children, with support from some donor governments and the Bill & Melinda Gates Foundation (BMGF). It is an independent non-profit foundation with a multi-stakeholder governance and funding structure, as well as a strong technical advisory component.

GAIN has focused primarily on building partnerships with governments, UN agencies, NGOs and companies to implement scalable interventions to overcome micronutrient deficiencies. Two core pillars of action have been supporting large-scale, country-led national food fortification programs and catalyzing innovative market-based solutions aimed at leveraging the financial, technical and operational capabilities of the private sector.

To facilitate its engagement with the private sector GAIN established a Business Alliance in 2005, which more recently evolved into the Scaling-Up Nutrition (SUN) Business Network, co-convened by GAIN and the UN World Food Programme. GAIN also catalyzes private investment and innovation through other funding and research alliances, examples of which are outlined below.

As of 2016, GAIN had helped 892 million people to access affordable, nutritious food – about 350 million of whom are women and children, and its work to fortify staple foods and condiments with essential micronutrients reaches more than 30 countries worldwide.

### Examples of GAIN’s Global and National Multi-Stakeholder Partners

- **The Micronutrient Initiative**
- **The Iodine Network**
- **The Flour Fortification Initiative**
- **National Fortification Alliances:** Country-led public-private platforms in over 30 countries

### Project-Level Partnerships with Business

GAIN has provided a combination of co-funding, technical assistance and convening support to more than 50 multinational and domestic companies, alongside donor governments and foundations to develop, deliver and scale a variety of new technologies, products and business models focused on tackling malnutrition.

### Examples of GAIN’s Alliances to Engage Business

- **SUN Business Network (SBN):** As of 2015, SBN had over 100 corporate participants, both multinationals and domestic companies in target countries. They have made some 160 public commitments to implement and track a variety of market-based approaches to improving nutrition, with a combined goal of reaching 125 million consumers every year by 2020.

- **Business Platform for Nutritious Research:** Founded in 2013 with 10 companies (Ajinomoto, Arla Foods, BASF, Britannia, Royal DSM, GlaxoSmithKline, Mars Inc., Nutriset, PepsiCo, and Unilever) and support from the Government of Canada, this aims to identify and address evidence gaps that constrain business investment in nutrition.

- **The Amsterdam Initiative Against Malnutrition:** Founded in 2009 with support from the Dutch Ministry of Foreign Affairs, the Dutch NGO ICCO, multinational companies Unilever, DSM, AkzoNobel, the Wageningen University, and GAIN. AIM now has more than 30 partners exploring innovative and sustainable solutions to address malnutrition, using market-based approaches and financially sustainable, social business models. Projects in Kenya, Tanzania, Ethiopia and South Africa have a goal of reaching 100 million people. The Rabobank Foundation is working on a fund to support small and medium nutrition enterprises.

- **The Access to Nutrition Index:** Launched in 2009 with support from the BMGF and the Wellcome Trust, the index ranks the nutrition-related policies, practices and disclosures of about 20 of the world’s leading food and beverage manufacturers.
Diagram 4  **The We Mean Business Coalition and its approach to scaling private sector leadership and impact**

In the lead up to the crucial negotiations for the Paris Agreement on Climate, a core group of seven of the leading business and investor coalitions dedicated to sustainable development and tackling climate change decided to combine their joint efforts. They were: Business for Social Responsibility; the Carbon Disclosure project; CERES; the B Team; the Climate Group; The Prince of Wales Corporate Leaders Group; and the World Business Council for Sustainable development.

They created We Mean Business as a coalition of coalitions, as well as a common platform for individual companies and investors to make public commitments around their own efforts to move toward low-carbon economy. The strength and effectiveness of the We Mean Business coalition is fourfold:

- It has galvanized the most relevant and progressive business and investor leadership groups as well as individual CEOs around a common platform.

- The platform has a clear two-pronged approach – in addition to delivering a clear set of seven policy priorities to governments, it also includes a set of specific corporate and investor commitments. In short, it is based on mutual responsibility and accountability by both the public and private sector.

- It offers clear guidance on how companies and investors can take action on these commitments, provides a mechanism for reporting progress, and delegates coordination to specific coalitions and/or technical initiatives that have extensive expertise in each commitment area.

- Since the Paris Agreement, the coalition has continued to be a mobilizing platform for the private sector around key challenges and issues as they emerge.

At the end of 2016, We Mean Business had mobilized some 1100 public commitments from 494 companies with over US$8.1 trillion in revenues and from 183 investors with over US$20.7 trillion in combined assets under management.

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**CORE PARTNERS**

- BSR
- CDP
- Ceres
- The B Team
- The Climate Group
- The Prince of Wales Corporate Leaders Group
- World Business Council for Sustainable Development

**NETWORK PARTNERS**

- Asset Owners Disclosure Project
- CKC
- CEBDS
- PRI
- WWF
- EPC
- UNEP Finance Initiative
- Japan-CLP
- NBI

**WORKING WITH**

- Carbon Tracker Initiative
- Carbon War Room
- Climate and Clean Air Coalition
- Climate Markets & Investment Association
- E3G
- Forum for the Future
- Global Alliance for Energy Productivity IETA
- IGCC
- Rocky Mountain Institute
- The Business Council for Sustainable Energy
- New Climate Economy
- The Shift Project
- United Nations Global Compact
- World Bank Group
- World Resources Institute

**OVER 490 COMPANIES AND 180 INVESTORS**

Companies are encouraged to commit to one or more of these initiatives:

1. Adopt a science-based emissions reduction target
2. Put a price on carbon
3. Commit to 100% renewable power
4. Responsible corporate engagement in climate policy
5. Report climate change information in mainstream reports as a fiduciary duty
6. Remove commodity-driven deforestation from all supply chains by 2020
7. Reduce short-lived climate pollutant emissions
8. Commit to improve energy productivity
9. Improve water security
10. Join the Low Carbon Technology Partnerships Initiative

Investors can take action by making one or more of these commitments:

1. Sign the Montreal Pledge for carbon transparency in investment portfolios
2. Join the Portfolio Decarbonization Coalition
3. Invest in low carbon assets
4. Report climate change information in mainstream reports as a fiduciary duty
III An Agenda for Action: Recommendations for coalitions to achieve scale and transform markets

All companies can do more individually to cooperate with their commercial business partners on sustainability and to build project-level, financing and implementation partnerships with NGOs, governments and other companies. At the same time, collective action or coalitions involving larger numbers of actors will be needed to achieve scale and transform markets.

Every company can take immediate action to strengthen its influence, leverage and cooperation with commercial business partners in its own value chain. Whether these are joint venture partners, investors, investees, suppliers, distributors or retailers, commercially driven cooperation along existing value chains can be a valuable multiplier for spreading responsible business standards and collaborating on research and innovation for sustainable development.

Most companies also have existing experience in building project-level, financing and implementation partnerships with public and private funders, NGOs, governments and other companies. They should continue to invest time and resources in these – scaling or replicating existing partnerships or investing in new ones. The focus should be on aligning opportunities to contribute to the SDGs with a clear focus on maximizing positive impacts on people and identifying ways to improve risk management, lower costs, enter or build new markets, enhance brand equity and reputation, engage employees, improve productivity and profitability, and achieve competitive advantage. The specific projects, partners and SDGs involved will vary depending on the industry sector and context in question, but almost every company has the potential to do much more in this area.

The above types of collaboration can make a measurable contribution to achieving the SDGs and to business success, whether from a value protection or value creation perspective. Yet, they will rarely be sufficient to achieve the type of scale and systemic impact that is required to transform value chains and markets to work better for people and the environment. To achieve this, companies need to engage in coalitions involving a larger numbers of actors. In particular, there is a need for business-to-business alliances within and across industry sectors and for multi-stakeholder institutions, platforms and networks that bring together groups of companies with government entities and/or NGOs. Based on the experience and lessons of building coalitions to-date, the following five areas of collective action offer high potential for achieving scale and transforming markets:

#1 Strengthen precompetitive business alliances to leverage industry-wide standards and joint action

#2 Participate in joint financing and innovation platforms to deliver specific goals

#3 Support collective initiatives to harmonize sustainability data and reporting

#4 Expand coalitions that are integrating sustainability criteria into capital markets

#5 Coordinate policy dialogue and investment in key cities, landscapes and countries of operation

Underpinning all of these recommendations is the crucial need to build leadership skills for effective multi-sector partnering. As The Partnering Initiative (TPI) comments, “Partnerships are likely to succeed or fail based on the skills, knowledge and competencies of the individuals building and running them.” TPI, alongside other initiatives such as the Partnership Brokers Association, the Collective Leadership Institute, Wageningen University’s Center for Development Innovation, the Partnership Resource Centre at Rotterdam School of Management and Singapore Management University’s Master of Tri-Sector Collaboration program have developed valuable partnership tools and training programs for mid-career managers from government, business and civil society. A substantial increase in capacity building is needed to develop the individual and institutional partnering skills required for the future.
RECOMMENDATION #1

Strengthen precompetitive business alliances to leverage industry-wide standards and joint action

There is substantial untapped potential to raise the bar on sustainability leadership in all trade and industry associations and through sector-focused corporate responsibility coalitions. This can be achieved by establishing industry-wide standards, setting shared goals or roadmaps for investing in the sustainable development goals, agreeing common metrics, reporting and benchmarking members’ performance against these, sharing lessons and good practices, supporting precompetitive research and development consortia, and undertaking joint policy advocacy. CEO-level leadership and champions will be essential for success.

What’s the challenge and opportunity for scaling impact?

One of the most effective ways of accelerating and scaling change is through industry-wide coalitions. If competitors can work together to establish and spread common standards and goals for sustainable development, while still competing on their ability to executive and innovate, collectively they can have far more substantial and systemic impact than each acting alone.

A vanguard of sector-specific, business-led trade and industry associations and corporate responsibility coalitions has already demonstrated high potential for achieving such impact. They have shown what is possible. In almost all cases, a core group of 20-50 CEOs and their companies have played a crucial role as champions, role models and influencers, actively encouraging their business partners, peers and competitors to get engaged.

What’s been achieved so far and what type of collective action has high potential?

