NGO-BUSINESS PARTNERSHIPS: RISK, TRUST, AND THE FUTURE OF DEVELOPMENT

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Abstract

by

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This thesis examines the privatization of development and the changing interests, pressures, and demands that have brought NGOs and corporations into collaborative partnerships (NGO-BPs). I propose a new Business Purpose classification for NGO-BPs and examine partnership risk analysis and the building of trust through a case study of a large-scale development project in Sub-Saharan Africa undertaken by Catholic Relief Services and supported through partnership with the Intel Corporation. In the final chapter, I highlight key findings and return to the privatization of development with the benefit of concrete examples.
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“Let us, on both sides, lay aside all arrogance. Let us not, on either side, claim that we have already discovered the truth. Let us seek it together as something which is known to neither of us. For then only may we seek it, lovingly and tranquilly, if there be no bold presumption that it is already discovered and possessed.”

– Saint Augustine of Hippo, 354-430 CE
INTRODUCTION

In the spring of 2011, I was part of an innovative educational partnership between Notre Dame’s Mendoza School of Business, Catholic Relief Services, and my program, the Kroc Institute for International Peace Studies. Entitled “Business on the Frontlines,” the class sent teams of students to CRS offices in Rwanda, Uganda, and the Philippines and into the field for two weeks to apply the business acumen of the MBA students and the peacebuilding knowledge of the peace studies students to projects selected by CRS.

During one of our first meetings together at the business school, I found myself in a discussion with a thoughtful MBA student concerning the impact of extractive industries on violence in Africa. I kept referring to the “developing world;” he kept referring to “emerging markets.” It took a moment for me to realize that not only were we talking about the same place, but that our own language, based on our training and background had become a barrier to effective communication. “Developing world” and “emerging markets,” describe the very same locations from very different perspectives. Each term is loaded with meaning and intention.

My interest in partnerships between non-governmental organizations and businesses stems from a desire to understand how we might better harmonize the
economic activity of wealthy societies like my own with its social and environmental costs to the poorest ones. I believe that some of these partnerships are an attempt to do so. Through this research, I also hoped to find partnerships that harnessed the vast power of business and private interests for the public good in ways that go far beyond corporate philanthropy. Although we are still very, very far away on the former, I believe that I have found at least one example of the latter in the case study in Chapter 4.

Partnerships between NGOs and businesses sit at the intersection between the privatization of development and the corporate social responsibility movement in business and civil society. They are, in a sense, a product of the convergence of the forces of globalization: changing interests, pressures, and demands. While both the number of partnerships and the literature exploring their collaborative elements has increased, there remains an absence of knowledge about how these very different organizations actually build relationships, and how the organizations themselves see partnering within their own constellation of stakeholders, motivations, and risks. The essential question is how to bridge the gaps in understanding between those who contemplate a “developing world” and those who seek “emerging markets.” I believe this research not only discovered some good examples of such bridges, but also provides a greater understanding of how they are constructed.

Chapter 1 will examine the privatization of development and the changing interests, pressures, and demands that have brought NGOs and corporations into collaborative relationships. Chapter 2 will propose a new Business Purpose
classification for NGO-BPs. Chapter 3 will examine partnership risk analysis and the building of trust. Utilizing the concepts developed in the proceeding chapters, Chapter 4 is a case study of an ambitious development project in Sub-Saharan Africa undertaken by Catholic Relief Services and supported through partnership with the Intel Corporation. The last chapter will highlight key findings and return to the privatization of development with the benefit of concrete examples.
CHAPTER 1:
THE PRIVITIZATION OF DEVELOPMENT: THE RISE OF NGOs, CORPORATE SOCIAL RESPONSIBILTY, AND NGO-BUSINESS PARTNERSHIPS

1.1: The Rise of NGOs and Current Pressures

The term non-governmental organization (NGO) was first defined after World War II when provisions were made for certain non-state organizations to participate and observe the work of the newly formed United Nations. These civil society organizations had influence and competence in the emerging international norms of human rights, development, labor, war and peace, and the environment. Over the seven decades that followed, the quantity of NGOs, the spectrum of their missions, types of operations, theories of change, and the locations in which they work have proliferated. NGOs have become not only a key component of the international system, but deliverers of vital services in many countries. They are social, political, cultural, and economic forces in their own right.¹

NGOs are generally financed through individual and institutional donors and governments, though some are now finding independent sources of revenue through providing services to governments or businesses, or even developing their own products. Some of the largest NGOs have annual budgets in the hundreds of millions, or even billions of dollars.² Many are global brands that receive an
extremely high level of consumer trust but carry all the risks associated with brand reputation. In many countries, the weakened role of the state (and often its collapse) has resulted in NGOs filling a void in providing basic services to the poor, essentially replacing the state in this sense, while still serving as advocates for change. We are now at a point in history where private organizations, funded in part by private institutional philanthropy, have come to be major players or even dominate international advocacy, emergency aid, the environment, human rights, and economic and social development. At one time, the nation state was the epicenter of these issues; programming, power, and resources all flowed through governments. No more. While the state is still a critical actor, privatization has altered the face of global environmental and social intervention.

Meanwhile, as their power grew, NGOs of all types increasingly came under pressure to provide greater financial accountability and concrete evidence of programmatic impact. Scarce resources, the influence of new donors demanding a statistical return on investment, and the emergence of social entrepreneurship have created a “marketization” of the non-profit sector, fostering increased competition. Some critics, such as Harvard Business School's Michael Porter, bluntly assert that NGOs are wasting money:

Foundation scandals tend to be about pay and perks, but the real scandal is how much money is pissed away on activities that have no impact. Billions are wasted on ineffective philanthropy. Philanthropy is decades behind business in applying rigorous thinking to the use of money.

NGOs have adapted by incorporating aspects of private sector management, including hiring staff with business degrees or backgrounds. According to non-
profit management expert Marc Lindenberg, the emergence of marketization has engendered a great deal of soul-searching among NGO managers:

They believe that their organization’s strength, fueled by the staff’s primary motivation, is in its determination to help people improve their lives. But in this more competitive NGO world, it is no longer enough to simply have good intentions and a strong value orientation. Those working in the NGO sector now recognize that NGOs that do not adapt their strategies and promote greater impact, efficiency, and accountability run the risk of bankruptcy as well as irrelevance. Yet they fear that too much attention to market dynamics and private and public sector techniques will destroy their value-based organizational culture.  

Governance structures among international NGOs have typically sought to reconcile a headquarters with executives and senior program officers in the United States or Europe with programs in the developing world that generally employ small local NGO affiliates as operational agents. It is a delicate balancing act between local and global agendas and priorities. Scholars in the field of non-profit management have analyzed the financial and programmatic autonomy among the NGO field offices in the global South and have found that the governance structures are often changing and have great variety in the amount of localized decision making.  

