Sustainability Partnerships

Also by the Authors:

BUSINESS LOGIC FOR SUSTAINABILITY: A food and beverage industry perspective *(by Aileen Ionescu-Somers and Ulrich Steger)*

THE INSIDER'S VIEW ON CORPORATE GOVERNANCE: The role of the company secretary *(Gertrud Erismann-Peyer, Ulrich Steger and Oliver Salzmann)*

INSIDE THE MIND OF THE STAKEHOLDER: The hype behind stakeholder pressure *(edited by Ulrich Steger)*

THE BUSINESS OF SUSTAINABILITY: Building industry cases for corporate sustainability *(edited by Ulrich Steger)*

MASTERING GLOBAL CORPORATE GOVERNANCE *(edited by Ulrich Steger)*

CORPORATE DIPLOMACY: The strategy for a volatile fragmented business environment *(by Ulrich Steger)*

THE STRATEGIC DIMENSION OF ENVIRONMENTAL MANAGEMENT: Sustaining the corporation during the age of ecological discovery *(by Ulrich Steger with Ralph Meima)*

FOREST RESTORATION IN LANDSCAPES: Beyond planting trees *(by Stephanie Mansourian, Daniel Vallauri and Nigel Dudley)*

CORPORATE SUSTAINABILITY MANAGEMENT IN THE ENERGY SECTOR *(by Oliver Salzmann)*

Sustainability Partnerships

The Manager's Handbook

Ulrich Steger

CSM Director, IMD, Lausanne, Switzerland

Aileen Ionescu-Somers

CSM Deputy Director, IMD, Lausanne, Switzerland

Oliver Salzmann

CSM Research Associate, IMD, Lausanne, Switzerland

Stephanie Mansourian

CSM Researcher, IMD, Lausanne, Switzerland

palgrave
macmillan

© Ulrich Steger, Aileen Ionescu-Somers, Oliver Salzmann and Stephanie Mansourian 2009

Softcover reprint of the hardcover 1st edition 2009 978-0-230-53981-5

Foreword © James P. Leape 2009

All rights reserved. No reproduction, copy or transmission of this publication may be made without written permission.

No portion of this publication may be reproduced, copied or transmitted save with written permission or in accordance with the provisions of the Copyright, Designs and Patents Act 1988, or under the terms of any licence permitting limited copying issued by the Copyright Licensing Agency, Saffron House, 6-10 Kirby Street, London EC1N 8TS.

Any person who does any unauthorized act in relation to this publication may be liable to criminal prosecution and civil claims for damages.

The authors have asserted their rights to be identified as the authors of this work in accordance with the Copyright, Designs and Patents Act 1988.

First published 2009 by
PALGRAVE MACMILLAN

Palgrave Macmillan in the UK is an imprint of Macmillan Publishers Limited, registered in England, company number 785998, of Houndmills, Basingstoke, Hampshire RG21 6XS.

Palgrave Macmillan in the US is a division of St Martin's Press LLC, 175 Fifth Avenue, New York, NY 10010.

Palgrave Macmillan is the global academic imprint of the above companies and has companies and representatives throughout the world.

Palgrave® and Macmillan® are registered trademarks in the United States, the United Kingdom, Europe and other countries.

ISBN 978-1-349-35979-0 ISBN 978-0-230-59468-5 (eBook)

DOI 10.1057/9780230594685

This book is printed on paper suitable for recycling and made from fully managed and sustained forest sources. Logging, pulping and manufacturing processes are expected to conform to the environmental regulations of the country of origin.

A catalogue record for this book is available from the British Library.

Library of Congress Cataloging-in-Publication Data

Sustainability partnerships : the manager's handbook /

Ulrich Steger...[et al.].

p. cm.

Includes bibliographical references and index.

1. Social responsibility of business. 2. Sustainable development.
3. Partnership. I. Steger, Ulrich.

HD60.S888 2009
658'.046—dc22

2008041053

10 9 8 7 6 5 4 3 2 1
18 17 16 15 14 13 12 11 10 09

Contents

<i>List of Tables</i>	vii
<i>List of Figures</i>	ix
<i>Notes on the Authors</i>	x
<i>Foreword</i>	xii
<i>Acknowledgements</i>	xiii
<i>List of Abbreviations</i>	xv
<i>Executive Summary</i>	xviii

Part I Sustainability Partnerships – Context and Key Findings

1	Sustainability Partnerships – An Introduction	3
1.1	Roadmap of the book	6
1.2	Background and study design	8
1.3	Conceptual framework and research questions	15
1.4	Method	16
1.5	Data	21
2	The Four Areas of Focus	53
2.1	Climate change	53
2.2	Sustainable food	58
2.3	Public health	64
2.4	Human rights and corruption	67
2.5	Common patterns and differences	71
3	Key Findings	81
3.1	The big picture	81
3.2	External ingredients – what helps, what doesn't	89
3.3	Organization – how partnerships are set up	96
3.4	Action – what partnerships do	103
3.5	Outreach – how partnerships boost their influence	113
3.6	Significance – what partnerships achieve	126
3.7	Internal ingredients – what works, what doesn't	137