All trade and industry associations, as well as business-led coalitions focused more specifically on corporate responsibility and sustainability can dramatically raise their level of ambition on the sustainable development goals by calling for increased action and greater accountability from their members. Specific actions they can take include the following:

1. Establish industry-wide standards:

   Business-led coalitions can develop a set of industry-relevant principles, a code of conduct and/or performance standards for sustainable development and require their members to commit to these as part of their membership obligation.

   Different models of this being done in practice include: The International Council on Mining and Metals’ (ICMM) Principles for Sustainable Development; The International Federation of Pharmaceutical Manufacturers and Association’s (IFPMA) Code of Conduct; and The International Council of Chemical Associations’s (ICCA) Responsible Care program.

2. Set shared goals or roadmaps for the SDGs:

   Coalitions can identify and promote sector-wide priorities and plans for addressing the most material sustainable development risks and opportunities for their industry sector. While members can act on these goals individually and in their value chains, participating in collective action with other companies in their industry sector can leverage better and more sustained outcomes in relation to systemic problems.

   Emerging models of this approach include: the public commitments of the Consumer Goods Forum on key sustainability targets; GSMA’s initial identification of priority SDGs and its Mobile for Development initiative; similar work on prioritizing the SDGs by the Electronic Industry Citizenship Coalition; IFPMA’s Health Partnerships Directory; and ICCA’s Technology roadmap.
RECOMMENDATION #1

3 Agree on common metrics and report on and benchmark members’ performance against these:

Business-led coalitions can agree on a set of common metrics or key performance indicators for sustainable development. They can then require or encourage their members to report regularly and publicly on their progress against these, preferably with independent assurance. Such activities are not only valuable to increase transparency, mutual accountability and credibility with stakeholders, but can also form the basis for competitive benchmarking, sharing lessons learned and spreading good practices to improve performance.

ICMM and ICCA are two examples where this is starting to happen in practice around specific environmental and social metrics.

4 Support precompetitive research and development consortia:

Joint R&D efforts can be focused on addressing specific sustainability opportunities or market failures with high potential impact on an industry-wide basis.

IFPMA and GSMA offer models of business-led coalitions that are already undertaking such collective research and learning activities on a collective basis.

5 Undertake joint policy advocacy for sustainable development:

A key function of most trade and industry associations is to lobby governments on behalf of their members’ common business interests. At a minimum, such activities should not directly undermine policies for sustainable development. There is also untapped upside potential for business-led coalitions to play a more proactive and ambitious role in advocating for policies and regulations that drive economic growth that is more inclusive and sustainable, while also being of benefit to their members.

At the global level, the private sector is playing a more proactive advocacy role in international dialogues. Since the Business Council for Sustainable Development (now WBCSD) and the International Chamber of Commerce worked collaboratively to bring a business perspective and voice to the Rio Earth Summit in 1992, companies and business associations have become increasingly effective at coordinating their participation in major inter-governmental conferences.

One notable example was the creation of the We Mean Business coalition in the lead up to the Paris Climate Agreement. This is profiled in more detail on page 36. It brought together dozens of cross-industry and sector-specific business alliances as well as several hundred leading companies to call for specific public policies and make specific commitments in support of the climate negotiations. Likewise, the Business 2030 coalition played a role in coordinating business input into the development of the SDGs, with support from the UN Foundation and key donor governments.

In December 2016, 193 members of the UN General Assembly granted Observer Status to the International Chamber of Commerce, which is the world’s largest business association representing more than 6 million members in over 100 countries. This is the first time in the 71-year history of the United Nations that a business-led and funded organization has been given an official role and direct voice in the UN General Assembly.
RECOMMENDATION #2

Participate in joint financing and innovation platforms to deliver specific goals

Companies should focus their engagement on issue, sector or commodity specific financing mechanisms and innovation platforms that most closely align their core business priorities and capabilities with specific SDGs. In particular, there are opportunities to create blended finance partnerships among companies, investors, development finance institutions, donor agencies, research institutes and philanthropic foundations with the goal of developing and scaling new technologies, products, business models and sustainable infrastructure.

What’s the challenge and opportunity for scaling impact?

There is an urgent imperative to mobilize, catalyze and channel more, and different types and sources of funding and expertise for sustainable development. While domestic and international public finance will remain essential, we need to dramatically increase the level of private finance and investment in the SDGs in all countries and in key sectors. This includes:

- Portfolio investment and direct investment, both domestic and foreign; and
- Private sector capabilities and scaling platforms, ranging from science, technology and research skills to the innovation, implementation and operational capacities of business.

Sufficient levels of finance and expertise exist in the private sector on a global basis, but they are not currently being directed to the projects, sectors and countries where the need and opportunity for sustainable development is greatest. This is due to factors such as: the reality and perception of high risks; lack of business knowledge about the markets or opportunities involved; small markets that are not commercially viable for certain essential goods such as medicines, fortified foods and clean energy and/or a real or perceived inability to pay for these goods; and lack of skills and access to finance and markets for low-income producers.

Project-level partnerships can play a role in addressing these challenges, but targeted multi-stakeholder financing mechanisms and innovation platforms can be particularly effective in achieving scale and systemic impact. They can help to share risks and costs over a larger number of public and private actors, support capability building and catalyze new products, services and technologies in the sectors or value chains that have high potential to deliver the SDGs while also delivering measurable business benefits.

What’s been achieved so far and what type of collective action has high potential?

Over the past decade there has been encouraging growth in multi-stakeholder partnerships and innovation hubs aimed at mobilizing public and private finance alongside expertise to achieve specific environmental and social goals. In particular, development finance institutions, bilateral donor agencies and philanthropic foundations have demonstrated that they can play a vital catalytic role in mobilizing and scaling private finance and expertise to support the SDGs. They can do so through a combination of providing advisory services to governments to improve policies for private sector investment as well as offering risk mitigation instruments, co-investment vehicles and other innovative financing mechanisms. These in turn can help to catalyze additional research, innovation, financing and implementation by companies and institutional investors.

Often described as ‘blended finance’ models, these public-private partnerships can be especially important in scaling up investment and impact in sectors such as energy, water and transportation infrastructure, food security and agriculture, financial inclusion, digital access and infrastructure, health and education.
RECOMMENDATION #2

After several decades of experimentation, there is now extensive knowledge on what is required to implement effective blended finance partnerships in different sectors. Going forward there is an urgent need to scale up action. In particular, there are opportunities to develop blended finance partnerships and joint innovation hubs to:

1. **Pilot and scale high-potential technologies in areas such as clean technology, biotechnology, information technology and fintech**

   Partnerships can include government-hosted platforms and innovation labs that work with companies, research institutes and private investors and donors. Existing examples include: The Global Development Lab hosted by USAID to discover, test, and scale breakthrough solutions to end extreme poverty; Grand Challenges Canada, focused on catalyzing innovation in global health; and a variety of Social Innovation Funds at both a global and national level.

   There are also a growing number of private-led consortia – ranging from high net worth individuals to institutional investors and companies – that are collaborating around a specific set of sustainability challenges and solutions in a dynamic and flexible manner. Examples include the Catalytic Finance Initiative, the Breakthrough Energy Coalition, and the Circular Economy 100 (CE100) precompetitive innovation platform.

   Prizes, competitions and challenge funds offer a related set of instruments that can help to scale private sector financing and innovation targeted at delivering specific SDGs. Examples include the XPrize, the Finance for Resilience (FiRe) Awards and DFID’s Innovation Prizes for Environment and Development.

2. **Support product development partnerships**

   Over the past two decades a number of research-based product development partnerships have emerged, especially in the areas of global health and nutrition. Notable examples include the GAVI Alliance focused on Vaccines; the Drugs for Neglected Diseases initiative (DNDi); and the Global Alliance for Improved Nutrition and its Business Platform for Nutritious Research. There is also a growing number of global and national multi-stakeholder research and development (R&D) platforms focused on the development of medicines and delivery mechanisms to tackle specific diseases and strengthen health systems. These include Medicines for Malaria Venture (MMV), the TB Accelerator and National Food Fortification programs, among many others. Additional examples are provided in Appendix 4.

   There is ongoing potential to scale some of the existing product development partnerships in the field of health and nutrition, while also exploring opportunities for such partnerships in other sectors such as education, agriculture and energy.

3. **Invest in and scale inclusive business models that explicitly include low-income producers, workers and consumers**

   As outlined on page 21 and 22, there is enormous untapped potential to implement inclusive business models in many sectors and value chains. Organizations and initiatives such as the IFC, the World Business Council for Sustainable Development, Business Call to Action, WWF’s Market Transformation Initiative, and WEF’s New Vision for Agriculture have been active in raising business awareness and catalyzing private finance and expertise in this area. There are a growing number of examples of both public-private partnerships and business-to-business alliances in this area. Much more can be achieved by focusing collective action on specific sectors, commodities and regions.

4. **Finance and deliver sustainable infrastructure projects**

   Building on lessons learned from previous decades, there is an encouraging resurgence in innovative financing and risk-mitigation mechanisms to drive investment in sustainable infrastructure. This includes:

   - project preparation facilities, such as the Global Infrastructure Facility;
   - co-investment and pooling mechanisms, such as IFC’s managed co-lending portfolio program and the Sustainable Development Investment Partnership, supported by WEF and the OECD to mobilize $100 billion in private financing for infrastructure projects in developing countries using development assistance to reduce risk;
   - debt-based and right-timing instruments, such as carbon and infrastructure bonds and long-term loan and equity finance; and
   - financial risk management instruments, such as guarantees and insurance, better market data and benchmarks.

   Given the importance of sustainable infrastructure to tackling the three central challenges of reigniting economic growth, delivering on the SDGs, and reducing climate risk, this is another area that calls for intensified collective action by governments alongside private sector investors and companies.
RECOMMENDATION #3

Support collective initiatives to harmonize sustainability data and reporting

Collaboration is needed among providers and users of corporate sustainability data and reporting to drive greater convergence and harmonization. This is necessary to make information more comparable, consistent and useful to investors, regulators and other stakeholders as well as to companies themselves in order to improve decision-making, performance and accountability.

What’s the challenge and opportunity for scaling impact?