On the one hand, centralized authority may increase efficiency and standardization. On the other hand, the realities of meeting the needs of beneficiaries on the ground requires a great deal of flexibility and adaptability.

1.2: The Emergence of Corporate Social Responsibility

At roughly the same time period of increased marketization of NGOs, the idea emerged, or reemerged, that businesses needed to focus on more than just
maximizing shareholder wealth. Terms such corporate social responsibility (CSR), corporate sustainability, or global corporate citizenship have come to be used interchangeably\textsuperscript{10} to describe what amounts to a demand from multiples sources, within and outside of businesses, to reduce or abolish the negative externalities of their business practices and also take a prominent role in addressing the interlinking problems of environment, labor, human rights, and poverty.\textsuperscript{11}

What began as a debate about the purpose of the corporation among economists such as Milton Friedman in the 1970s, has now become a \textit{de facto} expectation in the 21\textsuperscript{st} Century among businesses, civil society, government, and the consuming public. According to research in ten countries conducted by the public relations firm Cone Communications, ninety-three percent of consumers surveyed stated that companies must go beyond minimum standards required by law to operate responsibly and address social and environmental issues. Fifty percent said that companies must act proactively to support larger issues of economic development, environment, poverty, human rights, education, and public health.\textsuperscript{12}

In much of the academic CSR literature, corporations are frequently viewed in terms of their “moral maturity” or “ethical framework” in both their culture and practice.\textsuperscript{13} CSR has become so mainstream that the term itself now part of the general lexicon. CSR has been professionalized in consulting firms, has its own academic journals, and most major transnational corporations have entire departments devoted to it.
1.2.1: A Regulatory Void

Set within the context of globalization and market deregulation, Lee Tavis and Timothy Tavis use the concept of a “regulatory void” to describe the loss of policy freedom on the part of the nation state and international governing bodies to control the negative externalities of business practices. This void is particularly apparent in the poor or war torn societies of the global South that simultaneously lack the infrastructure, power, or economic freedom to hold transnational corporations accountable for their actions. Ample evidence can be found in rampant environmental degradation, slave and child labor, the forced displacement of villagers from valuable land, the illegal trade of arms, drugs, and human beings, and the illicit capture of primary export commodities by corrupt governments and rebel combatants that are then used to fund seemingly never ending cycles of intrastate violence described by Mary Kaldor as “new wars.”

Attempts to fill the regulatory void through international law or domestic legislation have been only moderately successful. Use of the United States courts to redress injuries caused by multinational corporations through the Alien Torts Claims Act is currently under review by the Supreme Court of the United States. Thus, to the dismay of many, much of the focus has been on voluntary, non-coercive guidelines such as the United Nations Global Compact (UNGC), which is a set of ten principles that provide guidance on issues of labor, the environment, and human rights to be applied both locally and internationally. According to the UNGC, a participant should:

Make the Global Compact and its principles an integral part of business strategy, day-to-day operations and organizational
culture; incorporate the Global Compact and its principles in the decision-making processes of the highest-level governance body (i.e. Board); contribute to broad development objectives (including the Millennium Development Goals) through partnerships; integrate in its annual report (or in a similar public document, such as a sustainability report) a description of the ways in which it implements the principles and supports broader development objectives (also known as the Communication on Progress); and advance the Global Compact and the case for responsible business practices through advocacy and active outreach to peers, partners, clients, consumers and the public at large.17

According to Tavis and Tavis, “there is no evidence that effective regulation will be in place in a reasonable strategic timeframe. Given all the globalization pressures, national governments in the long run will continue to lose policy freedom and the capacity of regulatory control, complicated by intermediate attempts at economic protectionism.”18 As a result, the authors argue that corporations are moving from the traditional system of management and governance that responds to external regulation (the norm developed in regions like North America and Europe) to one of principle-based responsibility. In this sense, for better or worse, voluntary CSR has been thrust into the space left by regulatory void. In doing so, businesses have encountered the NGOs that were already contending with the void’s consequences on the ground, creating new types of relationships that cannot be described as merely philanthropic.

1.3: NGO-Business Collaboration

NGO engagement with the private sector has ranged from the open hostility of naming, shaming, and suing, to philanthropic arrangements, to NGO participation
in the development of socially or environmentally sustainable business practices, to
close collaboration on development projects. Tracing the impact of globalization on
international relief and development NGOs and their relationships with business,
Lindenburg and Dobel write:

Economic globalization has produced new wealth and employment in some places and left many corporations with new resources, which could potentially be donated to NGOs. Whole new sectors of wealth, often based on global enterprises, have emerged without a tradition of giving or a vision of public commitment. This new wealth has generated some new dilemmas for the NGO community. On one hand, many NGOs are involved in strong fundraising efforts to capture corporate donations or form innovative partnerships. On the other hand, many NGOs question whether they should take donations from companies they perceive to be socially irresponsible.19

The same dilemma applies to in kind donations of business talent or partnering. There is growing realization among NGOs that strategic engagement with businesses beyond philanthropic arrangements could provide new levels of scale, effectiveness, and sustainability to their programming. Important donors such as USAID are increasingly looking for NGOs to partner with corporations.20 Initiatives by such donors as the Bill and Melinda Gates Foundation and the Clinton Global Initiative are repurposing business methods and business culture to solve the world’s problems.21

Other voices caution against the rise of what they call the rise of “philanthrocapitalism,” viewing the convergence of interests between the sectors as a symptom of a disordered and profoundly unequal world, rather than its cure. They argue that when faced with a social problem, the reaction among
philanthrocapitalists is to ask "How we can we raise money to combat this problem and get good metrics to prove impact?" rather than "How we can address the complex and deep rooted causes of injustice and inequality that underlie the problem?" There is also resentment to the notion that non-profits must become "more businesslike," especially in light of a multitude of failing businesses.

Partnerships between NGOs and businesses (NGO-BPs) sit at the intersection between the privatization of development and the CSR movement in business. A decade ago, research suggested that due to distrust between partners, few NGO-BPs had moved far beyond a philanthropic relationship. At this time, there is not a comprehensive longitudinal survey assessing or analyzing the number or character of NGO-BPs, yet NGO-BPs have gained increased attention and are now so common that they occupy a growing subset of management, development, and other social science research. Management theorists from both non-profit and business literature have analyzed such engagement under the auspices of shared value, strategic collaboration, and as a function of resource dependency. What is less known is how trust develops in light of perceived risks in NGO-BPs.

What follows is a discussion of the classification and conceptualization of NGO-BPs in Chapter 2, followed by a framework for analyzing risk and trust in such partnerships in Chapter 3. The concepts developed in these two chapters inform a case study of the partnership between the international NGO Catholic Relief Services and the semiconductor giant Intel. In the final chapter, I summarize the key findings of the case study, and return to the privatization of development through the lens of this partnership to discuss implications.
1.4: Endnotes


5 Marc Lindenberg, “Are We at the Cutting Edge or the Blunt Edge? Improving NGO Organizational Performance with Private and Public Sector Strategic Management Frameworks,” *Nonprofit Management & Leadership*, 11, no. 3 (2001): 247-270.