Part II The Four Partnership Approaches

4	New Business Development	171
4.1	Reference partnership: Tetra Pak and a School Feeding Program in Nigeria	172
4.2	Set-up	174
4.3	Activities	176
4.4	Effects	181
5	Best Practices	188
5.1	Reference partnership: Business Leaders Initiative on Human Rights	188
5.2	Set-up	190
5.3	Activities	193
5.4	Effects	200
6	Quasi-Regulation	213
6.1	Reference partnership: The Marine Stewardship Council	213
6.2	Set-up	215
6.3	Activities	218
6.4	Effects	223
7	Advocacy	230
7.1	Reference partnership: The Climate Group	230
7.2	Set-up	233
7.3	Activities	235
7.4	Effects	239

Part III Conclusion

8	So What? – Some Nuggets for the Practitioner	245
8.1	The current and future role of sustainability partnerships	245
8.2	A practitioner's checklist: The ten do and don'ts of partnerships	252

<i>Appendices</i>	254
-------------------	-----

<i>Appendix A Interview guide: Sustainability partnerships (SPs)</i>	254
--	-----

<i>Appendix B CSM members</i>	258
-------------------------------	-----

<i>Index</i>	259
--------------	-----

List of Tables

1.1	Partnership approaches	10
1.2	The four areas of focus	14
1.3	Type of interviewee selected	17
1.4	Sampling dimensions	18
1.5	Project roadmap	21
1.6	Sampling frame – climate protection partnerships (final sample in bold)	24
1.7	Final sample of climate protection partnerships	24
1.8	Interviews in climate change partnerships	27
1.9	Interviews with experts and stakeholders (climate change partnerships)	28
1.10	Sampling frame – sustainable food partnerships (final sample in bold)	29
1.11	Final sample of sustainable food partnerships	30
1.12	Interviews in sustainable food partnerships	31
1.13	Interviews with experts and stakeholders (sustainable food partnerships)	31
1.14	Final sample of human rights partnerships	33
1.15	Interviews in human rights partnerships	34
1.16	Sampling frame: public health partnerships (final sample in bold)	35
1.17	Final sample: public health partnerships	35
1.18	Interviews in public health partnerships	36
1.19	Climate change partnership approaches and mission characteristics	37
1.20	Sustainable food partnership approaches and mission characteristics	40
1.21	Human rights partnership approaches and mission characteristics	41
1.22	Public health partnership approaches and mission characteristics	43
1.23	Final sample – partnership approaches	44
1.24	Final sample – partnership composition	47
1.25	Final sample – partnership level	48
1.26	Final sample – regional focus	50
3.1	Core activities – by partnership approach	111

3.2	Future focus – by partnership approach	112
3.3	Importance of measurement – by partnership approach	128
3.4	Quantitative and qualitative measures	131
4.1	Composition of new business partnerships researched	175
4.2	Sample core activities of new business partnerships	177
4.3	Measurement in new business partnerships	178
4.4	Roll-out activities in new business partnerships	180
5.1	BLIHR members	189
5.2	Composition of a selection of best practices partnerships from our sample	191
5.3	Core activities of a selection of best practices partnerships from our sample	193
5.4	The importance of measurement in a selection of best practices partnerships from our sample	195
5.5	Roll-out activities of best practices partnerships	198
6.1	Composition of quasi-regulatory partnerships	216
6.2	Core activities of quasi-regulatory partnerships	218
6.3	Measurement in quasi-regulatory partnerships	220
6.4	Roll-out activities of quasi-regulatory partnerships	222
7.1	Network of the Climate Group	232
7.2	Composition of advocacy partnerships	234

List of Figures

1.1	Roadmap of Part I	7
1.2	Partnership structure and context	12
1.3	Conceptual framework	16
1.4	Projected number of interviews	18
1.5	Study-specific approach to pre-structured cases	19
3.1	Partnership fundament and purposes	82
3.2	Issue and partnership life cycles	83
3.3	Example of NGO structure vs. company structure	146
3.4	Example of NGO structure vs. government structure	146
4.1	Roadmap of Part II	171

Notes on the Authors

Ulrich Steger

IMD – International Institute for Management Development, Chemin de Bellerive 23, P.O. Box 915, CH-1001 Lausanne, Switzerland. E-mail: Steger@imd.ch

Professor Ulrich Steger holds the Alcan Chair of Environmental Management at IMD and is Director of IMD's Forum for Corporate Sustainability Management (CSM). He is also Director of several major partnership programmes at IMD such as the DaimlerChrysler and the Allianz Excellence Programmes. He holds an Honorary Professorship for International Management at Technical University Berlin. Before joining IMD, he had been Minister of Economics and Technology in the State of Hesse and a member of the Managing Board of Volkswagen, in charge of environment and traffic matters and the implementation of an environmental strategy within the VW group worldwide. He has published extensively, most recently the book 'Inside the mind of the stakeholder'. (Palgrave Macmillan, 2006).