Improving the quality and rigor as well as the comparability and consistency of business and sustainability data, metrics and reporting is essential. It is necessary for improving corporate decision-making as well as investor and other stakeholder evaluations of business. In turn, these are key to increasing transparency, accountability and trust.

Over the past two decades there has been a plethora of new initiatives to develop corporate reporting standards and frameworks for sustainability, to benchmark corporate sustainability performance, and to develop tools and auditing protocols for sustainable supply chain management. It is estimated, for example, that “At present, more than 100 sustainability raters administer questionnaires to thousands of companies worldwide, comprising a mix of investor and consumer-facing instruments ranging from issue-specific (e.g., climate change) to multi-issue (integrated environmental, social, and corporate governance factors) ratings, rankings, and indices.”

Individual companies can receive more than twenty detailed questionnaires a year from different research and rating organizations, which are all slightly different in terms of their focus and methodology and are time consuming and costly to complete. Investors are frustrated by the lack of comparability and reliable data on the sustainability performance of companies, either within or across sectors.

The challenge now is to ensure greater harmonization and preferably standardization of sustainability reporting requirements, indicators and frameworks for companies. No one group can do this alone. The ecosystem for sustainability reporting alone consists of a multitude of requirement developers, implementers, support mechanisms, reporting channels and audiences. In order to be effective, the largest and most influential players in the system are going to need to take the lead on collaboration.

What’s been achieved so far and what type of collective action has high potential?

The evolution of sustainability reporting and data collection platforms over the past two decades reflects a growing trend towards greater sector and issue specificity:

- **Broad and largely aspirational cross-industry reporting frameworks** led the way in the late 1990s, including updates of the OECD Guidelines on Multinational Enterprises, the creation of the UN Global Compact, the first generation of the Global Reporting Initiative (GRI), and other accountability frameworks such as AA1000.

- **More prescriptive reporting criteria and rigorous analysis of corporate data** followed, including frameworks such as the IFC Performance Standards for project finance, which were launched in 2006, and the next generation of GRI requirements.

Emerging sustainability benchmarks and indices were also important in driving greater rigor and sophistication in data collection and analysis. Leading examples included the Dow Jones Sustainability Index family (DJSI), which was first launched...
RECOMMENDATION #3

in 1999 and is now the S&P Dow Jones; the FTSE4Good, launched in 2001 and now the FTSE Russell Index series; the MSCI ESG Index family; the STOXX ESG and Sustainability indices; and Solactive (which in 2016, was the first of the global indices to launch a ‘Sustainable Development Goals World Index’).

There have also been some NGO and foundation-led initiatives in this area such as Access to Medicines Index, the Access to Nutrition Index and Oxfam’s Behind the Brands ranking initiative focused on the supply chains of leading food and beverage brands.

• The past decade has seen the emergence of greater specificity through targeted sector, issue and even commodity reporting criteria and benchmarks. These have included: the Greenhouse Gas (GHG) Protocol; the Carbon Disclosure Project (CDP); the Science-Based Targets initiative; the UN Guiding Principles Reporting Framework; the Corporate Human Rights Benchmark: the Natural Capital Coalition; GRI’s industry sector guidance, to name a few of the major initiatives. The creation of the Sustainability Accounting Standards Board (SASB) in 2011, with its focus on identifying material sustainability risks within key industry sectors, has been an important development in the field.

Almost all of the above initiatives are the result of extensive multi-stakeholder consultation and often collaboration among companies, investors, research entities and in most cases NGOs and governments or inter-governmental organizations.

Yet, the challenge remains that there is no globally agreed or consistent approach to sustainability reporting. Two examples of recent collective action offer potential for taking collaboration to the next level, where greater consistency may be possible. Key actors in the fields of corporate reporting and corporate governance can take action related to both of these collaborative initiatives:

1 Support implementation of the FSB’s Task Force on Climate-related Financial Disclosures (TCFD)

The Financial Stability Board was established by the G20 in 2009, in response to the financial crisis. In 2015, it created the TCFD to develop a set of consistent and voluntary disclosures on climate-related risks for use by companies in providing information to investors, insurers, lenders and other key stakeholders. The initiative has been supported by a group of leading financial institutions, responsible for assets worth a combined $20 trillion, and companies from diverse industry sectors, with a combined market capitalization of some $1.5 trillion. It has undertaken a process of extensive research and multi-stakeholder consultation to develop a set of recommendations on climate-related disclosure. The goal now is to integrate these in major stock exchange listing requirements, credit rating agencies, principles of corporate governance, and relevant government policies.

While specifically focused on climate-related risk disclosure, this type of multi-stakeholder consultative approach, which has also been used by SASB, GRI and the UNGP Reporting Framework, offers a useful model for the way forward.

2 Strengthen the Corporate Reporting Dialogue

The Corporate Reporting Dialogue was established in 2015 to address the challenge of convergence or standardization of sustainability reporting. It is currently an informal coalition of eight of the principal organizations that are charted with establishing reporting standards and guidelines, including financial reporting standards. Several of the organizations are themselves multi-stakeholder coalitions. They are: IFRS, the International Financial Reporting Standards committee of the International Accounting Standards Board (IASB); ISO (the International Organization for Standardization); GRI, (the Global Reporting Initiative); SASB (the Sustainability Accounting Standards Board); the Integrated Reporting initiative; CDP, the Climate Accounting Standards; and CDSB, the Climate Disclosure Standards Board.

Between them, these platforms already influence the reporting quality of many of the world’s largest companies. They are an obvious coalition to take the standardization of sustainability reporting further. A few additional partners should be invited to the table, such as the Financial Accounting Foundation (the home of the Financial Accounting Standards Board, FASB, and the GAAP framework); the Global Initiative for Sustainability Ratings (GISR); and the UNGP Reporting Framework, based on the UN Guiding Principles on Business and Human Rights. Together, this group could agree on standardized, or at least more harmonized, sustainability accounting and reporting standards and guidelines, including sector-specific criteria.
RECOMMENDATION #4

Expand coalitions that are integrating sustainability criteria into capital markets

Coalitions can accelerate and scale the integration of sustainability criteria, longer-term horizons and greater financial inclusion into the decision-making and impact of capital market institutions. Concerted efforts are needed to expand the membership and influence of existing coalitions focused on scaling responsible, inclusive and sustainable finance, such as the Sustainable Stock Exchanges Initiative, Principles for Responsible Investment and Global Impact Investing Network, among others. In particular, there is a need to increase the participation and leadership of major asset owners such as pension funds, sovereign wealth funds, endowments and insurance companies.

What’s the challenge and opportunity for scaling impact?

Apart from government policies and regulations, there is no more important set of institutions and platforms for accelerating and scaling private sector engagement in the SDGs than the capital markets and financial institutions that drive them (central banks, commercial and investment banks, insurance companies, institutional investors – both asset owners and asset managers – rating agencies and stock exchanges).

Five key areas of transformation that are needed in financial institutions and the capital markets for them to support more responsible, inclusive and sustainable growth are summarized below. In all cases, collective action will be essential for achieving substantial change:

- **Dramatically scale the amount of funding for the SDGs and climate commitments**: There is a need to leverage an additional $5-7 trillion in new investment per annum from a combination of public, commercial and philanthropic sources of capital, especially in key sectors (such as sustainable infrastructure, agriculture, health, education etc.) and in high-risk locations (such as fragile states and locations most threatened by climate change).

- **Spread the integration of environmental, social and governance (ESG) criteria**: There is growing empirical evidence of the correlation between good ESG performance and good financial performance. As such, there is a need for ESG risks and opportunities, to be better integrated into the design and delivery of financial products and services, and into investment analysis and decision-making. And lined to this, as outlined in Recommendation #3, there is a growing need to agree on and spread common standards for reporting on ESG performance by both corporations and financial institutions.

- **Promote longer-term horizons**: There is growing momentum among both investors and corporations of the need to reward patient capital and long-term performance as well as short-term results. This is going to require changes in government policies and regulations as well as market incentives, institutions and governance frameworks.

- **Improve financial transparency and accountability**: Concerted and coordinated efforts are needed to tackle corruption, money laundering, and tax evasion and avoidance, all of which seriously undermine efforts to achieve sustainable development. The financial sector has a crucial role to play in this area by spreading zero-tolerance for such activities in all financial services from consumer and commercial banking to asset management.

- **Make financial products and services more inclusive**: Many small businesses still find it difficult to access financial services and millions of people remain unbanked. New business models, technologies and partnerships are needed to improve access and affordability for lower-income households and communities, and for small, medium and micro-enterprises (SMMEs) in the design and delivery of financial products and services.
RECOMMENDATION #4

What’s been achieved so far and what type of collective action has high potential?

Progress has been made in all of these areas over the past decade. The establishment and growth of multi-stakeholder initiatives and industry-led alliances has played a valuable convening, catalyzing and agenda-setting role. The ecosystem of partnerships that is evolving in the financial sector is profiled in more detail in Appendix #5. Two key areas of collective action that are needed going forward are as follows:

1. **Expand the membership and influence of existing coalitions focused on scaling responsible, inclusive and sustainable finance.**

Promising multi-stakeholder initiatives already exist in a number of areas and could have a valuable role to play going forward. In most cases, much of the initial ‘heavy lifting’ has been done in establishing them, improving their governance structures, and enhancing their value proposition for members. A few of the most notable examples include:

*The Sustainable Stock Exchanges Initiative (SSEI):* Established in 2009, the partners in this voluntary network include 48 exchanges in 52 countries, representing some 3,800 issuer corporations and $48 trillion in market capitalization. The network aims to share best practices, engage in policy dialogue and support joint efforts to increase the integration of ESG into business and investment practices. The International Organization of Securities Commissions (IOSCO) could play a vital role in taking this voluntary collaborative initiative to the next level by making ESG disclosure a requirement for all stock exchange listings, while enabling the SSEI to continue serving as a convener of best practices, awareness raising and advocacy.

*Financial institutions adopting the IFC Performance Standards:* The IFC Performance Standards have played a transformational role in sustainable finance over the past decade. In 2006, they were first developed and adopted by the IFC, accounting for some US$7 billion in financing. Today, they have been adapted by 15 International Finance Institutions, 84 Equator Principles member banks, 270 of IFC’s client banks and funds and 32 export credit agencies, and have influenced an aggregate of US$4.5 trillion in financing between 2006 and 2016. There is potential to apply this model to other financial assets and investments.

