



**SEED Initiative**

Supporting entrepreneurs for sustainable development

## **SEED Research and Learning Programme 2007-8:**

### **Typologies for partnerships for sustainable development and for social and environmental enterprises: Exploring SEED winners through two lenses**

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### SEED Initiative

The SEED Initiative identifies, profiles and supports promising, locally-led start-up enterprises working in partnership to improve livelihoods, tackle poverty and marginalisation, and manage natural resources sustainably in developing countries. SEED develops learning tools for the broad community of social and environmental entrepreneurs, informs policy- and decision-makers, and aims to inspire innovative entrepreneurial approaches to sustainable development.

SEED is a global network founded in 2002 by IUCN, UNDP and UNEP to contribute towards the goals in the UN's Millennium Declaration and the commitments made at the Johannesburg World Summit on Sustainable Development.

Partners in the SEED Initiative are **IUCN** (the International Union for Conservation of Nature), the United Nations Development Programme (**UNDP**) and the United Nations Environment Programme (**UNEP**). Major Supporting Partners are the governments of **Germany, the Netherlands, South Africa, Spain, the United Kingdom** and the **United States of America**.



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## Executive Summary

*The SEED initiative selects promising partnerships for sustainable development, and provides partnership building and capacity development support. A primary goal of SEED's Research and Learning Programme is to analyze different types of partnerships and their success factors, in order to guide SEED winners, and other similar partnerships, with best practices. Based on the research so far, however, "partnerships" is only one of several defining characteristics of the SEED award winners. These enterprises are using a variety of relationships to achieve their goals, not all of which can be considered partnerships. Instead, the central characteristic of the winners to date is that they are locally grounded sustainable development entrepreneurs, in that they are forming, or helping to form or sustain, for-profit enterprises at the local level, based on both social and environmental objectives and values, and seeking a "triple bottom line" outcome of their work. Consequently, in the search for critical success factors to help the winners grow their enterprises, the field of social and environmental entrepreneurship is much more informative than the field of partnerships. However, developing partnerships is still considered to be a "critical success factor" for social and environmental entrepreneurs – just not the defining modus operandi.*

*There are special attributes that set the SEED winners apart from other social and environmental enterprises. These include a potential for impact on a larger scale; a complexity of relationships managed by the winners, transitions in financing arrangements (from project financing through grants and overseas development assistance to commercial revenue streams), and, finally, the nascent or embryonic nature of the ventures.*

The SEED initiative is encountering several issues commonly found in the practice of promoting partnerships for sustainable development. These include:

- The continuing ambiguity of the meaning of "partnerships";
- the plethora of types of collaboration, making it challenging to categorize "partnerships" and to then identify which types of partnership for sustainable development are working
- With that amount of variation, making it difficult to pull out specific indicators for good performance and success.

Recent literature shows an increasing number of partnerships being created for sustainable development. However, there continues to be much confusion surrounding the definition of partnership, types and best practices. Creating a comprehensive typology of partnerships is problematic, because of the extreme variety of forms and shapes that these partnerships take. A review of the literature suggests the following broad range:

Business Partnerships; Strategic Alliances; Public-private partnerships; Tri-sector or Cross sector partnerships; WSSD Multistakeholder Partnerships; Mandated partnerships; Enacted Partnerships; Community partnerships; Negotiated partnerships; Local partnerships; Locally led partnerships; Participatory international partnerships; Non-participatory international partnerships; Nascent partnerships; R&D (research and development)

partnerships; Production partnerships; Transactional partnerships; Integrative partnerships.

In terms of the SEED award winners, the Research and Learning Programme found that their partnership arrangements were diverse and would be spread among these different types, if they indeed could be accurately categorized.

The rationale behind attempting to create partnership typologies is that different types of partnerships might have different success factors; and that a partnership that matched that “type” could then work towards addressing the factors for success for that type.

However, the research revealed a significant lack of specificity of best practices or critical success factors for different types of partnerships. Although the practitioner literature attempts to distinguish among different partnership arrangements, they have not gone the next step to determine whether success factors can be established for specific types of partnership; instead, they default to generic principles and practices. And, even within these principles and practices, the researchers and practitioners do not provide the metrics necessary to assess whether one is actually achieving the best practice. Thus although creating partnership typologies can be done, it is questionable whether this is a useful endeavour for helping partnerships to measure progress towards, and ultimately achieve, their goals if there are no corresponding success factors.

There are two implications for SEED: first, the SEED winners do not fit neatly into the different categories of partnership that have been identified over the past few years. And second, even if they could be identified as one type or another, there is a lack of measureable success factors that are specific to the different types of partnership that winners could use to manage their progress. However, outside of the world of partnerships, in the organizational management realm, there was an abundance of research on critical success factors for specific kinds of businesses and organizations.

**This suggests that if SEED wants to identify metrics that will help SEED winners achieve their goals, will help enterprises similar to SEED winners also be successful, and ultimately will help SEED to pick future winners based on the presence of key success factors, then studying SEED winners as partnerships might not be the most helpful lens to use. Rather, specific enterprises relevant to SEED winners’ activities should be studied -- in particular, enterprises in the field of social and environmental entrepreneurship.**

The primary characteristic in common for SEED winners is that they are all trying to commercialize their project, product or service in order to generate a revenue stream, either for themselves or for another group of stakeholders, and, in so doing, provide environmental or social benefits at the local level. The one exception is Madagascar, where the winner is helping a group of stakeholders to protect a revenue stream (as opposed to generating a new one) through better resource management.

As social and environmental entrepreneurs, SEED winners have as much or more in common with other social/environmental enterprises than they do with many different types of partnership. Social enterprises are defined as “profit-making

businesses set up to tackle social or environmental issues which reinvest the majority of their profits for the benefits of their community”<sup>1</sup>. Environmental enterprises, also called “green” or “eco” businesses, are described as specifically focusing on operations and products that minimize damage to the environment<sup>2</sup>. The underpinning concept of social and environmental enterprises is a “double” or “triple” bottom line, which means that while these types of enterprises seek profits, they also seek to improve a social and/or environmental problem or confer a social or environmental benefit.

The following table provides examples found in the literature of the major types of environmental and social enterprises and categorises SEED winners in terms of those types. What is immediately striking is, first, how rich and detailed are the critical success factors identified for each enterprise type (unlike partnership types); and second, how much easier it is to place the SEED winners into these categories:

Type and corresponding SEED winner	Description & generic objectives	Examples of Critical Success Factors
<b>Production and marketing cooperatives</b>  <b>[no SEED winners in this category]</b>	Established to collectively own and manage the production and sale of goods (agriculture coops; arts coops, and so forth)	<ul style="list-style-type: none"> <li>• Sufficient equity before start up</li> <li>• Maintaining an adequate business volume;</li> <li>• Keeping and distributing accurate financial records;</li> <li>• Previous cooperative experience and continued management training for both the board and manager;</li> <li>• Marketing agreements</li> </ul>
<b>Community services</b>  <ul style="list-style-type: none"> <li>• <b>Bolivia</b></li> </ul>	Established to supplement services provided either by the public or private sector, where those services may not meet the needs of everyone in the community, especially the poor and marginalized; or to provide services where none exist. e.g., utilities; waste collection and recycling; community communications (community radio, TV, telecentres); health; education	<ul style="list-style-type: none"> <li>• Management expertise</li> <li>• Access to professional and technical support</li> <li>• Enabling legal / regulatory environment</li> <li>• Coordinated support (working with public sector agencies)</li> <li>• Community ownership (social capital)</li> </ul>
<b>“Green” products</b> <ul style="list-style-type: none"> <li>• <b>Ecuador</b></li> <li>• <b>Nepal</b></li> <li>• <b>Vietnam</b></li> <li>• <b>Peru</b></li> <li>• <b>SRI</b></li> <li>• <b>Nigeria</b></li> </ul>	Marketing of products originating from sustainable production practices or manufactured from waste products	<ul style="list-style-type: none"> <li>• Business planning</li> <li>• Following industry standards</li> <li>• Marketing; in particular, understanding the green consumer market</li> <li>• Participating in labelling/certification schemes</li> </ul>

<sup>1</sup> [www.socialenterprise.org.uk](http://www.socialenterprise.org.uk)

<sup>2</sup> [www.iisd.org/pdf/eetoolkit.pdf](http://www.iisd.org/pdf/eetoolkit.pdf)