Aileen Ionescu-Somers

IMD – International Institute for Management Development, Chemin de Bellerive 23, P.O. Box 915, CH-1001 Lausanne, Switzerland. E-mail: aileen.somers@imd.ch

Since 2001, as Deputy Director of CSM at IMD, Dr. Aileen Ionescu-Somers has managed CSM and overseen several large-scale research projects (on, for example, the business case for sustainability and stakeholder views of corporate sustainability performance). Before IMD, she headed an international projects unit at WWF International, overseeing financing and operations of conservation projects globally. She was also programme manager for the Africa and Latin America regional programmes while at WWF. She holds a BA, MA, Higher Diploma in Education and PhD (business administration) from the National University of Ireland, and an MSc (Environmental Management) from Imperial College, UK. Her book on the business logic for corporate sustainability (food & beverage sector) was published by Palgrave Macmillan in 2008.

Oliver Salzmann

IMD – International Institute for Management Development, Chemin de Bellerive 23, P.O. Box 915, CH-1001 Lausanne, Switzerland. E-mail: Oliver.Salzmann@imd.ch

Until the end of 2007, Dr Oliver Salzmann was a research associate for CSM. He now works in the private sector, primarily in the area of solar energy solutions. He holds a Masters in Industrial Management from Dresden University of Technology. From 2001 to 2007, he conducted empirical research for IMD in diverse areas such as sustainable consumption in private households, the business case for corporate sustainability, quantification of sustainability benefits and stakeholders' perceptions and activities with respect to corporate social and environmental responsibility. An expert in corporate sustainability in the energy sector (oil & gas/utilities), he completed his doctorate on this topic in 2006.

Stephanie Mansourian

Chemin Mont d'Eau du Milieu, 1276 Gingins, Switzerland. E-mail: smansourian@infomaniak.ch

Stephanie Mansourian, a consultant in the fields of environment and development since 2004, has worked with the UNEconomic Commission for Europe (UNECE), United Nations Environment Programme (UNEP), WWF, International Centre for Trade and Sustainable Development (ICTSD), the World Conservation Union (IUCN) and IMD. Previously, she was on the staff of WWF, responsible for building and managing a forest landscape restoration programme. She has recently edited a book on restoring forest landscapes that re-groups the expertise of over 60 practitioners (Springer, 2005). Before WWF, she worked with the United Nations Conference on Trade and Development (UNCTAD) on support to micro-finance institutions in Central America. She has an MSc in Environmental Management from Imperial College (UK), and an MSc in Cognitive Science from Warwick University (UK).

Foreword

In the last few years, there has been a dramatic shift within the business community to understand that it, too, must address the environmental and social challenges confronting people and the planet. As this latest report on sustainability partnerships suggests, this critical movement has not yet been achieved by all but the direction is clear.

Through WWF's many engagements with the private sector, we are encouraged by the change in attitude of many chief executives and senior managers, who are increasingly aware that the future profitability of their enterprise is inextricably linked to a healthy environment and a stable society.

Some companies are at the vanguard of change and already demonstrating that it is beneficial to include environmental and social considerations into their business activities. However, these companies are still relatively few and, if we are to create a future in which human beings live in harmony with nature, these few must become many.

This handbook is a useful compilation of tools, examples and specific approaches to help companies move towards sustainability in partnership with their stakeholders. The scale of the risks facing the planet and the complex nature of the issues make it impossible for one entity – or one type of partnership – to serve as the sole model for moving forward. NGOS, like WWF, are involved in many different types of partnerships. Moreover, NGOs in general, including WWF, need to scale-up their partnerships with business if we want to be serious about tackling the scope and scale of the problems at hand. It is by learning from these joint experiences that we can perhaps craft better partnerships for tomorrow.

Further research into how to unlock the potential of these partnerships to deliver greater impacts for our environment and society is still desperately needed. WWF fully supports the pioneering work of IMD in engaging business in the development of new paradigms for sustainability. It is hoped that this latest publication will be widely distributed and help to encourage other businesses to follow the example of the current industry leaders, who are striving to create a more sustainable future.