*The Principles for Responsible Investment:* Created in 2006, the Principles for Responsible Investment (PRI) has been one of the most successful industry-led coalitions in promoting responsible investment and supporting its signatories to integrate ESG criteria into their investment and ownership decision-making. As of August 2016, it had 1553 signatories with more than US$60 trillion in assets under management. There is potential to grow both the membership and the policy influence of the PRI.

*The Financial Stability Board:* Created by the G20 in 2009 in response to the financial crisis, FSB has already demonstrated an interesting approach to collective action through its multi-stakeholder Task Force on Climate-related Financial Disclosure (which was profiled in Recommendation #2). FSB, or the G20 more broadly, could play a valuable role in convening other sustainability-related financial task forces and/or calling for the establishment of new facilities and funds to support the SDGs.

*The UNEP Finance Initiative and the UNEP Inquiry into the Design of a Sustainable Financial System:* UNEP has been one of the pioneers in sustainable finance. It first established the UNEP Finance Initiative in 1992, which today is a platform of more than 200 diverse financial institutions focused on promoting sustainable finance. In 2014, UNEP launched another multi-stakeholder initiative to explore ways to better align the financial system to the resilience and the long-term success of the real economy. It’s initial involved collaborative research and consultation to identify good practices, especially in policies and regulatory innovations. Its next phase is focused on delivery by identifying key levers to embed sustainability into financial architecture at national levels and globally.

*Emerging Markets Private Equity Association:* Established in 2004, EMPEA promotes the role of private equity in emerging markets. It has played a key role in driving more private capital flows to key markets and sectors, and spreading industry-wide standards in areas such as ESG. Today, it has over 300 members, who together manage more than US$1 trillion of assets and have offices in more than 100 countries. As private equity grows in importance as an asset class, EMPEA’s role in promoting sustainability and impact investing can continue to grow.

*The Global Impact Investing Network:* Established in 2009 with initial support from the Rockefeller Foundation, GIIN is now a network of more than 200 asset owners, asset managers and service providers drawn from major institutional investors to foundations and family offices. Its goal is to spread awareness and good practice on investments made in companies, organizations and funds, which...
**RECOMMENDATION #4**

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<td>Several high-potential coalitions of asset owners are emerging. They include coalition building by nonprofit organizations such as CERES and the Cambridge Institute for Sustainability Leadership, as well as actions being taken by asset owners themselves. In July 2016, for example, Japan’s Government Pension Investment Fund (GPIF), which is the world’s largest, announced the establishment of the Global Asset Owners’ Forum and the Business and Asset Owners’ Forum, aimed at dialogue and shared learning on ESG among major asset owners and between them and the companies they invest in.</td>
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</table>
RECOMMENDATION #5

Coordinate policy dialogue and investment in key cities, landscapes and countries of operation

Spatial and location-specific coalitions that bring together companies, investors, governments, civil society and citizens to agree on shared priorities and develop common plans for action offer high potential to achieve scale and systemic impact. In particular, there is a need to increase business participation and collective action in:

- City-based alliances dedicated to increasing urban sustainability and resilience;
- Integrated landscape management initiatives, especially in vulnerable watersheds, biodiversity and ocean ecosystems;
- Country-level multi-stakeholder platforms, chaired by government ministers that systematically engage leading companies, business associations and NGOs in setting national priorities for the SDGs.

What’s the challenge and opportunity for scaling impact?

Effective government leadership will be essential to achieving the SDGs. It will be national, and increasingly state and city-level governments that will determine if appropriate policies, regulations and incentives are in place to drive market transformation toward sustainable development and if they are being implemented and monitored through effective institutions. And it will largely be these policies, regulations, incentives and institutions that will create the enabling environment and market signals needed to accelerate and scale business and investor engagement in the SDGs.

Yet, the reality is that progress towards sustainable development in too many countries, regions and municipalities is undermined by either a lack of political will or weak public administrative capacity or bad governance in terms of corruption and failure to meet the basic needs of citizens. In all cases, business leaders and business associations have a role to play in advocating for policy reform and supporting efforts to strengthen the enabling environment for both business and the SDGs.

This requires transparent and accountable business engagement in policy dialogue, advocacy, data collection and analysis. In particular, there is a growing need for companies, especially those that are industry or national leaders, to provide public support for rule-of-law, more predictable, inclusive and transparent trade, taxation, and financial systems, and efforts to tackle corruption and strengthen public governance. At a minimum, there is growing pressure on companies to demonstrate greater transparency and coherence with respect to their own lobbying activities relative to their sustainable development commitments.

Once again, coalition and partnerships can play a useful role. Industry-wide collective action, either through representative business organizations or business-led corporate responsibility coalitions, as well as multi-stakeholder platforms can be especially important in:

- Convening a more effective and influential business voice than any one company can achieve alone;
- Sharing the political risks sometimes associated with individual companies or business leaders speaking out on their own about complex and challenging public policy issues and constraints;
- Addressing policy-related issues in a more comprehensive and coordinated manner; and
- Ensuring greater public and private sector transparency and accountability for results.
RECOMMENDATION #5

What’s been achieved so far and what type of collective action has high potential?

There has been encouraging growth in the number, scale and impact of both business-led policy advocacy alliances and multi-stakeholder platforms over the past few decades with a dedicated focus on either advocating for or coordinating with governments to advance the sustainable development agenda. Some examples of policy advocacy by business coalitions at the global level are provided on page 39. In addition, there is potential for much greater business participation and collective action in the following three areas:

1. Increase business investment in city-based alliances dedicated to urban sustainability and resilience

   Given demographic and urbanization trends, the future of the world’s cities, especially those that are growing most rapidly in many developing countries, is going to determine whether or not we achieve the sustainable development goals and global climate commitments. There are a number of longstanding city-led and focused sustainability initiatives, including Local Agenda 21 and the International Council for Local Environmental Initiatives, which date back to the 1990s, and various UN-supported platforms through UN-HABITAT. Most of these are government-led and have limited private sector engagement.

   At the same time, a number of new initiatives have emerged in the past decade with a strong focus on engaging the business sector and private finance. Interesting examples include the 100 Resilient Cities Initiative, the Global Platform for Sustainable Cities, the Cities Climate Finance Leadership Alliance, the C40 Cities Climate Leadership Group, the Smart Cities Council and the 100,000 Opportunities Initiative.

   Almost all major companies have headquarters or regional operations in cities around the world. There is massive untapped potential to expand or replicate some of the collective action models that are starting to emerge to support more strategic and coordinated approaches to urban planning and design, physical, digital and social infrastructure development, education, training and job creation, and urban sustainability and resilience.

2. Participate in integrated landscape management initiatives, especially in the most vulnerable watersheds, biodiversity and ocean ecosystems

   Growing population pressure and rapid urban growth, alongside increased agriculture, fishing, forestry, mining, oil and gas, and infrastructure activities in water stressed regions or areas of high biodiversity value continues to put major pressure on these fragile ecosystems. Such ecosystems are essential to sustaining local livelihoods and cultures, achieving national resilience and ensuring global sustainability. A growing number are under serious threat. Collective action is urgently needed to overcome some of the systemic governance gaps and market failures that are undermining their ability to survive.

   In the past, relationships between leading environmental and indigenous peoples NGOs and large companies relating to this issue were largely antagonistic. In recent years, however, substantial progress has been made in starting to build more constructive location-based coalitions between business, NGOs, governments and community-based organizations. NGOs such as Conservation International, the Nature Conservancy, WWF and the World Resources Institute, as well as IUCN have led the way.

   Business leadership coalitions such as WBCSD, the Consumer Goods Forum, the Oceans Council, the Sustainable Shipping Initiative and the Cross-Sector Biodiversity initiative (ICMM, IPIECA and the Equator Principles banks), plus individual companies have also increased their level of urgency and engagement.
Emerging multi-stakeholder initiatives include the 2030 Water Resources Group, the Tropical Forest Alliance, Conservation International’s Green Compacts, and a variety of innovative financing mechanisms.

Landscape-based collective action has become an area of growing focus for companies in the agricultural, manufacturing and extractives sector. In particular, they are recognizing the need to support more collaborative approaches to watershed management and integrated landscape planning in areas of high biodiversity value.

This is a nascent field, but sufficient examples of good practice now exist for a more ambitious and strategic coalition building. A dialogue in 2016 supported by the New Vision for Agriculture proposed the launch of a 100 Sustainable Landscapes initiative analogous to the 100 Resilient Cities Initiative. This is a proposal that warrants serious consideration.

**RECOMMENDATION #5**

3 Support country-level multi-stakeholder platforms that systematically engage leading companies, business associations and NGOs in setting national priorities for the SDGs

Over the past few decades a number of business-led policy initiatives have emerged at the national-level, which are focused on promoting more sustainable or inclusive growth. They are being driven by a combination of progressive chambers of commerce and corporate responsibility coalitions or multi-stakeholder platforms. And they have brought a more coordinated and transparent business voice to the table to engage in dialogue with government. In most cases they focus on advocating for and helping to design and coordinate national agendas around key sustainable development goals.

Notable cross-industry examples have emerged in both developed and developing countries. Some are focused on setting national policy agendas and taking joint action within their own country, such as: Business in the Community in the UK; the National Business Initiative in South Africa; the Confederation of Indian Industry’s development initiatives; and Philippine Business for Social Progress. Others are focused on working with their governments to promote support for international development, such as the U.S. Global Leadership Coalition; the Dutch Sustainable Growth Coalition; and Swedish Business for Sustainable Development.

There are also good examples of national public and private agenda-setting coalitions in specific sectors, most notably in health and agriculture. Examples include the country platforms for global partnerships such as The Global Fund to Fight AIDS, Tuberculosis and Malaria, GAVI Alliance, Scaling Up Nutrition, and the New Vision for Agriculture.

These business-led coalitions offer useful models for all companies, governments and donors to review and potentially adapt to support implementation of the SDGs at the country level.

In summary, every Head of State should meet with the most influential business associations and individual companies or business leaders in her or his country to explore opportunities to establish more structured, strategic and collaborative approaches to support the SDGs.