8 Lindenberg, “Are We at the Cutting Edge or the Blunt Edge,” 248.


10 For the remainder of this paper I will use the term corporate social responsibility (CSR).


16 Kiobel v. Royal Dutch Petroleum Co., 642 F.3d 268, 270-72 (2d Cir. 2011) *cert granted*. 

18 Tavis and Tavis, *Values Based Multinational Management*, 51.


CHAPTER 2:
THE CLASSIFICATION AND CONCEPTUALIZATION OF NGO–BUSINESS PARTNERSHIPS

2.1: The Collaborative Continuum

The CSR movement and privatization of development has generated NGO-BPs with diverse objectives, and varying levels of commitment and collaboration. As interest in this field has blossomed, a growing number of attempts have been made to classify and distinguish them, particularly over the last decade. Citing a “paucity of field-based studies and conceptualization on alliances between businesses and nonprofits,”24 James Austin developed a well-regarded and frequently cited conceptual framework that classifies NGO-BPs and their potential evolutions along a Collaborative Continuum between the stages of interaction, starting from the lowest level of collaboration, philanthropic (Stage I), to transactional (Stage II), and finally, integrative (Stage III). Austin developed the collaboration continuum through case studies of fifteen business-NGO partnerships, some of which had decades of interaction, while others were much newer and shorter in duration. Figure 1 illustrates Austin’s framework and the potential fluidity or evolution of the relationship.
The philanthropic stage is the charitable donor-recipient relationship that has characterized traditional business-civil society relations. The transactional stage entails explicit resource exchanges focused on specific activities, such as licensing agreements, event sponsorship, and contractual service arrangements. According to Austin, the relationship enters the integrative stage when “the partners’ missions, people, and activities begin to merge into more collective action and organizational integration. This alliance stage approximates a joint venture and represents the highest strategic level of collaboration.”

Within this framework, if a NGO-BP migrates along the continuum, the nature of the relationship changes because the level of engagement, the importance to their mission, magnitude of the resources committed, scope of activities, interaction level, managerial complexity, and strategic value all change accordingly. The framework is descriptive only and is not intended to be normative; Austin places no greater value on one stage over another.
The study analyzed the motivations of the fifteen partners in terms of value creation for each organization. At the lowest philanthropic level is a generic value transfer between the organizations, usually characterized by a monetary donation in exchange for credibility and image enhancement. It is derived from a generic asset or competence shared by many organizations, not from any distinctive attribute of the particular organization. At the transactional stage, organizations exchange core competencies and leverage distinctive or proprietary capabilities for collaboration, leading to a greater value proposition. The study found that at the integrative stage there was joint value creation representing “benefits that are not bilateral resource exchanges but rather joint products or services derived from the combination of the organizations’ competencies and resources, which characterize Stage III integrative alliances.” At the integrative stage, Austin finds that each partner has distinctly imprinted on the other’s organizational culture, creating some perceptible level of organizational change.

2.2: A Proposed “Business Purpose” Classification

The Collaborative Continuum is a helpful conceptualization for partners to locate their relationship and strategize whether the partners want to move toward greater integration, but it does not seek to specifically identify or analyze the underlying motivation or objective of the partnership and its cascading effect on risk and trust in the relationship. In other words, the point of a partnership is not to collaborate for collaboration’s sake or to somehow become integrated; there is an objective on both sides operating independently from the level of collaboration.
While attempts have been made to classify business approaches to partnering with NGOs (such as “proactive or reactive”), such efforts are few in number and unsystematic.\(^{27}\) Therefore, another relatively useful way to differentiate between types of NGO-BPs is to define them by the objective of the partnership for the business (the “Business Purpose” for partnering) rather than the level of collaboration. I propose that business purposes for NGO-BPs fall into three categories:

**Type 1 – Reputation Partnerships**  
**Type 2 – Responsibility Partnerships**  
**Type 3 – Revenue Partnerships**

The three categories are, of course, related; a company’s reputation will affect its revenue, and a responsible act of the company in its operations will enhance its reputation and possibly its revenue. I chose business purpose as the primary basis for categorization because a company’s objective in partnering provides fertile ground to locate nuances in the drivers and character of the relationship. I hypothesize that the specific business purpose for the relationship will impact the level of risk tolerated by the parties, their perception and trust of each other, and perhaps most importantly the level of resources committed by the business. An individual NGO-BP will likely transverse one, two, or even all three objectives to some degree, but the presence of each business purpose (or the primacy of one business purpose) will largely characterize the partnership, inform its evolution and outcome, and provide the prism through which the organizations’ stakeholders and the public view the relationship. This framework can be used alongside the Collaboration Continuum. Like the Collaborative Continuum, the
Business Purpose classification is not intended to be normative, that is, one type in not necessarily better than another.

The focus on business objectives for classification purposes in no way is meant to assume or imply that NGOs do not have their own business purpose for partnering. It is quite the opposite. Nonprofits may gain both revenue and reputation from partnering with a company, but each of these objectives may be considered subsets to the primary motivation to further the mission of the NGO. Or at least that is how it supposed to be according to the definition of a charitable organization under the tax law of the United States. For-profit entities have conclusively expanded their missions well beyond shareholder wealth maximization in public perception, practice, and legally through expanding charters, the expansion of the business judgment rule, and cross purpose legislation passed recently in multiple states. NGO objectives for partnering are critical to analyze and will be discussed at length, particularly in the primary case study, but due to this expansion of corporate purpose and the narrower objective of NGOs, it ultimately made the most sense to classify partnerships by the business purpose for the business.

2.2.1: Reputational Capital and Imputed Cost

The proposed business-case classification requires the explanation of two key terms: reputational capital and imputed cost. Reputational capital is defined as “the sum of the financial gain accruing to the enterprise over the long term as a result of its perceived legitimacy. It is a function of an organization’s identity and image.” This definition includes not only brand equity, but also the identity of the
firm as defined by both internal and external stakeholders. Studies have shown a positive correlation between social performance and financial performance for companies, but defining what constitutes “social performance” has been a challenge for empirical research. The concept of reputational capital also been extended to the non-profit sector.

The business purpose for CSR (independent from NGO-BPs) has been studied both quantitatively and qualitatively and multiple studies have attempted to measure the value of CSR activities for businesses. Meta-analysis of both types of research reveals that the business purpose is largely related to increasing reputational capital and revenue, market development, and cost savings, such as risk management, brand improvement, public relations and stakeholder image, license to operate, tax advantages, efficiency in production, waste reduction, and employee motivation, recruitment, and retention. Each of these motivations supports the use of the imputed cost model to identify a point of departure in net wealth considerations in light of CSR activities, of which NGO-BPs are a subset.