JAMES P. LEAPE
Director General
WWF International

Acknowledgements

A lot of thanks are due to a large number of people for their contributions to this book. This long-term research effort would certainly not have been possible without the continuing support – both financially and in terms of benchmarking the results – of the member companies of the Forum for Corporate Sustainability Management (CSM) of IMD and of IMD itself as the co-financier. We are especially grateful to all long-term partners of IMD, and appreciated in particular the special access that we were granted to interviewees at not only our member companies, but also at WWF and Amnesty International, with whom CSM has collaborated on several occasions. We should also like to thank Gilbert Lenssen and Simon Pickard of the European Academy for Business in Society (EABIS) for the support they have given and will give in bringing this book and other past efforts to the attention of both academia and business managers. We are extremely indebted to our Advisory Board, who was extremely helpful in discussing with us the essence of the fast-moving partnership universe and the sometimes contradictory findings: Dominic Atkins and Sarah Samson of Novartis, Juan Valero Gonzalez of Syngenta, Jan-Kees Vis of Unilever, and last but not least John O'Reilly and Mary Mayenfisch-Tobin of the Business Group of Amnesty International.

We would also like to thank our editing team at IMD (in particular, Anita Hussey, Lindsay McTeague and Michelle Perrinjaquet), as well as John Evans the IMD senior librarian and his team at the IMD library. We appreciated the exceptional support we got from IMD's R&D department and thank not only Petri Lehtivaara, the R&D Department manager but also IMD faculty Stuart Read and Benoît Leleux in particular. Professor Peter Lorange who recently retired as President of IMD is warmly thanked for his lasting support of CSM over many years and Professor John Wells is also acknowledged for lending much needed support to CSM as IMD transitions to a new phase of its development. Last but most certainly not least, our thanks go to our project coordinator of CSM, Kay Richiger for contributing all manner of logistical and administrative support for CSM Forums, Advisory Council Meetings and so on. Elaine Holt, CSM assistant, is warmly thanked for her enthusiastic contribution to streamlining the book as we prepared it for publishing.

It is our fervent hope that this book will find the same interested readership amongst managers, academia and the sustainability community in general as our previous efforts.

Ulrich Steger
Aileen Ionescu-Somers
Oliver Salzmann
Stephanie Mansourian

List of Abbreviations

2°	ACHAP 2° – German CEOs for Climate Protection
ACHAP	African Comprehensive HIV/AIDS Partnerships
AIDS	Acquired Immunodeficiency Syndrome
ATM	Access to Medicine
BLIHR	Business Leaders Initiative on Human Rights
BRIC	Brazil, Russia, India and China
BSE	Bovine Spongiform Encephalopathy ('Mad Cow' disease)
CDC	Centers for Disease Control and Prevention
CDM	Clean Development Mechanism
CDP	Carbon Disclosure Project
CEO	Chief Executive Officer
CER	Certified Emission Reduction
CIAA	Confederation of the Food and Drink Industries in the EU
CIAT	International Center for Tropical Agriculture
CL	Control Language
CSM	Forum for Corporate Sustainability Management
CSP	Corporate Sustainability Partnership
CSR	Corporate Social Responsibility
CSSP	Cross-Sector Social-Oriented Partnership
DTI	UK Department of Trade and Industry
EHS	Environment Health & Safety
EIA	Energy Information Administration
EISA	European Initiative for Development in Sustainable Agriculture
EITI	Extractive Industries Transparency Initiative
EPA	United States Environmental Protection Agency
ERU	Emission Reduction Unit
ETG	UK Emissions Trading Group
EU	European Union
EU CLG	European Union Corporate Leaders Group
EU ETS	European Union Emission Trading System
F&B	Food and Beverage
F4H	Food for Health
FIND	Foundation for Innovative New Diagnostics
FSC	Forest Stewardship Council

FTSE 100	Financial Times Stock Exchange 100 Index
FTSE 250	Financial Times Stock Exchange 250 Index
GAIN	Global Alliance for Improved Nutrition
GDP	Gross Domestic Product
G8	Group of Eight
GGFR	Global Gas Flaring Reduction
GHG	Greenhouse Gas
GHHP	Global Health through Hygiene Programme
GMO	Genetically Modified Organism
GNP	Gross National Product
GPMDG	Green Power Market Development Group
GRI	Global Reporting Initiative
GS	Gold Standard
GTZ	Deutsche Gesellschaft für Technische Zusammenarbeit GmbH (German Society for Technical Co-operation)
HIV	Human Immunodeficiency Virus
ICMM	International Council on Mining and Metals
ICRC	International Committee of the Red Cross
IETA	International Emissions Trading Association
IFPMA	International Federation of Pharmaceutical Manufacturers and Associations
IGO	Intergovernmental Organization
IMD	International Institute for Management Development
IPPC	Intergovernmental Panel on Climate Change
IPR	Intellectual Property Rights
JI	Joint Implementation
KPI	Key Performance Indicator
MDG	Millennium Development Goal
MMV	Medicines for Malaria Venture
MOU	Memorandum of Understanding
MSC	Marine Stewardship Council
MVN-A	Merck Vaccine Network-Africa
MW	Megawatt
NGOs	Nongovernmental Organizations
OECD	Organisation for Economic Co-operation and Development
OPEC	Organization of the Petroleum Exporting Countries
OXFAM	Oxford Committee for Famine Relief
PACI	Partnering Against Corruption Initiative
PPP	Public-Private Partnership
PR	Public Relations