These can focus on setting national priorities, developing strategic plans and mobilizing resources. The can do so across all industries and SDGs or focused on specific sectors that offer the greatest potential for impact in that country.
Partnerships are a valuable tool to drive change toward more responsible, inclusive and sustainable growth. They can help to address some of the market failures, governance gaps and trust deficits that undermine the acceleration and scaling of business engagement in sustainable development. They can also serve as a platform for convening and coordinating the diverse actions of numerous actors and for building mutually reinforcing linkages between different sectors and sustainable development goals.

There is an ongoing need to better understand what works and what does not in building effective partnerships at different levels. Numerous studies have been undertaken to evaluate and learn from individual partnerships, but there is currently no common database to review and compare these diverse studies and no commonly agreed framework of analysis. Likewise, very little comparative analysis has been undertaken of larger datasets of partnerships, whether within particular industry sectors or to address particular development goals and sustainability issues.46

As a result, it is difficult to draw empirical conclusions on the overall contribution, reach and impact of existing partnerships for sustainable development. This is the case even within one sector let alone more broadly for all the SDGs. Rigorous evaluation is challenged by lack of common definitions, enormous diversity of partnership models, and the fact that, other than longstanding infrastructure projects and some of the global health partnerships, most cross-sector initiatives did not exist 15 years ago. This is especially the case for system-level business alliances and multi-stakeholder initiatives at the global, national or industry sector level, and for market-oriented partnerships, blended finance and hybrid business models at the project or value chain level.

Some of the studies that have been undertaken in the past decade are listed in the References. Many of these studies offer encouraging feedback on the potential of partnerships. At the same time, they highlight some common critiques and challenges. These include:

- **Leadership, governance and accountability:**
  Many critics point to concerns about governance and funding of MSIs, which is not sufficiently transparent or accountable in terms of measuring, evaluating and reporting on performance and progress. Linked to this are concerns about representation of beneficiaries in governance structures, whether these are government officials that are recipients of a global partnership or low-income communities and citizens. A related issue is the challenge of dealing with power dynamics and making sure that appropriate grievance mechanisms and conflict resolution approaches are in place if needed.

- **Operational efficiency and effectiveness:** A number of studies have concluded that the high transaction costs and specific types of skill sets needed to build effective public-private partnerships, especially complex multi-stakeholder initiative make them more costly and time consuming and ultimately less efficient and effective than governments or companies simply working on their own. Studies also point to the fact that many initiatives fail to deliver on the goals they set at the beginning of the partnership.

These and other assessments of the operational, governance, and accountability challenges of multi-stakeholder partnerships point to the ongoing need to improve evaluation and transparency in assessing their development outcomes relative to their transaction costs, business benefits and political influence. These critiques should not, however, detract from the untapped potential of building partnerships between business and other sectors in order to achieve more inclusive, responsible and sustainable growth.

**Synthesis of what works on building partnerships for sustainable development**

The eight success factors in Table 3 are a synthesis of over forty academic and practitioner studies on partnerships, ranging from global multi-stakeholder institutions and precompetitive sector-based business alliances to more traditional public private infrastructure partnerships, where collaboration is transactional in nature and more narrowly defined.
In conclusion, partnerships are a tool. They are a means to an end, not an end in themselves. In the majority of cases, that ‘end’ is to achieve greater scale, greater legitimacy, greater systemic or transformational impact and/or greater sustainability than the participants would be able to achieve on their own. They are driven by a shared recognition that many development problems are too complex and interdependent, and the financial, technical and managerial resources for tackling them are too scarce or too widely dispersed among different actors, not to search for new approaches that draw on the resources, skills and capacities of all sectors.

Partnerships are by no means a panacea and are often costly and time consuming to build and sustain. Yet, they offer one of the best tools available for business to work with other sectors in delivering the sustainable development goals in a way that makes good business sense. The business case for partnerships is increasingly clear in terms of spreading responsible standards and practices, identifying and mitigating shared risks, finding opportunities to create shared value, and contributing to a sound enabling environment.

Above all, partnerships require outstanding individual leadership. Effective partnership building, especially across sectors, requires new mindsets and skill sets on the part of individuals and new capabilities and incentives on the part of institutions. It requires patience, persistence and a long-term commitment in an era of short attention spans, accelerating and disruptive change and short-term performance pressures on companies and governments alike.

None of this is easy. Yet, it is essential work if we are to make progress at the scale and systemic impact that are required. The ability to galvanize and convene other stakeholders to co-create effective partnerships for sustainable development has become one of the essential leadership imperatives for the 21st Century.

Table 3 Success factors in building partnerships

<table>
<thead>
<tr>
<th>Table 3</th>
<th>Success factors in building partnerships</th>
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</thead>
<tbody>
<tr>
<td><strong>SHARED PURPOSE and UNDERSTANDING OF THE ECOSYSTEM and its STAKEHOLDERS</strong></td>
<td>1. A compelling agenda for change led by strong champions who are leaders in their own organizations and are able to take decisions, allocate resources, motivate and mobilize others, and support a long-term commitment.</td>
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<td></td>
<td>2. Jointly agreed public commitments and a strategic plan for achieving them, based on rigorous consultation and relevant baseline evidence, with clearly defined roles and responsibilities for each participant.</td>
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<td>3. Understanding of the full value chain or ecosystem required for transformation and ability to either holistically coordinate activities or stakeholders across this system or target specific interventions that mutually reinforce those of others.</td>
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<tr>
<td><strong>RIGOROUS PROCESS and OPERATIONAL ALIGNMENT</strong></td>
<td>4. Effective implementation capability, enabled by dedicated and well-resourced ‘backbone support’, committed practitioners from participant organizations who have the necessary authority and skills to engage, and effective communication and conflict resolution processes that enable regular and rigorous dialogue and feedback.</td>
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<td></td>
<td>5. Strong alignment with and leverage of partners’ core competencies and interests.</td>
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<tr>
<td><strong>GOOD GOVERNANCE and MUTUAL ACCOUNTABILITY for PROGRESS</strong></td>
<td>6. Mutually agreed metrics and governance mechanisms to track performance and ensure rigorous oversight and accountability, both within the partnership itself and externally with relevant stakeholders, including beneficiaries and vulnerable groups where relevant.</td>
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<td></td>
<td>7. Participatory monitoring and independent evaluation approaches that facilitate shared learning and better decision-making in addition to ensuring transparency and accountability.</td>
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<td>8. Flexibility to “course correct” and be adaptive based on evolving circumstances, disruptive events, failures, stakeholder feedback and lessons learned.</td>
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Appendices

1. Example of the diversity of local partners needed to implement partnership: The case of Project Nurture p53

2. A sample of major sector-based business alliances and multi-stakeholder platforms p54

3. The evolving partnership ecosystem for food and agriculture p55

4. The evolving partnership ecosystem for health and wellbeing p56

5. The evolving partnership ecosystem for financial services for sustainable development p58

6. The evolving partnership ecosystem for metals and mining p60
Example of the diversity of local partners needed to implement partnership: The case of Project Nurture

PARTNERS

The Coca-Cola Company
Grove 2 Glass
The Bill & Melinda Gates Foundation
TechnoServe
Real Bill (Kenya & Uganda)
Agribusiness Management Associates (Kenya)
Equity Bank (Kenya)
Centenary Bank (Uganda)
Private Nurseries
National Crop Resources Research Institute (Kenya)
Agricultural Research Institute (Uganda)
## Appendix 2

A sample of major sector-based business alliances and multi-stakeholder platforms

<table>
<thead>
<tr>
<th>SECTOR</th>
<th>EXAMPLES</th>
</tr>
</thead>
</table>
| **Food and Agriculture**  
(See Appendix 3 for more examples) | Consumer Goods Forum (CGF)  
Sustainable Agriculture Initiative Platform (SAI)  
Global Agribusiness Alliance  
AIM Progress  
New Vision for Agriculture (NVA)  
Global Alliance for Improved Nutrition (GAIN)  
Scaling Up Nutrition (SUN)  
Alliance for a Green Revolution in Africa (AGRA)  
Ethical Trading Initiative (ETI)  
New Alliance for Food Security and Nutrition 20-30 commodity-specific alliances |
| **Health and Wellbeing**  
(See Appendix 4 for more examples) | Global Alliance (GAVI)  
Global Health Workforce Network  
GBCHealth  
Every Woman Every Child  
Uniting to Combat Neglected Tropical Diseases  
Partnership for Quality Medical Donations  
Over 40 disease-specific product development partnerships and/or product donation alliances, with key diseases being HIV/AIDS, malaria, tuberculosis, diabetes, cancer and NTDs, including the Global Fund |
| **Finance and Capital Markets**  
(See Appendix 5 for more examples) | **Sustainable Finance**  
Principles for Responsible Investment (PRI)  
Sustainable Stock Exchanges Initiative (SSE)  
Global Impact Investing Network (GIIN)  
Equator Principles (for project finance)/Carbon Principles/Green Bond Principles  
Carbon Pricing Leadership Coalition  
Insurance Development Forum  
Emerging Market Private Equity Association  
Inclusive Finance  
Consultative Group to Assist the Poorest (CGAP)  
Alliance for Financial Inclusion  
Women’s World Banking (WWB)  
Global Banking Alliance for Women (GBA)  
SME Finance Forum  
Better Than Cash Alliance  
GSMA Mobile for Development |
| **Metals and Mining/Extractives**  
(See Appendix 6 for more examples) | International Council on Mining and Metals (ICMM)  
Partnering Against Corruption (PACI)  
Extractive Industries Transparency Initiative (EITI)  
Responsible Jewelry Council  
Electronics Industry Corporate Citizenship Coalition /conflict minerals work (EICC)  
Responsible Mineral Development Initiative  
Voluntary Principles on Security and Human Rights  
Business and Biodiversity Offsets Program  
10-20 commodity specific alliances |
| **Cities and Mobility** | Global Platform for Sustainable Cities  
100 Resilient Cities  
Cities Climate Finance Leadership Alliance  
C40 Cities Climate Leadership Group  
EMBARQ  
Partnership for Clean Fuels and Vehicles  
Sustainable Shipping Initiative  
Partnership on Sustainable Low Carbon Transport  
Low Carbon Technology Partnerships Initiative  
Global Road Safety Partnership |
Appendix 3