		<ul style="list-style-type: none"> <li>• Enabling state/national policy environment</li> </ul>
<b>“Green” services</b> <ul style="list-style-type: none"> <li>• <b>Brazil</b></li> <li>• <b>Sierra Leone</b></li> </ul>	Services designed to promote enjoyment of and respect for local social and environmental assets e.g., Ecotourism; Traditional healing services with traditional medicines and practices	<ul style="list-style-type: none"> <li>• Developing synergies with other established services in the sector</li> <li>• Collaboration with other businesses</li> <li>• Effective target marketing</li> <li>• Key personal qualities for front line service delivery</li> <li>• Personal networking</li> </ul>
<b>Ecosystem services management</b> <sup>3</sup> . <ul style="list-style-type: none"> <li>• <b>Madagascar</b></li> </ul>	Promotes the rational use of the surrounding ecosystem to provide the highest sustainable quality of living for the community e.g., setting up parks, protected areas to help manage a resource base (such as a watershed)	<ul style="list-style-type: none"> <li>• Must become part of the local community;</li> <li>• Active and effective project champions</li> <li>• Getting stakeholders to agree on courses of action through encouraging active partnership and participation ; Strategic identification of priority areas; Good integration with other biodiversity agencies and organizations; Strong promotional component within the project</li> </ul>

This is not to negate the value of partnerships, however. In the literature on social/environmental enterprises, the critical success factors consistently include working in partnerships. But what is important here is the shift in emphasis: from partnerships as a defining organizational model for SEED winners, to partnerships as one of many tools needed by an entrepreneur to create and sustain value, both economic and social/environmental.

### Special Attributes for SEED winners

While the SEED winners can be easily categorized as different types of social and environmental ventures, they do have special attributes that may set them apart from other kinds of social and environmental enterprises.

#### 1. Potential for impact on a larger scale

SEED winners have the potential for impact beyond a single, small scale community base. Many SEED winners could achieve significant gains both in terms of revenues generated and in terms of the environmental and social benefits. These benefits would be realized by more than a single community or small association of farmers. More robust metrics are warranted to determine whether and how the winners are achieving these results.

#### 2. Complexity of relationships.

<sup>3</sup> Cited from <http://www.environment.gov.au/biodiversity/publications/case-studies/pubs/woodland.pdf> and <http://intranet.iucn.org/webfiles/doc/CEC/Public/Electronic/CEC/Reports/StepstoSuccess.pdf>

The partnerships and other relationships that SEED winners manage are complex. These relationships can range from international to grassroots, formal to informal, and involve multiple sectors. The extent of these relationships, and the management burden they carry, is significant. How each winner views and manages these relationships is important to understand, as the ability to manage complexity could be a significant success factor for identifying future winners.

### 3. Transitions in financing arrangements

A number of SEED winners address the challenge of development project sustainability after Overseas Development Assistance (ODA) support is finished. Nearly every winner is led by a social or environmental entrepreneur who has either been employed by, or had exposure to or connections to international support or know-how on how the overseas development assistance system works. Almost all have had connections with either a multilateral or bilateral institution or large foreign NGO prior to applying for the award. All but two are either established projects or pilot projects run by an organization, that were originally overseas development assistance (ODA) or foundation funded, that are now seeking ways to becoming financially sustainable; or locally initiated projects that had already, or subsequently, found a champion in a donor agency that was willing to promote their enterprise. These winners are dealing with the challenge of sustainability after ODA support. Interesting questions can be explored here: how do SEED winners make the transition from grant funding to revenue generation; do they sustain a relationship with the donor or piloting organization after the funding is completed, and are the donor/organization useful to them in other ways. Lessons from their experience in making the transition, either in full or in part, to commercial revenue generation will be of considerable interest to the broader ODA community.

### 4. The nascent nature of SEED winners

The literature on social/environment entrepreneurship tends to draw upon examples and case studies of established ventures, rather than an exploration of the process of becoming a established, and going on to success. What is significant about the SEED winners is that these entrepreneurs are being identified at the beginning of their enterprise; with the structure in place to revisit the winners year after year to see what is working and what is not. Based on this growing body of evidence, it may be possible, in the near future, to provide more guidance to donors and investors about the kinds of ventures that should be supported early on.

#### **New research questions**

1. With the winners, begin to identify more robust success factors and metrics for performance on their enterprise and on their underlying social/environmental goals.
2. Map the winners' relationships in order to better understand their capacity for and exercise of partnerships and stakeholder relations management.



3. Discuss with winners their financial models in order to determine whether in fact significant lessons are being learned about transitions in financing, for sharing with the broader development community.

# 1. Introduction

## 1.1 *International Partnerships Context*

The UN Conference on Environment and Development held in Rio de Janeiro in 1992 called for an equitable world partnership based on the creation of new forms of cooperation between states and social organizations (UN CSD, 2002). Since then, this vision of shared responsibility for development has gained importance throughout the development cooperation community.

The idea of partnerships as agents of sustainable development and poverty eradication was strongly promoted at the World Summit on Sustainable Development (WSSD) In Johannesburg, 2002. The United Nations Commission on Sustainable Development (UN CSD) was mandated to serve as the focal point for discussion on partnerships for sustainable development.

The UN CSD defines such partnerships as “voluntary, multi-stakeholder initiatives aimed at implementing sustainable development goals of Agenda 21, Rio+5, and the Johannesburg Plan of Implementation”. The UN Millennium Development Goals (MDG) carries the concept even further, targeting the creation of global partnership for development as part of the blueprint to meet the needs of the world’s poor. The aspirational partnership of the MDGs brings together north and south, private and public, and recognizes the role of youth. Partnerships has become part of the language and practice of development: As stated by the U.S.based Global Development Alliance (GDA), “Partnerships are certainly not new in development practice. But never has there been a sharper focus on gathering all actors facing the same set of problems to jointly design, plan, and implement solutions.” (GDA, nd)

## 1.2 *The SEED Initiative*

The SEED Initiative - Supporting Entrepreneurs for Sustainable Development<sup>4</sup> runs, as part of its activities, an international award scheme, which selects promising partnerships for sustainable development. The SEED initiative was founded at the World Summit for Sustainable Development in 2002, and launched its first award round in 2004 with simultaneous events at WEF and WSF. *SEED Partners* currently include the United Nations Environment Programme (UNEP); the United Nations Development Programme (UNDP); the World Conservation Union (IUCN); the governments of Germany, the Netherlands, South Africa, Spain, the United Kingdom and the United States.

The SEED award is a partnership building and capacity development award, through which expertise, advice, and contacts are made available to Award Winners from its partners and from its Support Programme. The service providers managing *SEED’s Support Programme* work intensively with each Award Winner to assess their needs, agree on a support plan, channel funds for specific actions to strengthen and grow their enterprises, access technical assistance, build up their business plans, meet new partners, and raise their profile (Andrews, 2007).

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<sup>4</sup> [Http://www.seedinit.org](http://www.seedinit.org)

SEED's *Research and Learning Programme* (R&L Programme) closely follows the experiences of the SEED Award winners. The case studies created and the lessons drawn are intended to inspire and support the creation of new partnerships, inform policy makers and assist in tuning the Seed initiative to provide the highest quality services.

### **1.3 IISD's Research & Learning to Date**

IISD's research agenda was approved at a SEED board meeting in August, 2007. One of its primary research goals is to analyze the different types of partnerships and their success factors, in particular those types of partnerships that would include entities similar to the SEED winners. This research would support three objectives:

- First, to provide guidance to SEED winners based on best practices identified elsewhere that they might adopt;
- Second, to share the success factors demonstrated by SEED winners themselves more broadly; and
- Third, by understanding what makes these partnerships successful, helping the SEED awards program and, more broadly, other sustainable development partnerships and entrepreneurs, policy- and decision-makers, donors and other investors who want to support new ventures to identify those worthy of investment and support.

The R&L Programme's first task was to review academic and practitioner literature published since the WSSD, specifically focusing on advances in partnership practice since SEED's first round in 2005, and to seek out examples of partnerships similar to SEED, together with success factors as identified by others.