Sustainability measures have the capacity to increase reputational capital and provide environmental cost savings, such as in the case of energy efficiency, pollution controls, or avoiding litigation. Tavis and Tavis argue that, “As the amount of resources committed to a program increase, a point will be reached where the net positive returns will be maximized and no more net benefits can be achieved. When these activities reach their apex, the boundary between enterprise sustainability and moral corporate behavior is crossed and net-positive wealth benefits become negative.” Put simply, imputed cost is the point at which “doing good” costs more
money than it saves. Going beyond this point results in a reduction of net wealth. In the context of a NGO-BP it is the point where the resources committed outweigh the reward for partnering. This model is illustrated in Figure 2.

![Figure 2. Imputed Cost. Tavis and Tavis (2009).](image)

It is also important to note that the Business Purpose classification puts aside (for the moment) the very real and powerful desire of many people in businesses to effect positive change in the world, completely independent from the business reason to do so. This pursuit of what Tavis and Tavis (2009) call moral enterprise behavior runs throughout each of the three types of business purpose partnership. A partnership can simultaneously be both good business and “good,” but the level of imputed cost will likely determine how “good” a company’s internal stakeholders will allow it to be.
2.2.2 Reputation, Responsibility, and Revenue Partnerships

A type 1 reputation partnership facilitates the company’s CSR objective to be perceived as a “force for good.” It may leverage core competencies of the business, or be more philanthropic in nature, such as licensing agreements, NGO project sponsorship, and novel fundraising approaches. The business primarily seeks to *increase reputational capital* and reap its benefits by being perceived as a good corporate citizen in partnership with an NGO. Such benefits may or may not include an indirect revenue increase, but the main business purpose for partnering is limited to the narrow (but still important) objective of increasing a company’s reputation. One area where Types 1 and 3 would likely overlap is in the case of cause-related marketing, where generating revenue is clearly a primary consideration for the business, but the consuming public’s perception of the brand as a good corporate citizen and the desire to help the NGO in its mission is the source of that revenue. In this case, the NGO essentially lends its name, goodwill, and mission to the business to drive sales of the product or service through marketing. This does not create any new source of revenue that is independent from the accumulation of reputational capital. If placed the Collaboration Continuum such partnerships could potentially exist at any of the stages of the three stages.

Type 2 responsibility partnerships center on assessing, mitigating, promoting, or altering the negative or positive *impact of business practices*, frequently in the developing world. Such partnerships are necessarily reactive and focus on social or environmental sustainability, poverty, or human rights policies
and procedures in areas such as global supply chains, agriculture, manufacturing, or extractive industries. They are frequently efforts by businesses to “do no harm,” or “do less harm,” as the case may be, and are related to the protection of both revenue and reputation, but focus on the operations of the business.

On the Collaboration Continuum, such partnerships would likely be considered Stage II or even Stage III, depending on the level of positive change they foster. Responsibility partnerships would not likely be considered Stage I because of the necessity of disclosure of proprietary or sensitive business practices or information. A certain amount of organizational change would also be necessary to conduct a study the environmental or social impact of a company’s value chain, or subsequently inform an amendment of a corporation’s environmental or human rights practices and policy.

Responsibility partnerships are not rooted in philanthropy but exist in response to the regulatory void of the global marketplace discussed in Chapter 1, driven by the demands for increased accountability at the heart of the discourse on corporate social responsibility. The need and market are so great that some NGOs, in an effort to advocate and create change in the environmental, labor, or human rights practices of companies, have made partnering a central component of their mission. For example, as a portion of their operations, the Massachusetts-based nonprofit Verité is hired by companies to ensure social responsibility along supply chains by providing assessment, research, training, and consulting services. Many of Verité’s clients include major brands such as Home Depot, Gap, Apple, Walmart,
Mars, HP, and Philip Morris, as well as large producers of export commodities like cocoa and tobacco.

According to Mil Niepold, a former Senior Policy Advisor for Verité, much of the NGO’s work with companies may best be described as social audits using anthropological methodology such as interviews with factory workers. Due to the sensitive nature of these issues, most of Verité’s actual dealings with companies is confidential and, one could assume, conducted at arms-length to maintain independence. Verité is not a whistleblower, but Niepold insists that the model could not exist without the “namer and shamer” NGOs publicly calling for increased corporate accountability and responsibility. Business pay for these services, though the NGO also receives revenue from other sources such as government and foundation grants, and private donations that support research and advocacy on issues such as human trafficking, gender, human rights, and labor.

A different example of a responsibility partnership occurred when Oxfam America, the Coca-Cola Company, and the bottler SAB Miller conducted an assessment of the companies’ impact on poverty in El Salvador and Zambia. The multiyear assessment utilized Oxfam’s Poverty Footprint methodology to analyze five dimensions of poverty: standard of living, health and well-being, diversity and gender equality, empowerment, and security and stability, through the lens of five private sector impact areas: macro-economy, value chains, use of natural resources, product development and marketing, and policies and institutions. This partnership culminated in an eighty-page report (released in March 2011) that detailed the poverty impact of both companies in these countries and made
recommendations for “follow-up action.” Oxfam America explains its motivations in
the report:

[We are] keenly aware that the private sector’s real power lies
not in its philanthropy, but in its core business practices, which
may have positive or negative consequences for communities.
Oxfam America engages with companies seeking to leverage
their resources, creativity and influence to pro-poor ends.
Oxfam America also aims to raise awareness around corporate
impacts, empower communities to engage companies
effectively, and strengthen government oversight.36

Muhtar Kent, CEO of the Coca-Cola Company, explains the company’s
perspective on the partnership, describing both Type 1 and Type 2 business
purposes:

As stewards of the world’s most recognized and valuable
brand, we recognize that the success and sustainability of our
business is inextricably linked to the success and sustainability
of the communities in which we operate. The strength of our
brands is directly related to our social license to operate, which
we must earn daily by keeping our promises to our customers,
consumers, associates, investors, communities and partners.

[...] This report represents a new kind of partnership; one built
on intellectual cooperation. By opening our doors to Oxfam
America, one of the world’s most respected nongovernmental
organizations (NGOs), The Coca-Cola Company and SAB Miller
have raised the bar for corporate transparency and
contributed to building trust between civil society and the
private sector.

While this partnership may not have beneficiaries in the
traditional sense, the insights gained from this report may
ultimately benefit many people in our supply chain around the
world. Through this work, Oxfam’s development experts have
helped identify areas where our business could bring more
benefit to more people. We take the content of this report
seriously, and we will consider its recommendations with our
bottling partner, SABMiller, and our stakeholders, as we strive
to create sustainable businesses in El Salvador and Zambia.37
Type 3 revenue partnerships proactively seek to address an issue outside the environmental or social impact of the corporation’s business practices. By partnering, the organizations share core competencies and resources to address a common cause or purpose central to the NGO’s mission. What differentiates these partnerships from the others is that revenue partnerships result from a strategic objective of the business to gain revenue beyond that which is gained by increasing its reputational capital or reducing costs by addressing operational environmental or social sustainability concerns. Instead, the partnership with a NGO serves as a conduit to achieve a specific strategic objective or competitive advantage such as reaching a new market, testing a new product, or gaining knowledge or expertise in a new field. As presented in Chapter 4, the NGO sector may even represent a market in and of itself.

