

# Executive summary

The United Nations Global Compact, the world's largest voluntary corporate citizenship initiative, has partnered with Dalberg Global Development Advisors, a strategy firm in the field of global development, to identify a group of non-profit social actors (including civil society organizations, bilateral development agencies and UN Agencies/Funds/Programmes) who have proven competence in partnering with companies.

The work was conducted in collaboration with a strong set of supporters, spanning some of the most highly regarded players in the corporate citizenship sector, including Business for Social Responsibility (BSR), International Business Leaders Forum (IBLF), American Chambers of Commerce, International Chambers of Commerce (ICC), World Bank Institute (WBI), World Business Council on Sustainable Development (WBCSD), and CSR Wire.

Dalberg created and distributed a survey to more than 20,000 companies worldwide to collect data on their partnership experiences with social actors. We received 865 valid partnership ratings from 445 companies, who rated social actors on the basis of their accountability<sup>1</sup>, adaptability<sup>2</sup>, execution<sup>3</sup>, and communication<sup>4</sup> (for further details see the methodology for the profiling reports). Upon careful analysis of the responses, the following salient findings emerged:

## **Most respondents either currently partner with NGOs/UN agencies or intend to partner in the future**

Almost two thirds of respondents (61%) had engaged in partnerships with social actors over the past 3 years. An overwhelming 88% of companies without prior partnership experience voiced interest in doing so in the future. The 12% of inexperienced companies that did not express interest cited absence of common areas for partnership.

## **Companies believe that partnerships with NGOs and UN agencies are increasing in importance**

The vast majority of companies agree that partnerships will gain in importance in the future.

More precisely, 73% of all respondents concluded that corporate partnerships would be important or extremely important<sup>5</sup> for their **own** company over the next 3 years, and about 61% of respondents indicated that corporate partnership would be “important” or “extremely important” for the **market** as a whole.

Companies with prior partnership experience were more bullish about the future importance of partnerships, reflecting positively on their experience partnering with social actors.

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1 The partner's dedication to upholding a strong relationship with the company it has partnered with.

2 The partner's capacity to understand and utilize the strengths and weaknesses of your organization to work towards a common objective.

3 The partner's ability to transform plans and intentions into successful partnerships.

4 The quality of timely and concise information throughout the partnership.

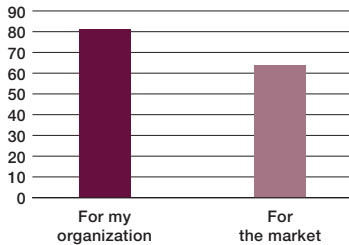
5 Those responding “extremely important” or “important” to the question: “Please rate how important you feel partnerships between companies and NGOs/the UN will be in the future”. Other possible responses included “Somewhat Important”, “Important”, “Not Very Important”, “Not Important At All”.

**Question: How important do you think partnerships will be in the next 3 years?**

**Percent responding “extremely important“ or “very important“**

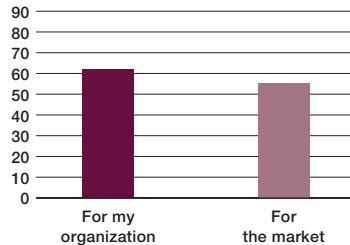
**Companies with prior partnership experience**

Percent responding “extremely important“ or “very important“



**Companies with no prior partnership experience**

Percent responding “extremely important“ or “very important“



**Successfully implementing effective and relevant CSR programs and building trust with stakeholders are top priorities for companies when partnering**

An overwhelming majority of respondents cited successful implementation of effective and relevant CSR programs as the main reason for partnering with NGOs and UN organizations. This reason was closely followed by the desire to build trust with shareholders. Companies were least likely to partner to gain insight from the know-how of social actor partners or to advance core business objectives.



**In a partnership, companies most value their partner’s accountability and execution skills**

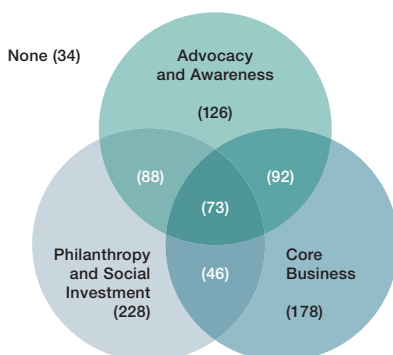
Companies rated Accountability and Execution as being the most important performance categories in their evaluation of partners. The data also indicate a strong correlation between the overall scores of the four rating categories and the perceived impact of the partnership.

### Partnerships incorporating both local and global elements were more highly rated than either purely local or global partnerships

63% of partnerships were local, 33% global, and 3% incorporated both global and local elements. Partnerships that involved both global and local activities typically scored the highest, with an average score of 4.5 (out of a maximum of 5). Global partnerships had an average score of 4.0, while local partnerships had an average score of 3.9. That said, comments from survey respondents highlight the importance of local partnerships, e.g., from a global 50 energy company, “For MNE [multi-national enterprises], local partnerships to deliver on business objectives are essential.”