IISD was able to meet initially and informally with two 2007 winners (Brazil and Vietnam), to identify questions that would form the basis for a more rigorous research agenda. At the Winner's workshop in Pretoria in mid-October, IISD had its first face-to-face contact with the full SEED secretariat, the Support Programme and all winners (except for one 2005 winner). During this time, IISD consultants conducted interviews with the winners, held consultations with the SEED director and head of programme, observed and participated in the workshop activities organized by the Support Programme.

After these preliminary steps, it became evident that the SEED initiative is encountering several issues commonly found in the practice of promoting partnerships for sustainable development. These include:

- The continuing ambiguity of the meaning of "partnerships";
- the plethora of types of collaboration making it very challenging to categorize "partnerships" and to then identify which types of partnership for SD are working
- With that amount of variation, making it difficult to pull out common but specific indicators for good performance and success.

This ambiguity in understanding the different types of partnerships has been a contributing factor to the wide variety of SEED winners being selected, in both 2005 and 2007. This variety of winners has presented a challenge for the R&L Programme in attempting to analyze from the winners' experience any common factors for success, other than the most generic of observations (such as the need for a champion or driver for the enterprise, and community support) – all of which have been documented at the meta level fairly regularly in the literature.

As a result, IISD began to form a hypothesis that there might be an alternative lens through which to view the SEED winners, besides that of the WSSD multistakeholder partnerships. IISD considered the view that the common characteristic for SEED winners is that they are forming, or helping to form, for-profit enterprises based on social or environmental objectives and values. Partnerships is not the central, defining objective of these enterprises; rather, the enterprises and entrepreneurs are using a variety of partnerships and other relationships to achieve their goals.

IISD then explored this hypothesis by reviewing the following:

- SEED's criteria for awards (stipulations on types of partnerships eligible for the award).
- GPPI report – how did they deal with the partnership types (GPPI, 2006)
- In person interviews with 2005 and 2007 award winners (1 phone interview with one 2005 winner TBD). (See Tables 1 & 2); and in particular, questions relating to SEED winners ideas of partnerships
- Partnerships literature review, with emphasis on literature 2002 to date, including best practices & critical success factors
- Literature review on social/environmental entrepreneurs and enterprises, and their critical success factors.

Our findings follow below.

## 2. SEED Award Winners Case Notes

SEED's eligibility criteria require that the work of the winners:

- Relate to the three pillars of sustainable development: environmental, social, and economic in an integrated manner;
- Have the potential to contribute towards the internationally agreed goals of the Millennium Declaration and/or the Johannesburg Plan of Implementation;
- display entrepreneurship in its broadest sense and has to be driven by local actors;
- Help to demonstrate innovative ways of doing business through partnerships—business as unusual—and has the potential to serve as inspiration to others; and/or has a draft business plan and has partners that have already agreed in principle to work together.

The stated goal of the SEED initiative is to be an instrument that “inspires, supports and researches exceptional, entrepreneurial, nascent, multi-stakeholder partnerships for locally-led sustainable development” (SEED, 2007). “Multi-stakeholder” in the SEED context is defined as involving

“at least three partner organizations from different stakeholder groups such as small, medium or large businesses; community-based organizations; local or international NGOs; labour unions; women’s groups; indigenous peoples organizations; research institutions; public authorities; international agencies”.

“Nascent” partnerships were defined by SEED as being “in the early stages of their development and in need of capacity building and technical assistance to move from ‘idea’ to ‘implementation’”; and “Locally-led” as “fermenting ideas and actions which bring direct benefits to people on the ground and are more suited to local circumstances”.

The “stories” of each SEED winner are briefly described in the Appendix to this report. Given the great diversity among award winners, in terms of the type of project, scale of project, location and so forth, IISD focused in the first round of documentation research and interviews on several key points where winners might share something in common with the others.

In light of the SEED award criteria that eligible applicants must be “locally led”; and to test GPPI’s premise that SEED winners are “participatory international partnerships with strong local ownership” we noted in particular:

- whether the idea for the enterprise was initiated through international or local actors
- who is driving the enterprise now – is it still international or has local ownership increased

To determine how “nascent” the winners are, we noted:

- whether the idea was already prototyped or commercialized at the time of application to SEED – had the enterprise in fact started up at the time of the award?

To assess whether SEED winners are “partnerships”, we noted:

- where the collaboration lies in the enterprise, and the strength of that collaboration

Key points	Winners
<p>a. Initiator of the idea: international or local actors</p> <p>International/Foreign: 40%</p> <p>Local, with strong international ties or assistance: 30%</p> <p>Local: 30%</p>	<ol style="list-style-type: none"> <li>1. Local engineering company</li> <li>2. International company with ODA funding</li> <li>3. Program at an International institution with ODA funding</li> <li>4. Local NGO</li> <li>5. Local organization, with assistance from IGO</li> <li>6. Local individuals</li> <li>7. International organization</li> <li>8. Local NGO with strong international ties</li> <li>9. Foreign enterprise operating in the country</li> <li>10. Local NGO, with strong international ties</li> </ol>
<p>b. Current owner/driver: international or local</p> <p>International/Foreign: 20%</p> <p>Local, with strong international ties or assistance: 30%</p> <p>Local: 50%</p>	<ol style="list-style-type: none"> <li>1. Local engineering company</li> <li>2. Local business established to continue work</li> <li>3. Program at an International institutions with ODC funding; but with well advanced plan to set up independent body and transfer ownership</li> <li>4. One of the local NGO partners</li> <li>5. Local organization</li> <li>6. Local individuals</li> <li>7. International organization</li> <li>8. Local NGO with strong international ties</li> <li>9. Foreign enterprise operating in the country</li> <li>10. Local NGO, with strong international ties</li> </ol>
<p>c. Was the enterprise on the market at the time of the award?</p> <p>Yes, or yes on a small scale: 70%</p> <p>No, or not clear: 30%</p>	<ol style="list-style-type: none"> <li>1. Yes</li> <li>2. Not clear</li> <li>3. Yes</li> <li>4. No</li> <li>5. Yes</li> <li>6. Yes</li> <li>7. Yes</li> <li>8. Yes, on a small scale</li> <li>9. Yes</li> <li>10. No</li> </ol>
<p>d. Elements of collaboration</p>	<ol style="list-style-type: none"> <li>1. Clear tri-sector partnership model, with defined roles for the partners (private sector equipment suppliers; government utility; local community</li> </ol>

	<p>committees). Less clear what the role of the international partner is: informant suggested that SEED could help with “more integration with their international partner”.</p> <ol style="list-style-type: none"> <li>2. Work with farmers association and a training group; maintain good relations with the international company who continue to provide some research support; also government support secured.</li> <li>3. Informants suggested that this was a “very unstructured partnership”. Resembles a traditional supply chain: Local Farmers – Processing Company – Retailer; with interaction with government agencies</li> <li>4. At present, unclear as to who is directly involved, apart from NGOs and local community. Practitioners and scientific research associations also named as having a stake in the project. Some interaction with govt. depts.; No visible international partner.</li> <li>5. The individual members of the association itself are considered to be the partners (comparable to a cooperative). Other agencies (government, IGO, etc). help in various ways. Additional relationships established after the award to provide a production facility and market for sale of products.</li> <li>6. Partners named in the award application all continue to have a role in the business model: Local NGO and communities; private sector companies for sales; two international NGOs for marketing</li> <li>7. Information and knowledge sharing network and common marketing strategy with participating associations.</li> <li>8. Relationships with suppliers of the local product based on verbal agreements; Formal agreements with local research facilities</li> <li>9. Winner works with local company and local communities; other relationships either inactive or simply subcontracts with other NGOs; relationships on paper with various government ministries; More formal partnership now being explored with international NGO to replicate the initiative.</li> <li>10. 2 NGOs have collaborated on the venture; and have established a relationship with a local company; one international partner providing technology. Funding channelled from IGO through national government department.</li> </ol>
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In brief, it would appear that the GPPI definition of “participatory international partnerships with strong local ownership” needs rethinking. 2005 SEED winners 2 years later have very different relationships with their original “international” partners; and the 2007 winners vary widely in terms of their relationship with an international organization. What is clear, for the most part, is the original level of local ownership of the concept/enterprise, and the increase in the level of local ownership over time.

It was more difficult to assess which of the winners were at the “early stages of development” or were in fact more advanced. 3 out of 10 winners had either interesting concepts or a product prototype only; 7 out of 10 were in varying stages of putting their idea into practice and either generating revenues or managing local resources more effectively to protect income generating activities.