The evolving partnership ecosystem for food and agriculture

CORE OBJECTIVES FOR PARTNERING

INDUSTRY-LEVEL, PRECOMPETITIVE COLLECTIVE ACTION

• Consumer Goods Forum: 400 manufacturer and retailer members across 70 countries, over 10 million employees and Euro2.5trillion in sales – programs on sustainability; product safety; health & wellness; end-to-end value chain & standards, with specific targets and industry commitments; governed by board of 50 CEOs

• Sustainable Agriculture Initiative (SAI) Platform: Over 50 food and drink companies and affiliate members, reaching millions of farmers with a focus on improving sustainable practices in arable and vegetable crops, beef, coffee, dairy, fruit and water

• The Global Agribusiness Alliance: 36 agribusiness companies headquartered mainly in Asia, Africa and the Middle East, established in 2016, with a commitment to support the SDGs and tackle major environmental and social challenges facing agricultural supply chains and rural communities

• AIM Progress: A forum of over 40 Fast Moving Consumer Goods (FMCG) manufacturers and common suppliers, to promote responsible sourcing practices and sustainable supply chains through building capability and aligning practices, standards and metrics

• International Agri-FoodNetwork: An informal coalition of 13 international trade associations involved in the agri-food sector. Aims to increase private sector commitment to addressing global poverty and food security. Member associations reach thousands of international companies, and hundreds of national associations which represent tens of thousands of small and medium sized enterprises (SMEs), thousands of co-operatives, and millions of farmers

COMMODOITY-SPECIFIC ALLIANCES

(some industry-led, many MSIs)

• World Cocoa Initiative
• Bonsucro (Better Sugarcane Initiative)
• Better Cotton Initiative
• Roundtable on Sustainable Palm Oil
• Roundtable on Sustainable Soy
• Sustainable Beef Roundtable
• International Women’s Coffee Alliance
• African Fertilizer and Agribusiness Partnership
• Marine Stewardship Council
• Global Salmon Initiative
• Aquaculture Stewardship Council
• Forest Stewardship Council
• Tropical Forest Alliance
• Flour Fortification Initiative
• Iodine Global Network

SYSTEM-LEVEL, MULTISTAKEHOLDER INITIATIVES

• Alliance for a Green Revolution Africa (AGRA): Engaged with hundreds of partners in the public and private sector and reached over 17 million African farmers and thousands of African businesses in 13 countries

• New Vision for Agriculture (NVA): Over 500 organizations, mobilized over US$10.5 billion in commitments since 2009, of which $1.9 billion have been implemented, reaching some 9.6 million farmers to improve economic opportunity, food security and environmental sustainability

• Ethical Trading Initiative (ETI): Trade unions, NGOs and companies, with public donor support focused on labor standards in apparel and agriculture. Companies across the value chain with turnover of over US$225 billion

• Scaling Up Nutrition Network (SUN): Global platform with SUN Business Network consisting of over 160 companies with commitments to reach 125 million consumers each year by 2020 with improved nutrition

• Global Alliance for Improved Nutrition (GAIN): Multi-stakeholder funding and governance; engaged with hundreds of partners across sectors at global, micronutrient/vitamin and national levels, with business network of more than 100 companies (including a Business Platform for Nutrition Research), jointly committed to reach over 1 billion people with improved nutrition

• New Alliance for Food Security and Nutrition: Coalition of African governments, donor governments, companies, research institutes, NGOs and farmer associations aimed to leverage private investments, public funding and policy reforms to address key constraints to inclusive, agriculture-led growth. Engaged with over 180 companies (majority of which are African) and investment commitments made of $10 billion

• The Sustainable Food Lab: This is a global network of companies, NGOs, and other organizations working collaboratively to address some of the systemic challenges that are preventing progress toward a more sustainable food system

REGIONAL AND COUNTRY-LEVEL NETWORKS

AGRA Continental platform with programs in 13 countries
NVA Grow Africa and Grow Asia regional platforms, plus 19 country platforms
SUN Network operating in 57 countries, with SUN Business Network having established national business networks in 11 countries
GAIN Working with National Fortification Alliances in about 20 countries; Supported by the Amsterdam Initiative Against malnutrition, the GAIN Nordic partnership.
New Alliance Working in 10 countries in Africa
National commodity trade associations in many key producing countries linked to global commodity-specific platforms

The initiatives outlined above have catalyzed and/or helped to scale or replicate thousands of PROJECT-LEVEL, FINANCING AND IMPLEMENTATION PARTNERSHIPS, anchored by individual agribusiness companies partnering with individual (or small numbers of) suppliers, producers, input providers, financial institutions, ICT companies, manufacturers, retailers, NGOs, government entities, donors or research institutes and focused on specific commodities, specific agricultural corridors and/or specific production/manufacturing sites
The evolving partnership ecosystem for health and wellbeing

OBJECTIVES FOR PARTNERING

Leveraging additional public, private and philanthropic resources, pooling and spreading risks and costs, spreading responsible practices; and/or transforming markets and policy environments to:

- Accelerate drug and vaccine discovery and development for key disease burdens;
- Strengthen reliability and lower the costs of manufacturing, supply chain management and delivery systems for drugs, vaccines, inputs and devices;
- Tackle counterfeiting and improve product safety and efficacy;
- Harness information and communications technologies to support tele-health and patient management, including electronic medical records, remote access and big data analytics, and to increase the reach of public health promotions and behavior change initiatives;
- Build capacity, voice and strength of healthcare workers, especially community health workers, nurses, doctors and health administrators and policymakers in resource-constrained settings;
- Improve the speed, quality and accountability of humanitarian assistance and disaster relief;
- Strengthen health systems in a more holistic, integrated and sustained manner;
- Increase policy and practitioner focus on prevention and wellness, not only treatment and disease by implementing more integrated and strategic approaches to environmental health; population health; health insurance; household incomes and economic resilience; and lifestyle management programs

...with the overarching goal of improving universal access, affordability and reliability of drugs, vaccines, diagnostics, surgery and other treatment regimes (both primary and secondary care), and especially improving health equity for low and moderate income families and/or remote populations, while effectively managing public health budgets.

DISEASE BURDEN or PATIENT-SPECIFIC FUNDS and PLATFORMS

(multi-stakeholder global partnerships, some with national structures)

1 AIDS, TB and Malaria: Global Fund for AIDS, TB and Malaria (GFATM or the Global Fund); UNITAID; International Drug Purchase Facility; Campaign [RED]

- Tuberculosis: TB Alliance; TB Drug Accelerator (TBDA); Stop TB Partnership; Aeras Global TB Vaccine Foundation
- Malaria: Roll Back Malaria; Medicines for Malaria Venture (MMV); European Malaria Vaccine Initiative; Malaria No More; Malaria Elimination Group; United Against Malaria; NetsforLife; Corporate Alliance on Malaria in Africa...
- HIV/AIDS: International AIDS Vaccine Initiative; Pepfar; African Comprehensive HIV/AIDS Partnership (ACHAP)...

2 Neglected Tropical Diseases (NTDs):
   - London Declaration on NTDs: Uniting Against NTDs; Global Network for NTDs; Drugs for Neglected Diseases initiative (DNDi); Mectizan Donation Programme; International Trachoma Initiative; Global Alliance for the Elimination of Lymphatic Filariasis; Global Polio Eradication Initiative; Stop Transmission of Polio; STH Coalition - Children without Worms; at least 20 other global or regional platforms and funds focused on specific NTDs...

3 Non-Communicable Diseases (NCDs) and Health Burdens:
   - General: NCD Alliance; Global Non-Communicable Disease Network; Healthy Cities Movement; Be Healthy, Be Mobile Initiative; Workplace Wellness Alliance...
   - Micronutrient deficiencies and under-nutrition: Global Alliance for Improved Nutrition; Micronutrient Initiative; Scaling Up Nutrition network;

First 1000 Days campaign; New Alliance for Food Security and Nutrition; Micronutrient Initiative; Flour Fortification Initiative; Iodine Initiative....

4 Maternal and Child Health: Every Woman Every Child; Partnership for Maternal, Newborn and Child Health; Alliance for Reproductive, Maternal and Newborn Health; Pink Ribbon Red Ribbon partnership; Sexual Violence Research Initiative; Coalition for Adolescent Girls; various pediatric vaccine initiatives...

COUNTRY-LEVEL STRUCTURES or NETWORKS

Many of the disease burden or patient specific global funds and platforms have country-level structures, affiliations and networks to coordinate and advocate with governments and donors, mobilize additional funding, technical and managerial resources, and facilitate delivery on-the-ground. A few examples include:

The Global Fund mobilizes financial resources for country-level programs, working through Country Coordinating Mechanisms, which are nationally appointed and consist of public and private actors. There are also some 30 Business Coalitions addressing AIDS at the country level;
The Scaling Up Nutrition Network operates through country-led coalitions in 57 countries, with the SUN Business Network having established national business networks in 11 countries; and GAIN is working with National Fortification Alliances in about 20 countries, with additional private sector support provided by the Amsterdam Initiative Against malnutrition and the GAIN Nordic partnership.
#1 MULTI-STAKEHOLDER INITIATIVES

Focused on coordinating diverse initiatives that mobilize public, private and philanthropic resources to catalyze the development of innovative market-based solutions and technologies, strengthen health policy and health systems, build capacity and voice of healthcare workers, improve humanitarian crisis response and/or spread responsible practices on access to healthcare.