RBM	Roll Back Malaria
RCI	Responsible Commodities Initiative
R&D	Research & Development
SA	Sustainable Agriculture
SAI	Sustainable Agriculture Initiative
SAN	Sustainable Agriculture Network
SARS	Severe Acute Respiratory Syndrome
SFL	Sustainable Food Laboratory
SP	Sustainability Partnership
STRI	Smithsonian Tropical Research Institute
SUV	Sport Utility Vehicle
TFDA	Tanzania Food and Drugs Authority
TI	Transparency International
UK	United Kingdom
UN	United Nations
UNCAC	United Nations Convention Against Corruption
UNEP	United Nations Environment Programme
UNICEF	United Nations Children's Fund
US	United States
USCAP	United States Climate Action Partnership
VCS	Voluntary Carbon Standard
VP	Voluntary Principles
WBCSD	World Business Council for Sustainable Development
WEF	World Economic Forum
WHO	World Health Organization
WRI	World Resources Institute
WSSD	World Summit on Sustainable Development
WSUP	Water & Sanitation for the Urban Poor
WWF	World Wide Fund for Nature

Executive Summary

SUSTAINABILITY PARTNERSHIPS – A CASE OF THE EMPEROR’S NEW CLOTHES OR NOT?

The empirical research we present in this book is the last building block of an ongoing effort to ‘crack the case’ for corporate sustainability by the Forum for Corporate Sustainability Management (CSM), a research platform at the International Institute for Management Development (IMD) business school in Switzerland. The aim of CSM is, through rigorous empirical research, to shed more light on how global companies live up to social and environmental responsibilities expected of them by different stakeholders above and beyond their economic performance (whether you call this Corporate Social Responsibility (CSR), Triple Bottom Line, Corporate Citizenship, or any other of the many different labels that have been variously plastered on this area of corporate activity).

The ‘Trilogy’ kicked off during the 2002–2003 CSM research cycle, when our member companies (see Appendix B) asked us to look into the question of the business case for corporate sustainability: What is the economic logic behind integrating social and environmental criteria into the core business model? What ‘room to manoeuvre’ do companies have when it comes to corporate sustainability management and what are the key success factors? Moreover, what can be done to fully exploit the business case?¹ We carried out extensive interviewing of business managers and complemented this with surveys, which allowed us to put together an ‘inside-out’ perspective on corporate sustainability management. The key findings were relatively sobering: Apart from the fact that there were major mindset and knowledge barriers to rolling out sustainability strategies within firms, lack of interest in corporate sustainability by key stakeholders meant that corporate sustainability management (beyond compliance) still remained of relatively low importance in companies, and was regarded by managers as rather secondary to ‘mainstream’ concerns – relevant enough to be managed professionally, but certainly not a ‘make it or break it’ consideration for the foreseeable future.

In a logical progression from these findings, for the following research cycle in 2004–2005, our member companies asked us discover

more about what key stakeholders were thinking about corporate sustainability, how they measure related performance, and how their perception of corporate sustainability performance was guiding their actions (and therefore, what we call more of an ‘outside-in’ approach). We looked at nine different stakeholder groups – from the investment community to non-governmental organizations (NGO) – and we even included a study on the media as a major transmission belt for stakeholder views and concerns. This project largely confirmed the bottom line learning from our first study on the business case²: Key promoting stakeholders, such as NGOs and consumer organizations, felt that they did not have the leverage to accelerate corporate action beyond the incremental steps currently being taken, and deterring agents continued to be customers/consumers and investors (although these environments are undergoing interesting and dynamic change in positive directions for sustainability development – the continued growth of responsible investment portfolios for example – it is still by far not enough to push mainstreaming).

Upon concluding this project, we felt that to cover the full waterfront, a key element was still missing. Since the World Summit on Sustainable Development (WSSD) in 2002, partnerships (particularly public–private partnerships) have become a fashionable, and often preferred, approach to tackling social and environmental issues. In both pieces of research mentioned above, we noted that the most proactive companies were embarking on all kinds of such partnerships: Industry coalitions, with public authorities and/or NGOs, and so on. Indeed, the term ‘public–private partnership’ and its acronym, PPP, have of late practically become buzzwords in their own right, just as prevalent nowadays in the corporate executive’s vocabulary as the ubiquitous CSR. Bring the two together and you get what, exactly? This is the question we sought to answer in this book on corporate sustainability partnerships.

For the 2006–2007 research cycle, our CSM members wanted to learn more about the universe of partnerships involving companies which has been rapidly developing over recent years. What are the objectives? How are they working? What is the perceived impact of their activities by the participants in the partnerships? There are many books and articles with nicely illustrative examples of this relatively new generation of PPPs with a sustainability objective. And, the vast majority are full of praise. However, as we moved through a comprehensive literature review, we started wondering about the extent to which the literature about corporate sustainability partnerships was

window-dressing (remember... ‘Oh, how splendid are the Emperor’s new clothes. What a magnificent train!’). Because in the literature, there are virtually no works that comprehensively scrutinize the perceived effects across such important dimensions as organizational culture and knowledge management practices, entire business systems, and, ultimately, on the social and environmental dilemmas that the plethora of current partnerships are designed to address. Is there too much media hype and reporting about their successes?