The most significant variation across the group of winners was in their partnership practice itself. We explore this in more detail in Section 3.



### 3. SEED winners through the lens of Partnerships practice

#### 3.1 SEED's 2005 Research & Learning Programme's Findings on Partnerships

The Research and Learning Programme for the first round of the SEED initiative was conducted by Global Public Policy Institute (GPPI), an independent, non-profit think tank based in Berlin and Geneva. Over the course of nearly 2 years, the GPPI performed case studies on the five SEED Award winners and conducted a survey of 70 award applicants.

In its research the GPPI grouped partnerships based upon the degree of local ownership involved. "Ownership" is described as "relations among stakeholders in development, particularly their respective capacity, power or influence to set and take responsibility for a development agenda, and to muster and sustain support for that" (Steets, p. 58). It further defines, "In international partnerships, international partner organisations take the initiative, identify the problem and define the main goals of the partnership.", and that "Participatory international partnerships add substantial efforts to ensure the meaningful participation of local stakeholders". From these descriptions three types of partnerships emerged (Pg. 59):

#### Partnership Types, Definitions and Examples in from the GPPI Report

Partnership Type	Definition	SEED Winners examples
Local partnerships	Displays the strongest level of local ownership	-Bolivia Agua para todos
Participatory international partnerships	Combination between international expertise and local participation	-SRI Indigenous Rice -
Non-participatory international partnerships	International ownership	- no SEED winners or finalists fit here

Of the 70 partnerships (award applicants) considered by the GPPI, 63% were described as local partnerships, and 33% were "participatory international partnerships". None of the winners or finalists was non-participatory. Steets explains that, "Because 'local drive' is one of the selection criteria for the SEED Awards, there are no purely international partnerships among the finalists or winners".

In spite of this detailed construction of the three partnership types, however, of the five 2005 winners, only one is categorized as a "participatory international partnership" by the GPPI. SRI Indigenous Rice is cited as a good example of a "participatory international partnership" Nepal is also grouped here, although this is not such a clear fit, according to

the report (pg. 60).

GPPI therefore chose to combine two categories into one, creating a special type of partnership that specifically suited SEED winners. The report concluded that the SEED partnerships could be categorized as participatory, international, and having the “special characteristic” of *strong local ownership*, in contrast to most other partnerships researched. For the GPPI, this is an important finding because:

“strong local ownership has crucial positive effects: it increases compliance with policies and norms; it ensures that development initiatives fit local circumstances; and it empowers the local stakeholder groups involved” (Steets, 2006 p.95)

It is interesting to note that the GPPI report also includes a discussion on the controversy surrounding the importance of local ownership in development cooperation, and lists Jerve (2002) as a reference, who explains that the emphasis on “local ownership” is a buzzword or “current trend” that comes from a history of trying to find ways to get international development aid to be more effective. Jerve holds that “ownership” and “partnership” are contradictory terms, because the concept of ownership implies that one party takes charge, while the concept of partnership implies equality.

The GPPI indicates that it created this terminology from adaptations of work of Saxby (2003), Mansuri and Rao (2003) and Hemmati (2002). However, even with a specially created typology, they were unable to neatly categorize 2005 SEED winners to fit the typology. And, in examining the 2007 cohort, it is equally challenging to categorize them using the GPPI definition.

### **3.2 SEED Winners views of Partnerships**

The interviews responses show that most SEED winners have a very general and vague definition of “partnership”, but all interviewed see it as a form of cooperating. Also everybody states or implies that partners are working for a common goal.

The following is a list of selected SEED winners’ partnership definitions:

- Different people working together toward a common goal.
- An alliance between institutions that want to construct common objectives together.
- Making others successful as well as us; working together for mutual benefit. There are degrees of partnership: the ones you work closely with (shared) and others who may not have the same benefit
- A way of working together for a common goal.
- A group working together. Criteria for partnership: Commitment

- A coming together of groups of people/organizations profit/non-profit – bringing their competence, skill to achieve a common goal. Different members might have different talents, goals.
- A relationship between different people and entities that have a common objective.
- A mutual understanding, trying to help each other. Making others successful as well as us; working together for mutual benefit. There are degrees of partnership: the ones you work closely with (shared) and others who may not have the same benefit.

From the interviews, it is also evident that the composition of the partnership changes, sometimes with original partners no longer being directly involved; sometimes with winners no longer representing a relationship with another organization as a “partnership” per se, or with a relationship taking on different attributes other than those of “partnership”. One winner talks about an “open partnership”. Another considers a market chain as a partnership, although it would be more proper to say its main partner is simply its distributor. A third is not sure what their government partners do nor who they are. Very few winners have signed agreements with their partners or have other documentation on the relationship.

## 4. The Bigger Picture on Partnerships

### 4.1 *The Rhetoric of Partnerships*

The development cooperation community now has five years of experience in Partnerships for Sustainable Development since the WSSD launches, and 2 years since the last SEED round. Recent literature shows a continuously increasing number of partnerships being created for sustainable development. However, there continues to be much confusion surrounding the definition, types and best practices.

The ideal vision for such partnerships holds that by combining efforts, members of networks and partnerships are able to have a greater impact on policy and practice than they would have on their own (IISD 2007). This is because partners from different backgrounds can contribute complementary skills and resources to the solution of intricate problems that no organization could effectively address on its own (Steets, 2006; IISD, 2007). Those who work in partnerships can better enrich the content of their programs, scale them up, intensify their outreach, and continue to support them far beyond what would have been possible working alone (WBI, 2007). Partnerships with strong local ownership, as GPPI notes, are closest to on the ground implementation, understand local circumstances and engage more directly with local stakeholders and beneficiaries of the partnership's work.

One of the main criticisms of this ideal view is that in practice, there is a lack of standards or clearly defined boundaries within which partnerships operate. A recent Australian literature review on partnerships (DVC, 2005 p.4) quotes similar views:

-Far from bringing coordination to tackling social problems, partnership working is spinning off into a series of haphazard initiatives without a clear set of priorities'

-The rhetoric of partnerships has become a 'muddle of ideas' in which a 'potentially useful concept is in danger of becoming just another public policy reform fad'.

-Partnerships has now become the cure-all and we risk a kind of *partnership-itis* where everything gets renamed and the term is used so indiscriminately that it becomes meaningless'.

Ken Caplan of Building Partnerships for Development in Water and Sanitation contributes to the critical stance by stating that the term partnership has reached "nearly pandemic proportions" and that while partnerships hold enormous promise, they are not the panacea to sustainable development as some contend" (Caplan, 2003, pg. 1). Caplan further contends that **the formation of partnerships should not be seen as the main objective of development projects, but rather, they should be seen as " a serious tool in the tool box"**, which will only be possible "if the foundations are solid and our expectations realistic about how challenging they are" (idem). Caplan specifically states:

“Tools though may only be needed to build the project. Partnerships in and of themselves need not be sustainable; it is the activities or projects that organisations undertake together in partnership that hopefully will be”.

Verhagen, Dorji et al. (2003), state that the concept of ‘partnership’ is often invoked, seldom examined, and easily misunderstood. The concept of partnership is further complicated by a ‘terminological quagmire’ with an abundance of related-terms found in the literature such as networks, alliance, cooperation, inter-organizational collaboration, coordination, tri-sector partnership, multi-party working and joined up working (DVC, 2007, p.4). Malena (2004) adds that “multi-stakeholder partnership” is often used interchangeably in the literature with terms such as “multi-stakeholder processes” and “global networks”. Wildridge, 2004, also notes the confusion of terms contributes these as well other labels such as—co-operation, joint working, interagency working, noting the further complication that, “Whichever term is used, it can mean different things to different people under different circumstances.”

#### **4.2 Critiques of partnership typology exercises**

As with defining the concept, creating a comprehensive **typology** of partnerships is problematic, because of the extreme variety of forms and shapes that these partnerships take. Mikheyev, 2005, explains that partnerships

- Deal with a variety of issues, many of which are related to sustainable development, but may deal with any other problem that requires attention of various stakeholders.
- Have a role in both agenda-setting and implementation activities.
- Can exist at local, national, or international levels, with some MSPs undertaking activities at several levels.
- have very different timelines; ranging from single, one time events to processes extending over several years”
- Can involve different numbers of stakeholder groups.