- **General:** Global Health Council; Global Health Partnership; Alliance for Health Policy and System Research (AHPSR); International Medical Products Anti-Counterfeiting Taskforce (IMPACT); P4H – Social Health Protection Network

- **Vaccines and Immunization:** Gavi Alliance

- **Health Workers:** Global Health Workforce Alliance (GHWA); One million Community Health Worker Campaign; World Health Professions Alliance

- **Disease surveillance and control:** Global Outbreak Alert and Response Network; Innovative Vector Control Consortium

- **Product donations and humanitarian relief:** Partnership for Quality Medical Donations

- **Catalyzing innovation in new health technologies, products and services:** Health Enterprise Fund; Global Health Innovative Technology Fund (GHIT); Foundation for Innovative New Diagnostics; PSP4H (Private Sector Innovation Programme for Health); Global Innovation Fund (USAID, DFID, SIDA, Australia and Omidyar Network); PATH

- **Disaster preparedness:** HUMANITARIAN PLATFORMS

- **Business action:** BROADER HEALTH SYSTEM and OPERATIONAL-LEVEL, FINANCING and IMPLEMENTATION PARTNERSHIPS

### INDUSTRY LEVEL, BUSINESS-TO-BUSINESS ACTION

Business leadership groups or trade and industry federations and associations that bring together companies active in the healthcare sector and different parts of the health research and development, manufacturing, and delivery value chain as well as companies that have a potentially large health-related footprint (food and beverage, ICT, mining, apparel manufacturers etc.)

- **International Federation of Pharmaceutical Manufacturers and Associations (IFPMA)**

- **Guiding Principles on Access to Healthcare**

- **GBC HEALTH:** (Formerly the Global Business Coalition Against HIV, TB & Malaria)

- **International Food and Beverage Alliance**

- **Partners in Food Solutions**

- **GSMA Mobile for Development program**

### Examples of company-led financing and implementation partnerships

- John & Johnson Safe Kids Worldwide Initiative / Campaign for Nursing’s Future

- Merck Mectizan Donation Program / Merck for Mothers

- GSK Africa Malaria Initiative / GSK- Save the Children Partnership

- Pfizer International Trachoma Initiative / Diffusion Partnership Program

- Eli Lilly MDR-TB Partnership / NCD Partnership

- Novartis Africa Health Alliance / Malaria Initiative / Social Ventures

- Novo Nordisk Cities Changing Diabetes initiative

- Bristol Myers Squibb Secure the Future program

- AbbVie Neglected Diseases Initiative

- Abbott Tanzania Health Partnership / Improved Nutrition initiative

- BD Global Health Initiative / US Building Healthy Communities program

- GE Healthymagination / Sustainable Healthcare Solutions / Developing Health Globally program

- Bayer Contraceptive Security Initiative / NTDs program

- DSM Improving Nutrition Improving Lives initiative

- Unilever Sustainable Living Plan (Includes improving health and wellbeing as a core pillar)

- Danone Nutriways initiative / social innovation funds

- Nestlé Creating Shared Value model (nutrition, water and rural development)

- Dow Breakthrough Innovations platform

- BASF Accelerator Solutions in health and wellness

- Coca-Cola Wellness, Women and Water strategic goals

- IBM World Community Grid / Health Corps

- Vodafone, IBM and Novartis S4Ms for Life

- Google Google Earth health maps and surveillance / impact awards

- ExxonMobil Malaria Initiative

- BHP Billiton Sustainable Communities Initiative

- Sumitomo Malaria Bednets partnerships

- Abraaj Global Health Fund
The evolving partnership ecosystem for financial services for sustainable development

OBJECTIVES FOR PARTNERING

1. Dramatically scale the amount of funding for the SDGs and climate commitments: Leverage an additional US$3 to 6 trillion in new investment per annum from a combination of public, commercial and philanthropic sources of capital especially in key sectors (such as sustainable infrastructure, agriculture, health, education etc.), in high-risk locations (such as fragile states and locations most threatened by climate change) and in high-potential innovation clusters, corridors and cities (where there is potential for synergies, positive externalities and a greater multiplier effect than through individual projects).

2. Spread the integration of environmental, social and governance (ESG) criteria: Consider ESG risks and opportunities as well as financial ones in the design and delivery of financial products and services, investment analysis, decision-making and capital markets. And spread standards for public reporting on ESG performance by both corporations and financial institutions.

3. Promote longer-term horizons: Change regulations as well as fiscal and market incentives to reward patient capital and long-term performance as well as short-term results.

4. Improve financial transparency and accountability: Concerted and coordinated efforts are needed more than ever before to tackle corruption, money-laundering and tax evasion and avoidance, all of which seriously undermine efforts to achieve sustainable development. The financial sector has a crucial role to play in this area by embedding and spreading zero-tolerance standards for such activities in all financial services from consumer and commercial banking to asset management and capital markets.

5. Make financial products and services more inclusive: Improve access and affordability for lower-income households and communities and for small, medium and micro-enterprises (SMMEs) in the design and delivery of financial products and services (ranging from consumer and small business finance to more inclusive infrastructure funding).

TRANSFORMATIONAL CHANGE PLATFORMS

MULTI-STAKEHOLDER or INDUSTRY-LEVEL COLLECTIVE ACTION

Coalitions that aim to spread more responsible, inclusive and sustainable practices in the financial sector and transform capital markets

- Financial Stability Board: Established in 2009 to promote international financial stability, including work to develop requirements for climate-related financial disclosures.
- Carbon Pricing Leadership Coalition: Established in 2014, with support from some 74 governments and more than 1,000 corporations and financial institutions as well as business leadership networks, to advocate for effective carbon pricing policies.
- Sustainable Stock Exchanges Initiative: Established in 2009, partners include 48 exchanges in 52 countries, representing some 3,800 issuer corporations and $48 trillion in market capitalization.
- Principles for Responsible Investment: Established in 2006, signatories include 245 asset owners and 691 investment managers with about $59 trillion in assets under management. An estimated 63% of professionally managed assets are managed by PRI signatory investment managers, but just 19% of assets are held by PRI signatory asset owners.
- Equator Principles: Climate Principles and Green Bond Principles: Established by small groups of banks since 2008 to establish project finance adopted by 85 financial institutions in 35 countries and accounting for over 70 percent of international Project Finance debt in emerging markets.
- Carbon Principles; Climate Principles and Green Bond Principles: Established by small groups of banks since 2008 to establish project finance adopted by 85 financial institutions in 35 countries and accounting for over 70 percent of international Project Finance debt in emerging markets.
- Banking Environment Initiative: Established in 2010, now 13 CEOs of global banks focused on developing guidelines for sustainable banking and compacts on specific issues, such as deforestation (developed in cooperation with the Consumer Goods Forum).
- Emerging Market Private equity Association: Established in 2004 to promote role of private capital in emerging markets, now over 300 members including institutional investors, fund managers and industry advisors, who together manage more than US$1 trillion of assets and have offices in more than 100 countries.
- Global Impact Investing Network: Established in 2009, now a network of more than 200 asset owners, asset managers and service providers to spread awareness and good practice on investments made in companies, organizations and funds which aim to achieve social and environmental impact as well as financial returns.
- Global Banking Alliance for Women: Established in 2000 as a consortium of public and private financial institutions interested in promoting women’s access to finance, today about 46 banks, nonprofits, microfinance institutions and development finance institutions operating in 135 countries.
- Consultative Group to Assist the Poorest: Established in 2000 as a global partnership of 34 public and private organizations that seek to advance financial inclusion.
- Global Partnership for Financial Inclusion: Established in 2010 as an inclusive platform for all G20 countries, interested non-G20 countries, private and nonprofit stakeholders to carry forward work on financial inclusion.
- Alliance for Financial Inclusion: Established in 2011, as a knowledge network of central banks and other financial regulatory bodies in developing countries.
- Better Than Cash Alliance: Founded in 2012 as a global coalition of governments, private sector, and development organizations committed to moving from cash to electronic payments.
- GSMA Mobile for Development initiative: Created in 2010 to bring together mobile operators, the wider mobile community and development organizations to deliver mobile services with social impact to underserved populations. To-date 50 mobile operators have partnered with others on 104 initiatives across 49 countries.
- Wolfsberg Group: Created in 2000 as an association of thirteen global banks to develop frameworks and much for the management of financial crime risks, particularly with respect to Know Your Customer, Anti-Money Laundering and Counter Terrorist Financing policies.
- Extractive Industries Transparency Initiative: Created in 2002 by governments, oil, gas and mining companies, institutional investors, NGOs and international organizations, to spread standards for revenue transparency in resource-rich countries. To-date 45 countries have published data, disclosing more than $1.8 trillion in revenues.
### INNOVATIVE FINANCING MECHANISMS

#### #1 GLOBAL or SECTORAL ‘BLENDING FINANCE’ FUNDS and FACILITIES

Funds that combine public, private and/or philanthropic sources of capital and different risk appetites in order to achieve greater scale and societal impact.

**a) PUBLIC SECTOR-LED:** Funds anchored by public/donor finance that aim to make innovative use of concessional or non-concessional public funds to leverage private financing by de-risking investments; supporting technical assistance; promoting policy reform; and/or enhancing public goods and positive externalities. Examples include:

- **Climate and Green Growth Funds and Facilities:** Global Environment Facility and over 20 multilateral Climate Investment Funds and Initiatives (including the Green Climate Fund)…
- **Global and Regional Infrastructure Facilities:** Global Infrastructure Facility; IFC’s Global Infrastructure Fund and Infraventures; Public Private Infrastructure Advisory Facility (PPIAF); Power Africa…
- **Other Sector Funds (Health, Nutrition, Food Security):** Over 50 vertical, disease-specific global health funds (some with national coordination or implementation platforms); Global Agriculture and Food Security Program (GAFSP); New Alliance for Food Security and Nutrition…
- **SMME Funds:** Global SME Financing Facility; SME Finance Forum, including g-20 SME Finance Challenge; Microfinance Capacity Building Fund…
- **Inclusive business model challenge funds (mostly technical assistance and grant):** Africa Enterprise Challenge Fund; Business Call to Action; Global Innovation Fund; BMZ DevelopPPP.de; Dutch Good Growth Fund; DFID Trade in Global Value Chains Fund; USAID Global Innovation Ventures…

**b) PRIVATE SECTOR-LED:** Funds created by coalitions of private funders that attract different types of capital to deliver better sustainable development results as well as good commercial or financial returns. Examples include:

- **Breakthrough Energy Coalition:** Launched in 2015 by Bill Gates and other high-net worth investors to catalyze research and investment in clean technologies in electricity generation and storage, transportation, industrial use, agriculture, and energy system efficiency. Collaborating with a group of countries making major public research commitments aligned with the private investments via the Mission Innovation Initiative.
- **Catalytic Finance Fund:** Launched in 2014 by Bank of America, with an additional eight private and public financial institutions joining in 2015 to direct US$8 billion in capital for high-impact sustainability projects
- **Finance for Resilience Platform:** Initiated in 2013 by Bloomberg New Energy Finance and led by the Climate Policy Initiative, this open and action-oriented platform collects and helps to implement ideas to accelerate private finance for clean energy, climate and green growth.
- **responsAbility AG:** Established in Switzerland in 2003 as an asset manager making investments in development oriented SMEs. Partners include, founding partner Credit Suisse and currently Baumann & Cie., Raiffeisen Switzerland, Swiss Re Foundation, and Vontobel Beteiligungen AG.