The results of our efforts are now presented in this last book of our ‘Trilogy’. What the reader will find herein adheres to a tradition for transparent methodology established by CSM research since 1995: A sober empirical approach, primarily focused on relevance for our member companies, trying to identify patterns, the ‘big picture’, emerging trends, and finally, framing it in a comprehensive book (luckily, at IMD we do not need to maximize the numbers of ‘smallest publishable units’). The research presented in this book differs from previous efforts in only two ways. First, whereas in the initial case we worked with a team of doctoral students in addition to CSM’s core team, this time we relied on extremely experienced interviewers from IMD’s research staff, and one external interviewer with hands-on experience of working with NGOs and multilateral agencies. Second, whereas we complemented interviews with surveys in our two previous studies, for various reasons explained in the methodology section, we made this a fully qualitative study.

The book focuses on a number of partnerships identified under the broad themes of climate change, sustainable food, human rights/anti-corruption, and public health; all extremely topical and complex subjects. Note that climate change was one of the most newsworthy subjects of the year in 2007, and was still holding its own in 2008, although being rapidly supplanted by looming world hunger in terms of media attention intensity. Indeed, because of the relatively new struggle between food production for food or fuel, and the increasing demand for resources from up-and-coming mighty nations such as India and China (leading to food shortages worldwide), the issues of sustainable food and climate change are becoming even more intimately interlinked than before. We also ensured that we covered various types of partnerships; and thus, we looked at four partnership types: New business models, quasi-regulatory solutions such as certification initiatives, efforts to raise the bar by promoting best practices, and finally advocacy partnerships.

By directly interviewing multiple participants involved in corporate sustainability partnerships, we were able to examine perceived overall effects, be they social, environmental, tangible, intangible, or just simply unexpected. We also asked our respondents about the potential for rollout (for ‘mainstreaming’ of activities), and discussed promoting factors and barriers in achieving replication effects. We looked at structures and activities of partnerships, but also scrutinized what internal or external factors were preventing, or promoting, successful activities within partnerships. We also analyzed key events that may have had negative or positive influences on the capacity of partnerships to achieve their objectives.

To sum up our findings is a challenge – primarily owing to the sheer diversity and somewhat ‘tailor-made’ nature of partnerships, which renders making generalizations difficult. Clearly, all partnerships had problems and dilemmas that were specific to their issues, or their own particular set of circumstances or complexity. Although some comments can nevertheless be made on the highest level, the real value of our book is as a manager’s handbook and guide for specific types of partnership. Interestingly, as we consolidated the research, we realized that what we had construed was a collection of ‘do and don’ts’ for managers of companies embarking on sustainability partnerships (the ‘A to Z’ of partnerships). As such, the results of this study are useful to managers from both an issue (how do partnerships help us to tackle this issue?), and a partnership type (which types of partnership are most effective?), perspective. This is no trivial offering; our research very clearly demonstrated that the area of corporate sustainability partnerships is not one where the average corporate executive feels within his or her comfort zone. Therefore, we encourage the reader to delve into the details of the book, in order to get fullest added value.

The bottom line: do partnerships perform?

As always, it depends on the benchmark being used. Having carried out the extensive research on partnerships presented here, we take a much more sceptical view than the many CSR/sustainability enthusiasts that present partnerships as a panacea for resolving complex sustainability issues. The limitations, as identified in this study and described in this book, are far too flagrant. However, if one takes a more realistic view and asks whether partnerships lower internal barriers and raise awareness of stakeholders somewhat, then the answer is clearly much more positive.

What struck us most of all was the seemingly opportunistic manner in which corporations generally approach partnerships. While global companies apply a highly strategic approach to all other areas of their business, the same does not always appear to be true for the corporate sustainability partnership. Opportunism may, in itself, lead to still more opportunities (multiplication effects), and can bring its own benefits in terms of ‘jumping on the bandwagon’ when there is optimum interest easing involvement of key players. However, for those partnerships that had not been stringently planned in advance of their formation, we found this to be the majority, or entered into as a result of strategic discussion and review, the ultimate realization of partnership ambitions is greatly hindered by a lack of a cohesive strategic approach, sometimes ‘well down the road’ into implementation. From composition of the partnerships, involvement of ‘the right’ partners (be they corporate, government, NGOs, or other institutions), and establishment of clear governance structures, even down to what should be a ‘no-brainer’ issue of having clear missions and objectives from the outset, many of the initiatives that we looked at were losing momentum because of failings in these areas.