### Core business and advocacy partnerships are perceived to have higher impact than those focused on philanthropy

26% of partnerships were purely Philanthropic in nature, 21% related only to a company’s Core Business, and 15% focused on Advocacy and Awareness. The remaining partnerships were composed of multiple elements, e.g. 50% of all partnerships involved an element of philanthropy. Interestingly, partnerships conducted in the Advocacy and Awareness, and Core Business areas<sup>6</sup> had a higher perceived overall impact than those involved purely in philanthropy.



### Both at the local and global levels, companies are most likely to engage in partnerships on education and environmental protection

Locally, companies were most likely to engage in partnerships in the education sector (39%), and globally, in the area of environmental protection (33%). These are also the two most common areas for partnerships envisioned in the long term. The emphasis on environmental protection is reinforced by the fact that almost a quarter of the 34 leading global NGOs focus on the environment. As one respondent reflected, “I think people are realizing the need for global solutions for global problems rather than national or enterprise solutions.”

<sup>6</sup> **Philanthropy and Social Investment:** Donating time (volunteers), money, products and the use of premises;  
**Advocacy and Awareness:** Awareness-raising campaigns, projects that influence decision-makers and collective actions that set rules, norms and standards;  
**Core Business:** Creating employment, fostering entrepreneurship, implementing social, environmental or ethical standards, and/or providing affordable goods and services (projects should be linked to the sourcing, manufacturing, development, distribution, pricing and end-use of a company’s products and services).

**Microfinance, rated as one of the most successful areas of partnership, is one of the least pursued areas**

The three most pursued areas of partnership were in the spheres of Education, Environmental Protection and Communications. Microfinance represented only 5% of partnerships, but received the highest scores compared to any other area. Microfinance also had one of the highest overall impact scores. Temporary shelter, power generation, and transportation were the lowest scoring partnership areas.

Area of partnership	Average Score
Microfinance	4.17
Employment Opportunities	4.12
Food	4.12
Healthcare	4.12
Support Economy	4.11
Protect Environment	4.06
Agriculture and fisheries	4.06
Women's Rights	4.04
Volunteering/Secondment	4.03
Education	4.01
Employment Fairness/Treatment	3.96
Communication	3.96
Health, Safety & Quality of Products	3.95
Logistics	3.92
Search and Rescue	3.89
Sanitation	3.89
Water	3.89
Transportation	3.85
Power generation	3.68
Temporary Shelter	3.58

**34 global NGOs/UN agencies and 53 local / regional NGOs emerged as leaders among the 554 NGOs/UN agencies rated<sup>7</sup>**

The leading NGOs/UN agencies were identified as laid out in the section detailing the methodology. They span a diverse range of geographies and focus areas (please refer to the annex for the list of NGOs). 49% of the partnerships engaged in by the leading global NGOs are global, while 45% of those partnerships are actually local in nature. Global partnerships with global NGOs scored higher than local partnerships with global NGOs.

North American companies and the leading global NGOs/UN agencies were most likely to be engaged in core business-type partnerships, while companies in Africa, Asia, and the Middle East were more likely to be involved in advocacy and awareness raising partnerships.

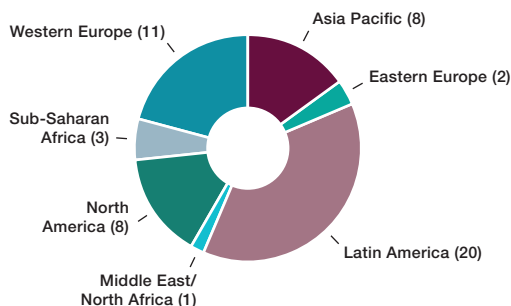
<sup>7</sup> Note that this Advance Release does not list all local NGOs as 14 of the 53 are still under due diligence.

### Latin American NGOs dominate the local / regional “hidden gems” list

Of the organizations on the list of “hidden gems” (NGOs that are local but have been rated favourably by companies with partnership experience), Latin America represents 40%.

This may be in part due to the fact the private sector in Latin America is slightly more developed than in other developing regions. Also, while 86% of local partnerships were between companies and social partners in the same region, 55% of partnerships engaged in by companies with social actors in regions outside their own locale were with social actors in Latin America.

### Number of “hidden gems” per region



North American and West European NGOs receive the highest overall scores (4.6 and 4.4 respectively, vs. 4.2 for Latin American NGOs)

The top 5 areas for local partnerships are education, communications, volunteering, environmental protection, and healthcare.

### Partnerships need to be carefully planned, governed and monitored to ensure success

While there is an increasing understanding that partnerships can help both sides deliver more effectively on common objectives, there is also the recognition that governance needs to be thought through carefully, and that the expectations of all partners need to be agreed upon in advance and carefully monitored.