While both reputation and responsibility partnerships have been well documented, analyzed, and publicized, the presence of an independent revenue motivation has received relatively little attention. This may be because such partnerships do not publically disclose or highlight a profit objective for fear of criticism. But it may also reflect the tendency in CSR literature and company public relations to treat CSR as completely separate from their revenue-generating functions (beyond sustainability concerns). Moreover, much of the academic management literature decries the troublesome disconnect between CSR departments and core operations, placing the blame on corporate leadership.\textsuperscript{38} Likewise, most of the literature examining NGO-BPs only discusses the revenue motivation in general terms, relying on vague notions of “shared value.” Any
revenue motivations are obscured by responsibility or reputational aspect of alliances, or siloes revenue from considerations of social and environmental responsibility via the calculation of a segmented “triple bottom line.”

According to a report in the *Harvard Business Review*:

> “[T]he prevailing approaches to CSR are so fragmented and so disconnected from business and strategy as to obscure many of the greatest opportunities for companies to benefit society. If, instead, corporations were to analyze their prospects for social responsibility using the same frameworks that guide their core business choices, they would discover that CSR can be much more than a cost, a constraint, or a charitable deed – it can be a source of opportunity, innovation, and competitive advantage.”

A well-conceived strategy for partnering has the potential to reduce imputed cost in both reputation and responsibility partnerships. As Tavis and Tavis assert, “NGO counsel on corporate social efforts and partnering in joint projects can substantially improve corporate performance. Beyond this contribution, the participation of NGOs can sharpen the social judgment of the firm’s legitimacy, thus increasing the firms reputational capital and internal motivation.”

In responsibility partnerships, the very act of addressing human rights or environmental problems is potentially a risk mitigation strategy in and of itself, which reduces imputed cost. For example, Apple Computer recently engaged Verité and the Fair Labor Association after substantial (and very public) questions surfaced concerning the labor practices of its Chinese manufacturing partner Foxconn.

While reputation and responsibility partnerships suit a well argued business purpose within the constellation of corporate social responsibility and duty to a
wide variety of stakeholders, the revenue partnership transcends the dominant CSR discourse by aligning it with the primary function of the corporation: to make money for its shareholders. No matter how forward thinking a company’s performance metrics for evaluating their managers may be, the primary metric remains that manager’s impact on the bottom line; their compensation and jobs depend on it. If imputed cost is a barrier to partnering to achieve CSR objectives, reducing it is clearly important to the viability and growth of both reputation and responsibility partnerships. But the significance of revenue partnerships is their potential to make imputed costs negligible or even nonexistent by adding the revenue into the calculation of the imputed cost of an NGO-BP (Figure 3).

![Figure 3. Imputed Cost by Business Purpose. Adapted from Tavis and Tavis (2009).]
In revenue partnerships, the apex of the curve becomes much higher in terms of wealth; business leaders and managers are strongly incented to support the work of an NGO. The apex also moves to the right, indicating a greater commitment of corporate resources to such partnerships, such as the core asset of employee talent, because the business purpose is so compelling and the imputed cost is so low. More resources means more can be accomplished towards the NGO’s mission and provide greater benefit to the beneficiaries touched by the partnership. Within a company, such partnerships may help align CSR departments with business operations in a substantive way, in essence creating the “source of opportunity, innovation, and competitive advantage” sought by the *Harvard Business Review’s* in its critique of the prevailing approaches to CSR. Revenue partnerships represent the very essence of putting the power of private interests to work for the public good.

While the Collaboration Continuum is helpful to identify the level of engagement between NGOs and businesses in partnership, and the Business Purpose approach can help locate the drivers of the partnership, neither framework, by themselves, provide an analysis of risk or trust at the personal or organizational level. Austin concludes that assessing risk and building trust are key partnership enablers, especially for transactional (increased trust) and integrative (deep personal relationships and trust) partnerships, but how that risk was assessed, and how that trust was built was outside the scope of his work. The question remains how the business purpose for partnering might impact the level of risk tolerated by the parties, their perception and trust of each other, and the level of resources committed.
Chapter 3 will provide a broad overview of how risk operates in a NGO-BP and utilize examples from both Verité and the Oxfam America, Coca-Cola, and SAB Miller partnership to demonstrate how risk was perceived. The chapter will also introduce a conceptual framework of risk and trust that will be utilized for the case study in Chapter 4, which had compelling reputation and revenue motivations for Intel.

2.3: Endnotes


25 Ibid., 71.

26 Ibid., 79.

27 Yaziji and Doh, NGOs and Corporations, 147.


29 Tavis and Tavis, Values-Based Multinational Management, 66.

30 Ibid., 68.


33 Tavis and Tavis, Values-Based Multinational Management, 96.

34 The specific process of engagement with businesses was not discussed with Niepold, nor is it described on Verité’s website.


37 Ibid., 9.


41 Tavis and Tavis, Values-Based Multinational Management, 122.

CHAPTER 3:
UNDERSTANDING RISK AND TRUST IN THE NGO-BUSINESS PARTNERSHIP

While intended to produce a social or environmental benefit, an NGO-business partnership is also an economic relationship between two independent organizations; each organization may commit capital (sometimes a great deal of it), employee time, and other resources. In meeting the goals of the partnership in an uncertain world, each organization must also attempt to align the vast constellation of stakeholder needs, demands, and constraints, all the while keeping true its individual mission and the promises it has made to its partner. This is no small task and is fraught with risks that can take unexpected forms. For these reasons, undertaking a comprehensive risk analysis is critical for both organizations in a successful NGO-BP.

Not all risk-taking behavior requires trust in another person or organization. Trust-based risk taking and general risk taking must be distinguished. At a very basic level, all organizations, whether NGO or business, must constantly undertake risk analysis in their operations. For example, staff at an NGO must decide whether a program is feasible in light of the grant environment, or how an activity contained within a project plan will be altered by changes in circumstances or needs. Likewise, staff at business must assess the level of risk in making decisions about
new products, material sourcing, freight costs, capital and labor, etc. Both types of organizations must contend with the risks associated with the political climate. In any decision, both organizations must assess the objective and subjective probability of outcomes and plan accordingly in order to be successful; it is an essential function of an organization's leaders and managers.43 Most major companies and NGOs have long standing practices for carrying out risk analysis at the country and project level, but those engaged in a NGO-BP are now increasingly analyzing risk at the partnership level.