We noted minor perceived effects on the corporate bottom line with strongest effects on the cost side (however, relative to the big picture, these savings were in most cases perceived as marginal). Only in cases where measurement was optimal, and involvement was long-term, did we find that significant implications on the bottom line had been felt, and duly documented. The business relevance of acting on sustainability issues through partnerships (that is, the clear effect, direct or indirect, on the corporate bottom line) is, therefore, not always significant enough to accelerate related corporate action enough for the achievement of a short-to-medium-term goal of truly sustainable development. Corporate approaches, therefore, remain incremental; steady and purposeful, it is true, but nevertheless inevitably leading to more long-term than short-term solutions.

The main bottom line of our research is that, by leveraging new managerial and technical capacity to improve management results, most partnerships primarily affect intangible areas, such as knowledge levels, mindsets of managers, and corporate cultures. And the good news is that this produces a knock-on effect on organizational behaviour. All partnerships studied were contributing to improved license to operate, brand and reputation; and to building trust with corporate stakeholders such as regulators, NGOs, etc. There were also knock-on effects on policy that should not be underestimated.

However, partnerships we studied were having very limited direct influence on corporate business strategies, organizational structures, or day-to-day operations. Other than in the best practices partnerships category, neither does involvement by companies in sustainability partnerships appear to bring technology payoffs. And even those as a result of best practices were still perceived as weak. The effects on the industry, and business systems as a whole, were generally not viewed as being significant by corporate players either. We found scant ground-breaking developments in new corporate business models (other than the growth of niche markets), or products. However, it may well be that a direct effect on mindset and culture within firms is influencing all these areas indirectly. This is difficult to assess, and we can only go on 'gut feel', as well as that of our interviewees. Overall, to put it bluntly, we came away from this research convinced that corporate organizations and executives were still at the lower end of the learning curve in this arena.

We observed relatively limited direct effect of sustainability partnerships on sustainability issues, *per se*. Although the objective of partnerships around sustainability is to have ultimate impact on the social and environmental problems they are addressing, practically no corporate participant told us that the primary effects were at this level. We noted that for many partnerships, activities are, for the moment, mainly about picking low-hanging fruits. We deduced this because companies were clearly not struggling to reach the targets they had set in many cases. We also noted that it was, in any case, difficult to demonstrate true causality in these areas.

Moreover, companies in general appear ill-equipped to deal more aggressively with these relatively new (for them), and complex sustainability issues. For companies, when it comes to corporate sustainability, it is often a question of setting the right priorities. Putting the requisite managerial and technical resources into the task of 'moving mountains', within a sustainability partnership, is a difficult move to explain to shareholders. Moreover, there is only so much that can be achieved at a grassroots level, since developing best practices and aligning organizations behind them is such a resource intensive exercise – involving a large and diverse network – that companies would require considerably more incentives from their stakeholders (including regulators) to dedicate that level of support.

Overall, we also found that, despite the hype around the subject, expectations of partnerships by companies remained relatively low, while the expectations of other stakeholders, such as NGOs, tended to

be much higher, (this is primarily because NGOs are driven by single issues). Our NGO interviewees often expressed a frustration with the lack of significant progress; the only exception being the quasi-regulatory initiatives, where substantial headway had sometimes been made (although, it must be admitted, sometimes on an extremely local level – the Marine Stewardship Council being one of the exceptions to this).

Advocacy, we noted, has more far-reaching effects directly on issues. It is a step that in any case follows logically from capacity-building – a focus of all four of the partnership approaches that we looked at. Advocacy partnerships influence the public and political debates, and bring significant contributions to legislative processes; thus, when successful, they manage to change the rules of the game for all, and level the playing field. Also, participating in an advocacy initiative requires a minimum level of expertise dedicated to the task. As a result, dedicated resources in the case of advocacy partnerships appeared to be more adequate and appropriate, at least in the cases we examined.

While participants recognized measurement as a key element essential to the activities of a partnership, too few initiatives had, as yet, put into place a measurement apparatus that was considered credible and, above all, accessible to all participants. The area of climate change, as also the quasi-regulatory partnerships are considerably more evolved in this respect (in light of the available emission inventories, and third-party audited emission reductions or certification efforts). Establishing key performance indicators (KPIs) has been at times a very challenging prospect (reaching agreement not being an easy task). Overall though, many partnerships are so distracted by the process of gaining consensus on missions, issues, and objectives, that measurement is still a poor second. And, where it is a priority, measuring progress on certain intangible aspects (such as organizational culture and performance ‘on the ground’) is resource-intensive and complex. Also, where adequate measurement is in place in pilot initiatives, transmission of information is often an additional barrier. When participants do not have access to key data, and thus learning, in order to join in rollout strategies, moving closer to the aim of mainstreaming becomes an increasingly distant prospect.

