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The Promise and Challenge of Corporate – NGO Partnerships

How global companies can contribute to community development

by Aaron Steeghs
Canadian Business for Social Responsibility (CBSR)

For Canadian companies operating overseas, particularly in the developing world, expectations for corporate social responsibility (CSR) have never been higher. However, what constitutes CSR in countries like Cameroon or Nicaragua is very different than in places like Canada or Norway. In the Global South, where socio-economic conditions are poor and government institutions are weak (or corrupt), there is increasing international pressure on global companies to go beyond their business obligations and in-country legal requirements. As a result, companies are frequently finding themselves in the role of community development practitioners and being asked to provide services that have traditionally been the responsibility of governments and, in the absence of government, of development NGOs.

One of the problems with companies taking on these new roles is their lack of experience and expertise in such work. Consequently, many companies are starting to turn to NGOs for assistance in the delivery of development services. Bob Carreau, of Canadian mining company Breakwater Resources Ltd., describes the development challenges at his company's operations in countries like Honduras and Chile: "We are actively participating in the development process in the communities where we operate, but we are miners, not development experts. We need support and expertise if we want to make our community contributions more sustainable."

The World Wildlife Federation (WWF) has been one of the NGOs blazing the trail in NGO-business relationships. Known primarily for its conservation initiatives, WWF has partnered with companies like HSBC, Lafarge, Johnson & Johnson, and Coca-Cola to improve their environmental performance. And while there are many more examples of environmentally-oriented

relationships between corporations and NGOs, far fewer instances of development-related partnerships can be found. Canadian mining giant Barrick Gold's partnership with World Vision Canada is one of a small handful of examples of joint poverty reduction strategies that have been initiated by corporate-NGO collaborations.

So why haven't we seen more partnerships for community development? On the surface, NGO-business partnerships seem like an easy win-win situation. Companies have the resources and are willing participants in development, while NGOs bring expertise and legitimacy. Building cross-sector partnerships, however, is a resource-intensive activity that involves overcoming significant cultural and organizational barriers before value can be created.

Marketa Evans is the Director of Strategic Partnerships for Plan Canada and founder of the Devonshire Initiative, a pilot project designed to bring together Canadian mining companies and development NGOs. Their ultimate goal is to encourage companies and NGOs to work together to improve social and community development outcomes wherever Canadian mining companies operate overseas. As one of the leading thinkers in Canada on business-NGO relationships, Evans believes that partnerships can be a constructive approach to solving important development challenges, but she is also quick to note that most people underestimate the challenges associated with such an undertaking.

"Relationships, even between two companies, take a long time to build, even longer when you consider the cultural gap between NGOs and corporations." Traditionally, there has been a significant degree of mistrust between the two groups and partnering with companies can be perceived as a potential risk to an NGO's brand. For most non-profits, "reputation is everything", notes Evans, and partnering with a multinational corporation means associating your brand with theirs. Similarly, companies are not sure what to make of joining forces with an NGO, which in recent years may have been their greatest critic.

Challenges like these have kept NGOs and business apart for years, but experts like Evans believe that this is changing. "Considering the potential,

there are still a limited numbers of partnerships, but we are starting to see exciting new possibilities emerge, new ways of thinking, new ways of approaching development and tackling poverty." A lot of work is needed before partnerships can create value, but more and more organizations – both businesses and NGOs – are now willing to take that step. Partnerships are changing the way we approach development as well as the way we think about business. Although the model remains relatively untested, it is gaining momentum and is being watched closely by industry, non-profits, and academics alike. ✦

Aaron is a CSR (Corporate Social Responsibility) Advisor based in CBSR's Toronto office. Aaron's work in the field has included stakeholder mapping and engagement, CSR performance measurement and reporting, CSR employee training and NGO-business partnership development for community investment.

Before entering the CSR and extractive sectors, Aaron worked for the field of community development and research in Canada and Latin America. He was Director of Research for two university-based research teams and a Project Analyst for the Center for Research, Education and Development in Lima, Peru. His work and volunteering have taken him from the Caribbean and the Andes to East Asia, Eastern Europe and the Canadian Arctic. Aaron holds a BA in anthropology from St. Francis Xavier University, a Masters in international development from Dalhousie University and an International MBA from the Schulich School of Business.

Founded in 1995, CBSR is a business-led, non-profit CSR consultancy and peer-to-peer learning organization that provides its members with candid counsel and customized advisory services as they formulate powerful business decisions that improve performance and contribute to a better world. <http://www.cbsr.ca/>

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