Risk taking that involves depending on another requires trust, which must be built effectively between these often vastly different organizations for the relationship to work. However, NGOs and corporations are legal fictions, or ‘creatures of statute,’ that are not capable of trusting one another. Organizational trust is actually built between the human beings that envision, work on, and manage the partnership.

It is worth noting that the levels of both risk and trust will vary significantly by the specific organizations involved in the NGO-BP, the human beings managing it, the type of collaboration, and the sector and countries in which the NGO-BP operates. Drawing on social science and business literature, this chapter focuses on how risk operates in NGO-BPs, the theoretical relationship between risk and trust, and introduces the conceptual framework of trust for Chapter 4’s analysis of the relationship between Catholic Relief Services and Intel. Examples from both Verité and the Oxfam-Coca-Cola-SAB Miller partnerships inform the analysis. The next
section broadly examines stakeholder risks in partnering. The section following it will focus on building trust and managing risk within the context of the partnership.

3.1: Stakeholder Risk Analysis

Stakeholder theory was first introduced in the 1960s in the work of management theorists who sought to identify all the constituents to a corporation. While the terms “stakeholder,” “stakeholder management,” “stakeholder model” are used in the multitudes of business and NGO-related literature without any strict uniformity, it is generally meant to account for those who affect or are affected by a corporation’s actions. Stakeholder theory has been extended similarly to NGOs and is now generally considered a core component of modern NGO management and project design. Both NGOs and businesses are a constellation of internal and external stakeholders with varying objectives, motivations, and needs, and at their onset, NGO-BPs can be quite tricky because their cross purpose nature. In other words, the organizations gain additional risks with their stakeholders simply by partnering with each other.

3.1.1: Imputed Cost as a Stakeholder Risk for Businesses

As noted in Chapter 2, the concept of imputed cost identifies the point at which the net positive wealth benefits of CSR activities become negative and businesses cross into the pursuit of moral enterprise behavior for its own sake. The imputed cost model encompasses all types of CSR programs, including those that are unrelated to partnering with an NGO, but NGO-BPs can be analyzed in terms of what
level of imputed cost it would require. Managers pursuing a CSR objective through a partnership with a NGO must weigh the degree of imputed cost that will be tolerated by primary stakeholders like executives and shareholders. To do otherwise is, at a minimum, a recipe for alienating primary stakeholders, and at its most extreme, is potentially a breach of fiduciary responsibility. For this reason, the imputed cost of undertaking the partnership can be conceptualized as a substantive risk to wealth and reputational capital that must be calculated.

In the case of Coca-Cola, the company shared the costs with its partners. Coca-Cola’s portion was $400,000, which is a relatively small amount of money to a company of its size. However, Coca-Cola opened up its value chain and operations to Oxfam America and co-published a detailed report that paints a mixed picture of Coca-Cola’s impact on poverty in the two countries studied and provides clear recommendations to reduce the negative impacts. For this reason, Coca-Cola faced extraordinary brand risk among secondary stakeholders by not only participating in the study, but also by failing to follow up on recommendations in the report. Yet the final report contained this caveat, which can be taken to mean they had not yet calculated what that imputed cost could be were they to implement the recommendations proposed in the report:

Recommendations are made at the end of each section of this report for The Coca-Cola Company and SABMiller’s consideration going forward. These recommendations should be seen as guiding principles and suggestions for action, and not as formal commitments made by either The Coca-Cola Company or SABMiller.46
A decision to not address the uncovered negative impacts of the company’s business practices could severely affecting the company’s reputational capital over the long run. Addressing the issues could substantially increase the imputed cost of the partnership. Clearly, at least at the outset, Coca-Cola believed it was a level of imputed cost that could be tolerated.

3.1.2: Stakeholder Risk for NGOs

For the NGO, the partnership is perhaps even more fraught with stakeholder risks simply because of the potential for the perception of corporate cooption. Stakeholder risks for NGOs can be divided into two main categories: reputational and programmatic.

Being seen as coopted by a company, especially a large multinational corporation can be quite damaging to the reputation of an NGO. The fear is similar to the perception dangers in other cross-sectoral alliances, like UN-business partnerships. As a paper published in 2000 by the United Nations Research Institute for Social Development (UNRISD) states, “precaution and healthy distrust seem to be the appropriate attitude for dealing with commercial enterprises, many of which are currently involved in a public relations exercise aiming to present themselves as responsible corporate citizens who should be allowed to operate with a minimum of outside interference or regulation.”

Many NGOs with robust advocacy programs have experienced effective impact through the naming and shaming of businesses complicit in environmental,
labor, or human rights abuses. To these NGOs, independence is a core asset of their reputational capital. In partnering, NGOs run the risk of losing the independence to campaign against a business partner, or imply that they endorse a corporate partners products, services, policies, or practices. As a result, even the most respected NGOs find themselves on the defensive when partnering with businesses.

The Oxfam America-Coca Cola-SABMiller poverty footprint partnership provides a useful illustration of these reputational risks. After being criticized on a food politics blog for essentially being “in bed” with the Coca-Cola Company, Chris Jochnick, the Director of Oxfam America’s Private Sector Department, found it necessary to publicly respond to the author and defend the partnership in the comments section of the blog:

As part of our work, Oxfam has a responsibility to engage with global corporations, through both collaboration and campaigns, in order to have constructive dialog on their business practices [...] (Omitted by blogger). Throughout the work, Oxfam has maintained complete independence including the ability to undertake advocacy against either company if the situation warranted. The Coca-Cola Company and Oxfam America shared the costs of the collaboration roughly in the proportion of 2:1, with The Coca-Cola Company contributing two-thirds of the costs (US $400,000) and Oxfam America contributing one-third of the costs in kind including staff time [...] (Omitted by blogger). Unrelated to the study, The Coca-Cola Company made an earlier donation of $2,500,000 to Oxfam between 2008-2010 for humanitarian work in Sudan, with an emphasis on work related to water, sanitation and hygiene” [...] (Omitted by blogger). Our independent voice keeps Oxfam’s approach to private sector collaborations dynamic and honest.48

It is worth noting that a Google search of “Coke and Oxfam” returns the food politics blog entry at the very top of the list, even before Oxfam America’s and Coca-
Cola’s own webpages on the partnership. In the digital age, an organization’s own communications can be shadowed or even eclipsed by those of a detractor, who may see the world and the partnership in black and white: “The goal of Coca-Cola is to sell more Coca-Cola. The goal of Oxfam is to address world poverty,” writes the blogger. I’m having trouble understanding how these goals could be mutually compatible.”49

Kyle Cahill, a former Senior Program Officer at Oxfam America, who oversaw the partnership with Coca-Cola and SAB Miller for Oxfam, reflected on some of the process of risk analysis.50 Cahill, who holds an MBA had gained a great deal of experience working with businesses when he was previously with the Environmental Defense Fund (EDF). He describes the risk analysis and management of risk as an ongoing process that occurred in stages throughout the partnership.