This brings us to the matter of the activities and resources of partnerships. In some cases, we noted that it would be essential for some of the partnerships we scrutinized to ‘get back to the drawing board’, and to ask themselves whether they have everything in place to ensure

that they can facilitate and accelerate the achievement of the partnership objectives. For partnerships in general, a constant questioning process is in order; partnerships must remain dynamic; and, as the external and internal framework changes, they must also change. How many times did we find a partnership that needed to question again whether it still had the right members on board, whether the governance system was effective or functional, whether there was a 'fit' between resources and objectives? Yet, often that same partnership was balking at the prospect of actually doing something concrete about what was generally a recognized problem. Overall, many partnerships we looked at were very substantially under-resourced, considering the very ambitious objectives they had set themselves. To return to The Emperor's Clothes analogy, 'cut the cloth according to the measure' is one simple message that we bring to managers and other stakeholders from our research on partnerships.

Internal factors that impede progress in partnerships are mainly related to the complexity of the issues under consideration (the issues being addressed by the Sustainable Food Laboratory (SFL) are testament to this), the diversity in the agendas of participants (thus shared interest and commitment is difficult to come by), and the degree of visibility – either internal or external – that the partnerships must have at different times in their maturing processes. From an external point of view, lack of government interest and involvement (and thus, lack of supporting regulatory regimes), lack of demand from key stakeholders such as customers/suppliers, and insufficient scale (relative to the objectives), are all contributing factors to the barriers that partnerships face. In best practices partnerships in particular, where coordination and information sharing is key, lack of inspired and dynamic correctly targeted leadership was a constant shortcoming that was holding partnerships back from achieving outreach with some of their most laudable pilot project initiatives.

All, however, is not entirely negative, by any means. On a few occasions, we came across partnerships that literally leapfrogged once one of these key barriers was broken down. But, for us it was interesting that each time, struggling partnerships looking to take a giant step forward had learnt virtually nothing from already existing partnerships (not only those outside their field, but also within); each time they had gone through the pain of a long-drawn out, hands-on learning process. This is in spite of the fact that much has been written about some of the most high profile partnerships. Could it be that the literature surrounding partnerships fails to 'show the leopard, spots

and all', and does not illustrate the pitfalls, shortcomings, and real challenges of the initiatives – preferring instead to present a rather biased, optimistic view, aimed at attracting corporations by lauding them from all angles? This is why we feel our book might prove to be so useful.

Many in the field of sustainability/CSR point to partnerships as a sort of panacea to the world's sustainability problems. Our research indicates that although a panacea they are not, partnerships do bring a level of learning to all sides that eventually leads to internal changes in companies, and other organizations; and that makes much more open debate and experimentation possible in an increasingly complex world. They also promote a cross-fertilization of expertise and experience which would otherwise not be possible. As indicated, climate protection partnerships appear to play a very specific role in the universe of partnerships, mostly owing to the high public and political awareness around this issue, especially at the time of our data collection (most notably around the G8 in Heiligendamm, the latest IPCC (Intergovernmental Panel on Climate Change) assessment reports, and the Bali Climate Conference). Climate change is the only area in which we found a set of advocacy partnerships, for example. These partnerships have clearly contributed to resolving a catch-22 situation between the corporate sector and the public sector. In this sphere, it is very apparent that governments are uncertain about whether, and how, to introduce climate change policies, whereas companies are concerned about regulatory uncertainty and competitiveness.

For the vast majority of sustainability partnerships, a leading question remains. Primarily the lack of strategic corporate intervention in partnerships makes us wonder whether the objectives of many partnerships will ever be attained, as long as corporations do not 'put their money (and other resources) where their mouths are' and approach partnerships as they would any other corporate project. Although partnerships around sustainability concepts are a relatively new 'animal', the time will eventually come for most partnerships to ask themselves some hard questions about their continued existence. Our concern is that many partnerships are often loath to disband once objectives have been achieved, or have been proven not to be capable of achieving their objectives owing to various factors. The hesitation of participants in partnerships to be 'party poopers' is that there are different and interesting side-benefits to being a member of these initiatives (other than the achievement of the objectives, *per se*). For corporations, these might be improved stakeholder knowledge,

increased awareness and learning within companies and, let's face it, improved reputation and image benefits. For NGOs, it might be the platform that partnerships provide to have a non-confrontational discussion with companies; once ground has been won at this level, it is difficult to sacrifice the fruits of a sometime hard-won investment.

At the end of the day, though, it will be necessary to break down the myths surrounding some partnerships and 'call a stone a stone'. Remember that little boy in the story who, after contemplating the perplexing scene of subjects raving about the naked Emperor's lavish 'clothes', finally cried out 'But he's not wearing anything at all...!'

Notes

1. Steger U. (Ed.). 2004. *The business of sustainability: Building industry cases for corporate sustainability*. Hampshire, UK: Palgrave Macmillan.
2. Steger U. (Ed.). 2004. *Inside the mind of the stakeholder: The hype behind stakeholder pressure*. Hampshire, UK: Palgrave Macmillan.