However, there have been numerous attempts by researchers to describe specific types of partnerships. These are briefly listed as follows:

- In a literature review on partnership typologies, Milkeiv cites

- (Greener, 2004) who sees partnerships in dichotomies as individual vs. institutional, partnerships with a primary orientation toward innovation vs. those aiming to scale up existing methodologies or business models
- Warner and Greener (Global Knowledge Partnership 2003), who build on the distinction between “design-orientated’ vs. ‘implementation-orientated’ partnerships, proposing an integral typology of multistakeholder partnerships in the field of information and communications technology (ICT) which takes into account the goals of partnerships (sustainable economic growth, sustainable environment and resource management, social inclusion and pro-

poor development) as well as the primary direction of their activity within the ICT field (enabling environment, hardware, software).

- DVA (2006) lists:

- Geddes (2005), who distinguishes between voluntary partnerships and statutory partnerships. Statutory partnerships are typically mandated by legislation for specific purpose in contrast to voluntary partnerships that are convened by organisations for their common strategic purpose.
- Selsky (2005: 850) who further distinguishes voluntary partnerships between ‘transactional’ –short-term, constrained, and largely self-interested orientation – or ‘integrative’ and ‘developmental’ – longer term, open-ended and largely common interest motivation.
- Seddon et al (2005) who divides partnerships 3 forms:
  - *Enacted Partnerships*: initiated by central agencies but have goals shared by the community.
  - *Community Partnerships*: originate in the community to address local concerns but reach out to an external agency.
  - *Negotiated Partnerships*: formed between partners with reciprocal goals to secure service or support and require effective negotiation of interests and agendas.

If one were to attempt a typology at this stage, based on a combination of the current practice literature, SEED criteria and GPPI’s attempts to find common denominators among the SEED winners, it might be organized as follows:

Type	Definition
Business Partnerships	In the private sector, the term partnership is narrowly construed to mean a business entity in which partners contract with each other to share the profits or losses of the undertaking in which they have all invested.
Strategic Alliances	In the private sector, these are “Long-term purposeful arrangements among distinct but related organizations that allow those firms to gain or sustain competitive advantage.”
Public-private partnerships	Contracts between a private sector entity and the government, where the private partner delivers a desired service and assumes the associated risks. In return, the private partner receives payment according to criteria specified in the contract and assumes the financial and administrative burden of providing the service, while the government regulates and monitors performance (Loew & McLindon, 2002).
Tri-sector or Cross sector partnerships	Consist of private investment, public objectives, and community participation (Karpova, 2002).
WSSD Multistakeholder Partnerships	Voluntary, multi-stakeholder initiatives aimed at implementing sustainable development goals of Agenda 21, Rio+5, and the Johannesburg Plan of Implementation” (CSD, 2002).
Mandated	Partnerships required by statute or regulation (often public-private partnerships); or by policy (a bilateral assistance agency requiring that a partnership of

partnerships	institutions submit a proposal rather than a single entity)
Enacted Partnerships	Initiated by central agencies (municipal, state, national) but have goals shared by the community.
Community partnerships	Originate in the community to address local concerns but reach out to an external agency
Negotiated partnerships	Formed between partners with reciprocal goals to secure support and require effective negotiation of interests and agendas.
Local partnerships	Majority level of local ownership: Local stakeholders set and take responsibility for a development agenda, and muster and sustain support for that.
Locally led partnerships	As defined by SEED: fermenting ideas and actions which bring direct benefits to people on the ground and are more suited to local circumstances
Participatory international partnerships	Combination between international expertise and local participation: Participatory international partnerships add substantial efforts to ensure the meaningful participation of local stakeholders
Non-participatory international partnerships	International ownership: international partner organisations take the initiative, identify the problem and define the main goals of the partnership.
Nascent partnerships	As defined by SEED: being "in the early stages of their development and in need of capacity building and technical assistance to move from 'idea' to 'implementation'"
R&D (research and development) partnerships	Institutions joining together with a primary orientation toward design and innovation: developing and testing new products, methodologies, services
Production partnerships	Institutions joining together with an implementation focus, to scale up existing methodologies or business models and to take an innovation to market
Transactional partnerships	Short-term, constrained, and largely self-interested orientation
Integrative partnerships	Longer term, open-ended and largely common interest motivation.

In terms of the SEED award winners, both in the first and second round their partnership arrangements were diverse and would be spread among the types listed above, if they indeed could be accurately categorized. One author's view is that researchers and practitioners shouldn't be trying to create specific typologies, but should be concerned with identifying broad "ideal types" of partnerships, described as "those which capture enough commonality in order to facilitate the meaningful sharing of best practices and the development of operational guidelines tailored to specific partnership types" (Malena 2004, pg. 6).

The following section attempts to highlight these best practices and discuss the idea

of guidelines tailored to specific partnership types.

### **4.3 Success factors in Partnerships**

The rationale behind attempting to create partnership typologies is that different types of partnerships might have different success factors; and that a partnership that matched that “type” could then work towards addressing the factors for success for that type.

In the private sector, companies identify “Critical Success Factors” (CSFs) to help determine what they need to do to succeed, and develop measurements to determine if they are meeting their goals. Critical Success Factors are the essential areas of activity that must be performed well in order for a company to achieve its mission, objectives or goals for a business or project<sup>5</sup>.

Different industry sectors have different CSFs, because CSFs depend on each sector's set of specific characteristics. Barrett, Balloun and Weinstein (2005) conducted research into the CSFs for the business services, health care and education sectors. Each of the CSFs turned out to be different, although the researchers started with a hypothesis that all sectors would be similar. Further, since CSFs are related to each enterprise's specific mission and goals, CSFs are often very specific to the organization. Two organizations working in the same field or industry may share common CSFs<sup>6</sup>, but have several that are specific to their own circumstances.

With this understanding of CSFs, one must take a more critical look at the literature that claims to provide a list of CSFs of partnerships. A Google search using the terms “Critical Success Factors and Partnerships” returns thousands of results, but after a quick perusal of the publications it becomes evident that the majority of the authors are in fact talking about general principals and good practice rather than measurable factors that are necessary for the success of an enterprise.

A good example is provided by the Department of Victorian Communities (DVC, pg. 14). In a review on tri-sector partnerships, they synthesize the “key success factors” most commonly cited in the literature as:

- Shared vision.
- Mutual trust.
- Clear objectives.
- Leadership.
- Resources, skills and capacities.
- Transparency and accountability
- Focus on process and outcomes.
- Well integrated and established organisations.
- Measurement and evaluation.
- Adaptive flexibility.

The above items are so often found in the literature that they have become part of the partnership toolkits and practice guides (See for example, IBLF's Partnering toolbook-

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<sup>5</sup> [http://www.mindtools.com/pages/article/newLDR\\_80.htm](http://www.mindtools.com/pages/article/newLDR_80.htm)

<sup>6</sup> Cited from [http://www.coursework4you.co.uk/critical\\_success\\_factors\\_csf.htm](http://www.coursework4you.co.uk/critical_success_factors_csf.htm)

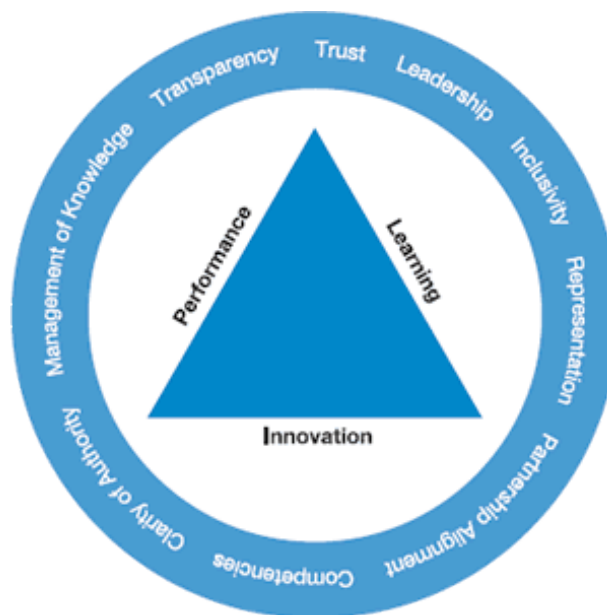


Tennyson, 2003). AccountAbility<sup>7</sup>, an organization that aims to “ promote accountability for sustainable development”, summarizes the key points of “partnership effectiveness” into an illustration which includes all of the main best practices and further emphasizes performance, learning and innovation, as shown over the page:

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<sup>7</sup> <http://www.accountability21.net>

**Partnership effectiveness<sup>8</sup>**



- Transparency
- Trust
- Leadership
- Inclusivity
- Representation
- Partnership Agreement
- Competencies
- Clarity of Authority
- Management of Knowledge
  
- **Performance**
- **Learning**
- **Innovation**

The Wilder Research Centre (Wildridge, 2004 p.8) has analyzed the research on partnerships and identified 20 more specific “critical success factors” for partnerships in general (Table 4):

**TABLE 4. Critical Success factors for Partnerships**

<p><b>Membership</b></p> <ul style="list-style-type: none"> <li>• mutual respect, understanding and trust;</li> <li>• appropriate cross section of members;</li> <li>• members see collaboration as in their self-interest;</li> <li>• ability to compromise.</li> </ul>	<p><b>Purpose</b></p> <ul style="list-style-type: none"> <li>• concrete, attainable goals and objectives;</li> <li>• shared vision;</li> <li>• unique purpose.</li> </ul>
	<p><b>Communication</b></p> <ul style="list-style-type: none"> <li>• open and frequent</li> <li>• informal relationships &amp; communication links</li> </ul>
<p><b>Process and structure</b></p> <ul style="list-style-type: none"> <li>• members share a stake;</li> <li>• multiple layers of participation;</li> <li>• flexibility;</li> <li>• clear roles and policy guidelines;</li> <li>• adaptability;</li> <li>• appropriate pace of development.</li> </ul>	<p><b>Resources</b></p> <ul style="list-style-type: none"> <li>• sufficient funds, staff, materials and time;</li> <li>• skilled leadership.</li> </ul>
	<p><b>Environment</b></p> <ul style="list-style-type: none"> <li>• history of collaboration or co-operation;</li> <li>• collaborative group seen as a legitimate leader;</li> <li>• favourable political and social climate.</li> </ul>

<sup>8</sup> <http://www.accountability21.net/default.aspx?id=260>

#### **4.4 So what does this mean for SEED winners?**

What was interesting in this part of the investigation was the lack of specificity of best practices or critical success factors for different types of partnerships. So, although the practitioner literature attempts to distinguish among different partnership arrangements, they have not gone the next step to determine whether success factors can be established for specific types of partnership; instead, they default to generic principles and practices. And, even within these principles and practices, the researchers and practitioners do not provide the metrics necessary to assess whether one is actually achieving the best practice. Thus although creating partnership typologies can be done, it is questionable whether this is a useful endeavour for helping partnerships to measure progress towards, and ultimately achieve, their goals if there are no corresponding success factors. Generic best practices are useful guidelines for achieving quality partnership practice, but do not produce measurable data on the degree to which a partnership is achieving its goals.

There are two implications for SEED: first, that the SEED winners do not fit neatly into the different categories of partnership that have been identified over the past few years; even the special categories identified by GPPI. And second, even if they could be identified as one type or another, there is a lack of measurable success factors that are specific to the different types of partnership.

So, more specific tools need to be found outside of the world of partnerships. In the organizational management realm, CSFs is a method used by enterprises for measuring success. Unlike the partnerships literature, there was an abundance of research on specific CSFs for specific kinds of businesses and organizations.

**This suggests that if SEED wants to identify metrics that will help SEED winners achieve their goals, will help enterprises similar to SEED winners also be successful, and ultimately will help SEED to pick future winners based on the presence of key success factors, then studying SEED winners as partnerships might not be the most helpful lens to use. Rather, specific enterprises relevant to SEED winners' activities should be studied.**

## **5. SEED through the lens of Social/Environmental Entrepreneurship & Enterprise**

### **5.1 Common characteristics of SEED winners**

The primary characteristic in common for these winners is that they are all trying to commercialize their project, product or service in order to generate a revenue stream, either for themselves or for another group of stakeholders, and, in so doing, provide environmental or social benefits at the local level. The one exception is Madagascar, where the winner is helping a group of stakeholders to protect a revenue stream (as opposed to generating a new one) through better resource management.

The second significant characteristic is that all winners demonstrate some element of collaboration with institutions in other sectors. But as noted above, these enterprises and their “partnerships” are all very different in terms of stakeholder groups and sectors involved, and degrees to which the different stakeholders are engaged in the enterprise. There is no common approach to partnership. That being said, however, all winners have highly valued the work of the Support Programme in broadening their understanding of how to work with other sectors and stakeholders. As will be discussed, it is clear from the literature that everyone building an enterprise needs to understand how to work across multiple sectors and stakeholders, and the management of those additional relationships adds significant complexity to the task of doing good and making a profit, especially for small start up enterprises.

Even so, when the SEED winners’ stated support needs were examined the emphasis was on matters related primarily to revenue generation. Winners are seeking international visibility to attract funding; they are seeking marketing support to help promote their products and services, and so forth. Only one winner listed guidance in helping to develop and manage its current partnership as a specific need.

### **5.2 Social/Environmental Entrepreneurship**

For practical purposes, this study uses the term Social/Environmental Entrepreneur rather than attempting to make a distinction between the two. SEED award criteria stipulate that both social and environmental benefits need to be present in an eligible SEED enterprise. One should probably argue that these should in fact be called “Sustainable Development” Entrepreneurs – and the acronym for SEED actually stands for “Supporting Entrepreneurship for Sustainable Development” -- but so far that terminology does not appear to be commonly used, although there can be found a wealth of information on either “social entrepreneurship” or on “Green enterprise”.

The defining factor of both Social and Environmental entrepreneurs (relevant to this study) is that these entrepreneurs “recognize a social (*and/or environmental*) problem and use entrepreneurial principles to organize, create, and manage a venture to make social (*and/or environmental*) change”. Gregory Dees (2001 pg. 4) further explains that social(*environmental*) entrepreneurs play the role of change agents by:

- Adopting a mission to create and sustain social(*and/or environmental*) value (not just

private value);

- Recognizing and relentlessly pursuing new opportunities to serve that mission;
- Engaging in a process of continuous innovation, adaptation, and learning;
- Acting boldly without being limited by resources currently in hand;
- Exhibiting heightened accountability to the constituencies served and for the outcomes created.

There is a rich, growing body literature on social/environmental entrepreneurs. Much of the literature is concerned with identifying skill sets and tools that are important for these entrepreneurs to develop to be successful in their enterprise. Knowing how to engage in good and efficient partnerships is seen as a part of the skill set required for a social/environmental entrepreneur: Dees (2002), for example, includes “assessing viable partnerships opportunities” among “developing effective negotiating skills”, and “developing measures of accountability with new partners”.

This is also consistent with Caplan’s research on partnerships, which suggests that partnership is a tool, one of many tools that may be valuable for an enterprise to achieve its goals. Interestingly, in the literature on social/environmental enterprises, we see that the critical success factors consistently include working in partnerships. A case study on social enterprises in Hong Kong listed the establishment of a tri-sector partnership as one of their critical success factors on the same level as a good marketing and branding and the right knowledge and skills<sup>9</sup>.

What is important here is the shift in emphasis: from partnerships as an organizational model, to partnerships as one of many tools needed by an entrepreneur to create and sustain value, both economic and social/environmental.

### **5.3 Types of Social/Environmental Enterprises**

Social enterprises are defined as “profit-making businesses set up to tackle social or environmental issues which reinvest the majority of their profits for the benefits of their community”<sup>10</sup>. Environmental enterprises, also called “green” or “eco” businesses, are described as specifically focusing on operations and products that minimize damage to the environment (Earth Enterprise Toolkit, IISD).

The underpinning concept of social/environmental enterprises is a “double” or “triple” bottom line, which essentially means that while these types of enterprises seek profits, they also seek to improve a social and/or environmental problem or confer a social or environmental benefit.

The following table provides examples found in the literature of the major types of environmental and social enterprises and categorises SEED winners in terms of those types.