Before the project began, Oxfam America conducted an extensive internal and external stakeholder evaluation, starting first with executives and staff within Oxfam America and Oxfam International, examining the potential benefits and ramifications and whether Coca-Cola and SAB Miller were appropriate partners. There was internal concern about partnering with Coca-Cola due to the brand’s historical controversy among the development community and the public health issues of their products. Cahill said the key risks for Oxfam were easily identified:

“Brand was number one, simply because of the fact that in issues of health and community development, folks are very critical of Coke. So we knew at the onset, there would be a pretty big audience that would wonder why Oxfam would be in a collaborative relationship with Coca-Cola. Closely tied to that was Oxfam’s legacy of holding companies to account and doing
powerful, strong campaigns against companies. So we knew there would be generally surprised reactions.”

Dialogue with outsiders was also critical to assessing risk. “We attempted to be really inclusive to get feedback from people so we could anticipate what reactions could be and what might happen,” recalls Cahill. Oxfam America solicited input from other development organizations, union members, and experts who might be critical of the partnership. At the onset of the partnership, the parties did not know exactly what they would find. Once the research was gathered and analyzed and the partners began preparing a report for public release, Cahill states there was another round of internal risk analysis on all sides and subsequent negotiation around how the findings would be communicated in the report.

While nonprofits like Verité are an exception, most NGOs do not have revenue streams outside of public and private grants and donations. Many do not hold financial assets that might see them through tough times. If the grants or donations dry up, it could be the end of that NGO. For a large international NGO that has diverse programs throughout the world, a perceived misstep in a poverty program in Africa could affect peacebuilding programs in Central America. Whether it might be fears of blue-washing through the U.N., or green-washing through a NGO, the skepticism of both internal and external stakeholders cannot be ignored by managers. A manager must decide whether the benefits of the partnership are worth the risk of activists drawing (and publishing) conclusions like those drawn by the blogger:

For just under $3 million, Coke has purchased an endorsement from Oxfam of its “anti-poverty” practices and
silence on the role of sugary drinks in obesity. This kind of public relations is well worth the price. What does Oxfam get in this bargain? The money, of course, but at the cost of serious questions about the credibility of its report and its independence. Perhaps these are tolerable, but what about loss of respect? I score this as a win for Coca-Cola.52

Even when no financial support is accepted by the NGO, cries of corporate cooption frequently surface when a NGO engages in a substantive responsibility partnership. Cahill recalled the criticism his team faced when he worked on environmental issues with companies at EDF:

We got called “consultants” all the time, falsely we felt. People would say ‘you’re providing a free service to these companies.’ We just had to explain, and it sounds really hokey, but people at EDF used to say ‘the environment is our only client,’ but it’s actually true. As soon as you peeled back one layer and said ‘here’s the reduction in emissions,’ or ‘here’s the way nanotechnology would be safer,’ as soon as person learned a bit about what we were trying to do, they very quickly understood that this wasn’t just some free service we were giving a company, that there was a real goal behind it from an environmental perspective, and in Oxfam’s case, from a social perspective. But I think that analogy in many ways is almost unavoidable. Honestly, its like damned if you do, damned if you don’t because the flip side of that is that you take money from a company and you probably get nailed even more because a company’s paying you to be able to use your brand and your logo and in theory you’re in their pocket.

Verité actually receives compensation from corporations in exchange for their services. While Verité CEO Dan Viederman was named “Social Entrepreneur of the Year” by the Schwab Foundation for Social Entrepreneurship,53 this model for a nonprofit is controversial, and according to Niepold, receives a great deal of criticism by other NGOs. “There are lots of people who think that any NGOs who take private sector money and do work on behalf of the private sector [creates] a
potential for corruption or conflict,” she said, “but we think the fact that the private sector is being forced to pay to clean up their supply chains is a good thing. You put your head down, do the best you can and live with it. And as we’ve always said at Verité, the day a worker says we haven’t done our jobs well is the day we fold up.”

In response to the NGO critics of this model Niepold points out that, “We’re on the inside of the factory and you are on the outside of the factory.”

Like Cahill, many of Oxfam America’s staff believed that the poverty footprint had the potential to be an important methodological tool, not only for Oxfam, but also for other development agencies and businesses. The hope was that poverty footprinting might become a standardized way to measure a business’s impact on poverty, much like how the carbon footprint methodology has become a mainstream practice for the environment. Therein lay another potential pitfall, what Cahill termed a programmatic risk of failure. Oxfam’s partnership with Coca-Cola and SAB Miller was a critical test-run for the poverty footprint as a methodology. A failure would seriously reduce momentum to its wider adoption.

Cahill explains:

One of the reasons we wanted to work with Coke, was that if Coke is willing to start talking about really sensitive issues like this and impacts, then we will have a really great platform to work with other companies and ask other companies to do it. If this were to blow up in our face it could be extremely detrimental to the future of the poverty footprinting. And not just because it fell apart with a big partner, but just generally throughout Oxfam International there certainly are people who are very against the poverty footprint work just because they are against collaborating with companies. So it would have some really significant fodder for detractors, both internally and externally, around this being a valuable program and valuable tool.
This all begs the question of who should be paying for responsibility partnerships like Verité’s or Oxfam-Coca-Cola, or even whether private actors (instead of government) should be proactively engaging businesses to make the needed changes in their business practices. By partnering with forward thinking businesses, NGOs such as Oxfam and Verité have chosen to advance their mission by filling the vacuum left by the regulatory void. But this choice is fraught with both reputational and programmatic risks among stakeholders. At least for large organizations, the simple fact they have partnered may place a very public magnifying glass on both organizations. Whether fair or not, scrutiny for green-washing, mission-creep, impact, and missteps are almost sure to follow. Each organization must use its risk assessment process to anticipate and plan accordingly. But once the partnership begins, meeting the project’s objectives requires trust.

3.2: An Integrative Model of Organizational Trust

It is difficult enough to understand how individuals in society trust or mistrust each other, and extrapolating it first to organizations, and then to organizations in partnerships is no simple task. However, a great deal of research on organizational trust over the last twenty years has provided key insights and useful ways of thinking about organizational trust that are applicable to NGO-BPs. Drawing on literature from the fields of business, psychology, law, economics, and philosophy, management scholars Mayer, Davis, and Schoorman developed an
integrative model of organizational trust that will be utilized in the case study of the CRS-Intel partnership. It is particularly useful for this task because it is considered applicable across different levels of analysis. The following definition of trust is proposed:

The willingness of a party to be vulnerable to the actions of another party based on the expectation that the other will perform a particular action important to the trustor, irrespective of the ability to monitor or control that other party. This definition of trust is applicable to a relationship with another identifiable party who is perceived to act and react with volition toward the trustor.