#### #2 OPERATIONAL-LEVEL FINANCING and IMPLEMENTATION PARTNERSHIPS

Thousands of partnerships now exist between one or a small number of funders (commercial, philanthropic or public) and an individual company or project. These combine commercial capital, development finance/public funds and/or philanthropic funds to achieve more inclusive and/or more sustainable business models and value chains or to scale the reach and impact of corporate social investments and humanitarian programs. Examples include:

- IFC’s Inclusive Business Unit
- USAID’s Global Development Alliances
- GE Ventures and Sustainable Healthcare Solutions
- Citi for Cities Initiative
- Bank of America’s Environment Business Initiative
- Danone Social Innovation Funds
- Dow Breakthrough Innovations platform
- Abraaj Growth Markets Healthcare Fund
- Pearson Affordable Learning Fund
## Appendix 6

### The evolving partnership ecosystem for metals and mining

**CORE OBJECTIVES FOR PARTNERING**

Spreading responsible performance standards to identify and mitigate negative impacts of mining (human rights, water, waste management, reclamation etc.) – promote health and safety in mining – improve revenue and tax transparency – enhance socio-economic contribution and benefit sharing - increase local employment, job creation and skills development – improve local procurement and enterprise linkages – address climate change and energy efficiency – support artisanal and small-scale mining – strengthen shared infrastructure – improve dispute resolution and community engagement – enhance social investments

<table>
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<tr>
<th>INDUSTRY-LEVEL, PRECOMPETITIVE COLLECTIVE ACTION</th>
<th>COMMODITY-SPECIFIC ALLIANCES</th>
<th>SYSTEM-LEVEL, MULTISTAKEHOLDER INITIATIVES</th>
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| • International Council on Mining & Metals (ICMM): A coalition of 23 leading mining companies and 34 national and regional mining associations, to enhance the contribution of mining to sustainable development through public reporting on a common framework and identifying and sharing good practices. Together, ICMM’s members operate at over 950 sites in about 58 countries across the globe, excluding exploration activities, and are responsible for a significant percentage of global minerals and metals production. They employ approximately 800,000 of the 2.5 million workers in the formal mining industry. Through the 34 associations, ICMM is connected to another 1,500 companies in the sector. | • Aluminum Stewardship Council  • Better Gold Initiative  • Conflict Free Gold Initiative  • Conflict Free Tin Initiative  • Kimberley Process (for diamonds)  • Diamond Development Initiative  • International Cyanide Management Code  | • Extractive Industries Transparency Initiative (EITI): Overseen by representatives from governments, oil, gas and mining companies, institutional investors, NGOs and international organizations, EITI aims to spread standards for revenue transparency in resource-rich countries. To-date 45 countries have published f-data, disclosing more than $1.8 trillion in revenues.  • Voluntary Principles on Security and Human Rights (VPS): A coalition of about 50 oil, gas and mining companies, NGOs and governments, which implements principles and reporting requirements to ensure respect for human rights in the use of public and private security providers by participating companies.  • Responsible Mineral Development Initiative (WEC): A multi-stakeholder framework drawing on inputs from mining companies, NGOs and governments, and a focus on gold and diamonds  |}

### REGIONAL AND COUNTRY-LEVEL NETWORKS

- **National chambers of mining and commodity associations** – In many key producing countries linked to global commodity-specific platforms
- **Industry networks such as the Prospectors & Developers Association of Canada and the Multi-stakeholder Devonshire Initiative based in Canada** – also active in developing and spreading responsible business practices among their members operating globally.

Thousands of **PROJECT-LEVEL, FINANCING AND IMPLEMENTATION PARTNERSHIPS**, anchored by individual mining companies partnering with individual or small numbers of financial institutions, NGOs, government entities, donors or research institutes and focused on specific commodities, specific resource-rich regions and or mine sites and communities.
Endnotes

Foreword


4 http://www.ipnews.net/2001/01/development-globalisation-must-work-for-all-or-none-warns-annan/

Report


2 For a framework to think about ensuring that the various activities through which a company influences sustainable development are aligned to maximize positive outcomes for people see: Rees, Caroline (2017). Respect for Human Rights: Creating a Holistic Framework for Business Contributions to the SDGs. www.shiftproject.org

3 From Billions to Trillions: Transforming development finance post 2015 Financing for Development: Multilateral Development Finance. Prepared jointly by the African Development Bank, the Asian Development Bank, the European Bank for Reconstruction and Development, the European Investment Bank, the Inter-American Development Bank, the International Monetary Fund and the World Bank for the April 18, 2015 Development Committee Meeting.


6 2016 Edelman Trust Barometer. Although trust in business has improved since the global financial crisis and is higher than trust in government, it remains low in most countries, and there is a growing gap in attitudes between the informed public and mass population.

7 A core group of about 250 to 300 companies has played an active role over the past two decades, both as individual leaders (recognized by awards and ranking systems such as the Dow Jones Sustainability Index, Corporate Knights, FTSE4Good, the World Environment Center’s Gold Medal Award, Fortune Magazine’s “Change the World” rankings, Access to Medicines Index, Access to Nutrition Index, Behind the Brands, various UN and IFC award programs and the ACCA Awards for sustainability reporting) and as key members of the major corporate responsibility coalitions during this period. There was strong overlap, for example, in the corporate membership of the five business-led coalitions that spanned industry sectors and national boundaries and were described by Grayson and Nelson (2013) as “the global field-builders” that helped to promote and embed responsible practices into core business in the decade from 1991 to 2001. Namely, the World Business Council for Sustainable Development, the UN Global Compact’s LEAD group of companies, Business for Social Responsibility, the former International Business Leaders Forum, and CSR Europe. Likewise, many of the same companies have played a leadership role in the global development and sustainability-related initiatives of the World Economic Forum and of the International Chamber of Commerce and its affiliates.


10 Principles for Responsible Investment. Annual Report 2016. The PRI is an investor initiative in partnership with UNEP Finance Initiative and UN Global Compact


14 The UN Global Compact-Accenture Strategy CEO Study 2016


21 Ibid


25 Ibid.


35 For more information on inclusive business models see: IFC’s Inclusive Business website and the project-level partnerships and investments, publications and awards program supported by the IFC: http://www.ifc.org/wps/wcm/connect/Topics_Ext_Content/IFC_External_Corporate_Site/Inclusive+Business
36 Business Fights Poverty: www.businessfightspoverty.org
41 See the Partnering Alliance; Collaborate2030 and other partnership tools, frameworks and reports produced by The Partnering Initiative at
42 Among other frameworks and toolkits, TPI has also developed a five-level framework outlining the following actions that are needed to achieve partnership impact at scale: building capacity for individuals’ partnering skills; ensuring organizations are fit for partnering; ensuring collaboration reflects latest good practice thinking; investing in professional backbone systems to catalyze partnerships; and ensuring enabling partnering policy.
43 For information on partnership tools and training programs at these organizations see:
44 Why GISR? The Global Initiative for Sustainability Ratings. Launched in 2011, GSIR is an impartial multi-stakeholder initiative which aims “to drive transparency and excellence in environmental, social, and governance (ESG) research, ratings and indices to improve business performance and investment decision-making.” http://ratesustainability.org/about/
45 ACCA (2016) Mapping the sustainability reporting landscape: Lost in the right direction
46 One of the major challenges in comparing, analyzing and evaluating partnerships for sustainable development is the vast array of different partnership models and purposes, and the lack of any commonly agreed definition or set of principles or criteria for what constitutes an effective partnership. Numerous academic and practitioner organizations have proposed categorizations and criteria, but none of these frameworks are universally agreed upon, although many identify common lessons and success factors for building partnerships.
References


FSG. (2014). The Promise of Partnerships: A Dialogue between INGOs and Donors. FSG.


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Stadtler, Lea and Probst, Gilbert. (2012). How broker organizations can facilitate public-private


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Jane Nelson
Useful websites focused on partnerships for the SDGs

These provide tools and examples across diverse industry sectors, geographies and all the SDGs. In addition there is a growing number of sector-specific industry associations or platforms that focus on the relevance of the SDGs and examples of business leadership and partnership for a specific industry sector or in specific geographies or to address specific SDGs.

Partnerships for SDGs (Hosted by the United Nations)
https://sustainabledevelopment.un.org/partnerships/

Business and Sustainable Development Commission
http://businesscommission.org

SDG Compass (Supported the UN Global Compact, World Business Council for Sustainable Development and Global Reporting Initiative)
https://sdgcompass.org

SDG Industry Matrix (Supported by the UN Global Compact and KPMG)
https://www.unglobalcompact.org/library/3111

Business for 2030 (Supported by the United States Council for International Business)
http://www.businessfor2030.org

SDGs Zone (Hosted by Business Fights Poverty)
http://businessfightspoverty.org/blog/category/sdgs-zone/

SDG Guide (Hosted by the Sustainable Development Solutions Network)
https://sdg.guide

SDG Index and Dashboard (Supported by the Sustainable Development Solutions Network and Bertelsmann Stiftung)
http://www.sdgindex.org

SDG Philanthropy Platform (Supported by the Foundation Center, UNDP and Rockefeller Philanthropy Advisors)
http://sdgfunders.org

UN Foundation: Sustainable Development Goals Reports and Resources
http://www.unfoundation.org/features/globalgoals/the-global-goals-reports-and-resources.html

The Partnering Initiative
http://thepartneringinitiative.org
Corporate Responsibility Initiative  
Harvard Kennedy School  
79 John F. Kennedy Street  
Cambridge, MA 02138 USA  
CRIInitiative.org  
www.hks.harvard.edu/centers/mrcbg/programs/cri

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