What is immediately striking is, first, how rich and detailed are the critical success

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<sup>9</sup> [www.seconference.gov.hk/PPT/Tom%20K%20T%20Chan.ppt](http://www.seconference.gov.hk/PPT/Tom%20K%20T%20Chan.ppt)

<sup>10</sup> Cited from [www.socialenterprise.org.uk](http://www.socialenterprise.org.uk)

factors identified for each enterprise type (unlike partnership types); and second, how much easier it is to place the SEED winners into these categories:

**TABLE 6. Examples of Types of Social/Environmental Enterprises & their CSFs<sup>11</sup>**

Type and corresponding SEED winner	Description & generic objectives	Examples of Critical Success Factors
<b>Production and marketing cooperatives</b>  [no SEED winners in this category]	Established to collectively own and manage the production and sale of goods (agriculture coops; arts coops, and so forth)	<ul style="list-style-type: none"> <li>• Sufficient equity before start up</li> <li>• Maintaining an adequate business volume;</li> <li>• Keeping and distributing accurate financial records;</li> <li>• Previous cooperative experience and continued management training for both the board and manager;</li> <li>• Marketing agreements</li> </ul>
<b>Community services</b>  <ul style="list-style-type: none"> <li>• <b>Bolivia</b></li> </ul>	Established to supplement services provided either by the public or private sector, where those services may not meet the needs of everyone in the community, especially the poor and marginalized; or to provide services where none exist.  e.g., utilities; waste collection and recycling; community communications (community radio, TV, telecentres); health; education	<ul style="list-style-type: none"> <li>• Management expertise</li> <li>• Access to professional and technical support</li> <li>• Enabling legal / regulatory environment</li> <li>• Coordinated support (working with public sector agencies)</li> <li>• Community ownership (social capital)</li> </ul>
<b>“Green” products</b> <ul style="list-style-type: none"> <li>• <b>Ecuador</b></li> <li>• <b>Nepal</b></li> <li>• <b>Vietnam</b></li> <li>• <b>Peru</b></li> <li>• <b>SRI</b></li> <li>• <b>Nigeria</b></li> </ul>	Marketing of products originating from sustainable production practices or manufactured from waste products	<ul style="list-style-type: none"> <li>• Business planning</li> <li>• Following industry standards</li> <li>• Marketing; in particular, understanding the green consumer market</li> <li>• Participating in labelling/certification schemes</li> <li>• Enabling state/national policy environment</li> </ul>
<b>“Green” services</b> <ul style="list-style-type: none"> <li>• <b>Brazil</b></li> <li>• <b>Sierra Leone</b></li> </ul>	Services designed to promote enjoyment of and respect for local social and environmental assets  e.g., Ecotourism; Traditional healing services with traditional	<ul style="list-style-type: none"> <li>• Developing synergies with other established services in the sector</li> <li>• Collaboration with other businesses</li> <li>• Effective target marketing</li> <li>• Key personal qualities for front line</li> </ul>

<sup>11</sup> Selected sources for table: [www.coopscanada.coop](http://www.coopscanada.coop); [www.socialledge.org](http://www.socialledge.org); [www.socialenterprise.org.uk](http://www.socialenterprise.org.uk); [www.ashoka.org](http://www.ashoka.org); [www.akdn.org](http://www.akdn.org); [www.iisd.org/pdf/eetoolkit.pdf](http://www.iisd.org/pdf/eetoolkit.pdf); [www.environment.gov.au/biodiversity/publications/case-studies/pubs/woodland.pdf](http://www.environment.gov.au/biodiversity/publications/case-studies/pubs/woodland.pdf); [intranet.iucn.org/webfiles/doc/CEC/Public/Electronic/CEC/Reports/StepstoSuccess.pdf](http://intranet.iucn.org/webfiles/doc/CEC/Public/Electronic/CEC/Reports/StepstoSuccess.pdf)

	medicines and practices	service delivery <ul style="list-style-type: none"> <li>• Personal networking</li> </ul>
<b>Ecosystem services management</b> <sup>12</sup> . <ul style="list-style-type: none"> <li>• <b>Madagascar</b></li> </ul>	Promotes the rational use of the surrounding ecosystem to provide the highest sustainable quality of living for the community e.g., setting up parks, protected areas to help manage a resource base (such as a watershed)	<ul style="list-style-type: none"> <li>• Must become part of the local community;</li> <li>• Active and effective project champions</li> <li>• Getting stakeholders to agree on courses of action through encouraging active partnership and participation ; Strategic identification of priority areas; Good integration with other biodiversity agencies and organizations; Strong promotional component within the project</li> </ul>

<sup>12</sup> Cited from <http://www.environment.gov.au/biodiversity/publications/case-studies/pubs/woodland.pdf> and <http://intranet.iucn.org/webfiles/doc/CEC/Public/Electronic/CEC/Reports/StepstoSuccess.pdf>

## 6. Special attributes of SEED winners

While the SEED winners can be easily categorized as different types of social/environmental ventures, they do have special attributes that may set them apart from other kinds of social and environmental enterprises.

### 1. Potential for impact on a larger scale

SEED winners have the potential for impact beyond a single, small scale community base. The majority of SEED winners could achieve significant gains both in terms of revenues generated and in terms of the environmental and social benefits. These benefits would be realized by more than a single community or small association of farmers. Target revenues over time could be sufficient to support more than the original proponents (increase in employees, profits reinvested in expansion, etc.); target beneficiaries could be in the tens of thousands, and ecosystems protected or used sustainably could be in the thousands of hectares. More robust metrics are warranted to determine whether and how the winners are achieving these results.

Not all winners to date demonstrate this attribute of potential for impact, however: in considering new criteria for another round of SEED awards, this attribute should be considered.

### 2. Complexity of relationships.

The partnerships and other relationships that SEED winners manage are complex. These relationships can range from international to grassroots, formal to informal, and involve multiple sectors. The extent of these relationships, and the management burden they carry, is significant, and possibly greater than other social/environmental ventures that are initiated by an individual or individuals within a community. How each winner views and manages these relationships is important to understand, as the ability to manage complexity could be a significant success factor for identifying future winners.

### 3. Transitions in financing arrangements

A number of SEED winners address the challenge of development project sustainability after ODA support is finished. It is interesting to note that nearly every winner is led by a social or environmental entrepreneur who has either been employed by, or had exposure to or connections to international support or know-how on how the overseas development assistance system works. Almost all have had connections with either a multilateral or bilateral institution or large foreign NGO prior to applying for the award<sup>13</sup>.

From the perspective of revenue generation and the origin of the idea for the enterprise, we can see three types of SEED winners emerging:

- a) Established projects or pilot projects run by an organization, that were originally overseas development assistance (ODA) or foundation funded, that are now seeking ways to becoming financially sustainable, by finding for-profit revenue

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<sup>13</sup> Whether this is simply a result of SEED's own marketing strategies (in that they may have reached the ODA community more effectively than more grassroots enterprises) is difficult to ascertain



streams or a combination of ongoing grant/ODA and financial revenues. (Peru, SRI, Viet Nam, Nepal and possibly Madagascar)

- b) Locally initiated projects that had already, or subsequently, found a champion in a donor agency that was willing to promote their enterprise. (Ecuador, Nigeria, Bolivia)
- c) Really interesting ideas that were developed by two or more organizations/individuals who had long standing associations/collaborations (Brazil; Sierra Leone)

The first two types are dealing with the challenge of sustainability after ODA support. Interesting questions can be explored here: how do SEED winners make the transition from grant funding to revenue generation; do they sustain a relationship with the donor or piloting organization after the funding is completed, and are the donor/organization useful to them in other ways. Even those winners that fall into the 3<sup>rd</sup> category (really interesting ideas championed by a local entrepreneur) are seeking, and in one case have found, significant grant assistance, that will eventually need to be replaced. Based on interviews and discussion with SEED winners at the Pretoria workshop, it is clear that in general the winners do not like the dependence on grants. Lessons from their experience in making the transition, either in full or in part, to commercial revenue generation will be of considerable interest to the broader ODA community. The business model adopted by the winner may be yet another success factor that provides an indication of the likelihood of success.

#### 4. The nascent nature of SEED winners

The literature on social/environment entrepreneurship tends to draw upon examples and case studies of established ventures, rather than an exploration of the process of becoming a established, and going on to success. Apart from Ashoka Foundation's work on measuring effectiveness among its Fellows 5 and 10 years post-award<sup>14</sup>, no longitudinal studies were identified in this review that monitored performance against indicators over a significant period of time. What is significant about the SEED winners is that these entrepreneurs are being identified at the beginning of their enterprise; with the structure in place to revisit the winners year after year to see what is working and what is not. Based on this body of evidence, more guidance can be given to donors and investors about the kinds of ventures that should be supported early on.

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<sup>14</sup> [www.ashoka.org/impact/effectiveness](http://www.ashoka.org/impact/effectiveness)

## **7. General observations and next steps**

Based on our research so far, in the view of the R&L Programme, “partnerships” per se is not the central, defining characteristic of the SEED award winners; rather, these enterprises are using a variety of partnerships and other relationships to achieve their goals. The central characteristic is that the winners are all social/environmental entrepreneurs, in that they are forming, or helping to form, for-profit enterprises based on social or environmental objectives and values. Consequently, in the search for critical success factors, the field of social/environmental entrepreneurship is much more helpful than the field of partnerships.

There are also special attributes that set the SEED winners apart from other social/environmental enterprises. These include a potential for impact on a larger scale; complexity of relationships, transitions in financing arrangements (from project financing through grants/ODA to commercial revenue streams), and, finally, the nascent or embryonic nature of the ventures.

### **Next steps:**

With these observations in mind, the Research Programme proposes to adapt its research agenda to include the following, in place of further work specifically on partnerships typologies and formal partnership governance structures:

1. With the winners, begin to identify more robust success factors, and metrics for performance on their enterprise and on their underlying social/environmental goals.
2. Begin the process of establishing baseline data for the winners, to support longitudinal tracking of performance.
3. Map the winners’ relationships (modified social network analysis) in order to better understand SEED winners’ capacity for and exercise of partnerships and stakeholder relations management.
4. Discuss with winners their financial models in order to determine whether in fact significant lessons are being learned about transitions in financing, for sharing with the broader development community.

## **Appendix 1: SEED Winners**

The following is taken from [www.seedinit.org](http://www.seedinit.org).

### **2005 Winners**

#### **1. Cambodia, Madagascar and Sir Lanka: Environmentally-Friendly Rice (aka A Global Marketing Partnerships for SRI Indigenous Rice)**

Farmers in Asia and East Africa are partners in an initiative to boost rural incomes through the marketing of indigenous and environmentally-friendly grown rice varieties. Commercial rice cultivation in the developing world is becoming increasingly questionable as a result of low market prices and the financial and environmental costs of using chemicals and fertilizers. Conventional methods of rice production are also extremely water intensive.

Some farmers in Cambodia, Madagascar and Sir Lanka have turned to a production method known as the 'System of Rice Intensification' or SRI. It involves an a la carte menu of actions including when to plant out Seedlings, weeding regimes and the spacing of plants, which can be adapted to local conditions and indigenous rice varieties.

Small rural producers who are taking part are achieving water savings of up to 50 per cent and increased yields of up to 100 per cent. This is because SRI, a collaborative effort between Cornell University, several non-governmental organizations (NGOs) and local communities, works without flooding rice paddies and results in stronger plants that need less chemical fertilizers and pesticides.

Rice produced in this way commands higher prices. The trick is to empower and assist producers to exploit and benefit from these premium prices in local and international markets. This new project, which has brought together research institutes from the United States and Cambodia and farmers organizations, is pooling experiences and skills to develop strong marketing programmes. Export markets in Europe and North America are also being explored using, in some cases, certification schemes like Fair Trade.

The Seed Award for this winning partnership was generously sponsored by Swiss Re, Switzerland.

#### **2. Himalayas Harvesting Seabuckthorn at the top of the world**

Seabuckthorn is a deciduous shrub that is common in the Himalayas. It has a highly developed root system that binds soils on fragile slopes. The presence of a natural seabuckthorn 'forest' can decrease monsoon-related loss of topsoil by 30 percent. The plant also has a wide range of commercial applications which are beginning to be exploited by commercial companies in countries like India.

The berries are highly nutritious and yield juice, as well as oils for cosmetics and traditional medicines. The leaves are also used in traditional medicines, as well as for livestock fodder, and the branches can be used for firewood.

The international HimalAsia Foundation together with local Tibetan cooperatives and a family of traditional medical practitioners are developing a sustainable programme for cultivating and marketing seabuckthorn and other medicinal plants for the local and international market. In doing so, they are not only developing sustainable livelihoods for local people, but playing an important role in conserving biodiversity in this Himalayan mountain area.

Plans for the future include expanding on three existing seabuckthorn nurseries, training locals in the extraction and preparation of juice and helping to broker fair business relationships between international companies and local communities.

### **3. Madagascar's first experimental community-run marine protected area**

An estimated 11.5 per cent of the Earth's land surface is now held in protected areas but only about one half per cent of the world's seas and oceans enjoy the same rights.

The 2002 World Summit on Sustainable Development's Plan of Implementation called for the establishment of representative network of Marine Protected Areas (MPAs). An experimental, community-led, scheme in Madagascar aims to be one of these lighthouses by illuminating how partnerships between local people, research institutes and NGOs can deliver marine conservation and sustainable livelihoods.

The project, focused around the 1200-strong community of Andavadoaka, is balancing the needs of local fishermen and protection of the area's important coral reefs. Eco-tourism is being promoted as a way of generating income for conservation work, diversifying the local economy and to reduce the pressure on fish stocks.

It is hoped that the experiences from this project will act as a blueprint for similar projects in other regions.

### **4. Bolivia: Water for All**

Relevant websites: <http://www.aguatuya.com>

Access to clean water is an emotive issue in developing countries and sometimes leads to civil unrest and major social problems. The Millennium Development Goals call for a halving of the level of people without access to fresh water and sanitation and this project directly addresses this aim.

The 'Agua Para Todos' initiative in Bolivia has found a way of solving the seemingly intractable problem of who pays for secondary water networks, i.e. delivering water from the municipal supplier's main pipe to the consumer.

Under the project, a consortium of local communities, an NGO and a pipe manufacturer is building water distribution systems in coordination with the municipal water company in Cochabamba, each connecting between 100 and 500 poor households. The costs are being met by the communities concerned through a micro credit scheme, repayable within a year.

Five pilot projects are under way, already halving the cost of water for 3,000 people in Cochabamba. Ambitious plans currently under development in partnership with the municipal government would provide 17,000 connections serving 85,000 people over the next five years.

## **5. Nigeria: Cows to Kilowatts**

<http://www.seedinit.org/mainpages2/awards/cows/index.php>

Effluents and waste products from abattoirs are a problem for human health and the environment across the developing world. A project being piloted in Ibadan, Nigeria, is turning these wastes into energy to generate income for poor urban communities and reduce the gases linked with climate change.

The project treats the abattoir wastes and turns them into a 'bio-gas' suitable for cooking and other uses. A further by-product is agricultural-grade fertilizer.

The partnership behind the project claims their bio-gas is significantly cheaper than current, commercially available, liquefied gases. The scheme will cover its costs and become profitable in three years and has a fifteen year life expectancy.

## **2007 Winners**

### **1. Vietnam**

In Vietnam, Bridging the Gap uses sustainable cultivation of traditional medicinal plants to develop high value-added products, the manufacturing and proceeds of which improve the livelihoods of ethnic minority communities.

### **2, Peru**

In Peru, T'ikapapa links small-operation potato farmers in the Andes with high-value niche markets in urban centers. T'ikapapa promotes biodiversity conservation and environmentally friendly potato production techniques while giving farmers open access to technological assistance and innovation, encouraging local farmer's associations and propagating the flow of market information.

### **3. Ecuador**

In Ecuador, a partnership also operating in the Andes has reintroduced native cereal and tuber crops that diversify food production, improve local food security and reduce soil degradation. The partnership then sells surplus yield through a women's organization it has created in three communities resulting in new economic, financial and marketing engines for the area.

### **4. Brazil**

In Brazil, Projeto Bagagem creates unique travel packages that give visitors a first-hand look at local development initiatives and nature reserves in a novel approach to community-based ecotourism.

### **5. Sierra Leone**

In Sierra Leone, a unique partnership between a traditional healers' association, an academic research institute and local communities will help to protect biodiversity and provide sustainable livelihoods for local communities through the establishment of the Tiwai Island Health and Fitness Center—a facility to provide health services based on principles of West African ethno-medicine.

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