The authors assert that trust is quite often incorrectly used synonymously with cooperation, confidence, and predictability. Their definition distinguishes trust from cooperation because, while trust can lead to cooperative behavior, trust is not necessary for cooperation to occur. In other words, cooperation does not always put a party at risk. For example, coercion from a powerful leader can force underlings to cooperate, even if they do not trust each other. Likewise, trust and confidence are distinguished: in trust risk must be recognized and assumed intentionally, while confidence may be maintained regardless of the status of the other. The authors acknowledge that trust and predictability often overlap; however, they write “to equate the two is to suggest that a party who can be expected to consistently ignore the needs of others and act in a self-interested fashion is therefore trusted, because the party is predictable. What is missing from such an approach is the willingness to take a risk in the relationship and to be vulnerable” (emphasis added). 

42
Critical to any trust relationship is the trustor's propensity to trust, which under this model is identified as a trait held by individuals within an organization. Propensity to trust is a widely ranging variable that depends on a person's background, development, and experiences but is considered stable across situations.

On the other side of the equation are the characteristics of the trustee in terms of perceived trustworthiness; that trust for a trustee will be a function of the trustee's ability, benevolence, and integrity. Ability is defined as “that group of skills, competencies, and characteristics that enable a party to have influence within some specific domain.” Benevolence “is the extent to which a trustee is believed to want to do good to the trustor, aside from an egocentric profit motive.” Benevolence suggests that the trustee has some specific attachment to the trustor. Integrity is the adherence to a set of principles the trustor finds acceptable. The connection between these variables is displayed in Figure 4.
Risk taking in a relationship (RTR) is the behavioral manifestation of the willingness to be vulnerable in light of perceived risks; it is the operationalization of trust under the authors’ integrative model. In the case of NGO-BPs the RTR can be summarized as:

1) Deciding to partner in light of the stakeholder risks of imputed cost for the business and the reputational and programmatic risks for the NGO; and

2) Vulnerability in light of the risks associated with actually depending on the other organization to collaborate and complete assigned tasks.

The authors conclude that the “level of trust is compared to the level of perceived risk in a situation. If the level of trust surpasses the threshold of
perceived risk, then the trustor will engage in the RTR. If the level of perceived risk is greater than the level of trust, the trustor will not engage in the RTR.”

3.3 Collaboration: Building Trust and Taking Risk

In alliance relationships between businesses, trust has been shown to lead partners to integrate the alliance into their own strategic frameworks. Similarly, in cross-cultural strategic alliances between businesses, the presence of trust has been shown to be central to successful ventures. In the specific case of NGO-BPs, Austin called trust an “essential intangible asset of effective alliances, the interpersonal webbing that knits organizations together and facilitates concerted action.” A lack of the basic trust needed to bridge the vast cultural and organizational differences between the organizations has caused many NGO-BPs to fail.

The trait of ability, while absolutely critical to success in a partnership project, generally can be vetted by taking the time to honestly communicate and negotiate capacities and responsibilities, and conduct their own research into the competencies of their partner. There is generally a wealth of information publically available about each organization’s prior activities, especially if the organizations use tools like the Global Reporting Initiative to write their annual reports. In non-integrative partnerships where the partners are not really providing anything other than use of their brands, ability is perhaps less important, but as we shall see in the case study of CRS and Intel, where the whole functioning of a development project
relied on the technology platform the partners built together, ability to execute has critical importance.

In responsibility partnerships in particular, RTR risks for the business partner include the potential of opening up proprietary or sensitive information to the NGO, such as value chain data, or labor, environmental, and human rights practices. Yaziji and Doh provide further illustration: “Knowledge of R&D projects, strategic plans and internal audits may help NGOs be better partners, but it might also make them dangerous ones.” NGOs could provide the information gained from a company to a competitor, a regulator, or perhaps worse for the company, use or leak the information to launch a public campaign against them. Under these profoundly dangerous circumstances, the trustor corporation needs to perceive a high degree of benevolence in the trustee in order to engage in RTR.

In each of the three business purpose partnership types, there is a need for a high degree of perceived benevolence from the perspective of the NGO to trust that the corporation is not using the NGO as a tool for greenwashing. At some point, NGO managers must ask whether they believe their potential partner really cares about the whole reason for the NGO’s existence: their mission. This highlights an interesting point about the business purpose for partnering. If the business purpose is the only reason for partnering, it is unlikely there will be a high perception of benevolence. But a business purpose and a desire “to do good to the trustor, aside from an egocentric profit motive,” are not mutually exclusive. The organizational business purpose as a motivation and the personal connection the manager may have to the project are not necessarily the same thing. A manager or leader within a
company may need the business purpose to articulate the amount of imputed cost to stakeholders, but will likely simultaneously have the very sincere desire to aid the NGO in its mission. Conversely, business managers do not want to feel used either and they will likely perceive an NGO manager that understands and accepts the centrality of the business purpose as more benevolent.

A RTR risk common to both parties is the question of whether the partner organization can manage and communicate with their stakeholders based on the established internal principles of the partner: the Board members with a bad taste in their mouths, the staff that think it’s a distraction or a bad idea, the risk adverse general counsel offices, the shareholders or donors who write nasty letters to management, or the activists that attack the partnership from the bully pulpit of the internet. Will the partner organization’s internal or external stakeholders pull the plug on this somewhere down the line? How internally clear-eyed is our partner about this partnership? Have they identified and articulated the principles and motivations enough internally to allow them to go through with it? These questions need to be addressed and satisfied in order for the trustor to perceive integrity.

Many NGO-BPs use a Memorandum of Agreement (MOA) as a control mechanism for risk mitigation. Stated differently, MOAs may help ensure integrity, at least in a formal sense. It could be argued that they are actually a substitute for trust. Regardless, MOAs are potentially very helpful as a process for the explicit articulation of project goals, roles, and responsibilities. Speaking for the pharmaceutical company Novartis on partnerships with NGOs, Chairman and CEO Klaus Leisinger, stressed the importance of a written contract:
You need to create an atmosphere of trust and encourage open
dialogue on the issues, but you should also make a written
contract with the rights and duties of all partners and the way
they should interact. Make the contract waterproof, not to give
work to lawyers, but to shed light on all the implications. You
must do that at the beginning, when everybody wants the
project to succeed because once the problems start, it's too late
... The plan should designate credible third parties to help in
the event of trouble.63

MOAs can be construed as a generic articulation of roles and responsibilities
without any greater purpose, or as a clear line-item manifestation of the will of the
parties, or even as a contractual safeguard, or in some cases, a mixture of all three.
It can be used as a stop-gap mechanism in place of trust until trust is built. Yet any
attorney seeking a detrimental reliance claim against a former partner would
certainly use an MOA as evidence if it even remotely supported their cause.

Whether an MOA can actually coerce performance of partnership obligations
is not so clear. Much has been written in business management literature about
trust and the efficacy of coercive managerial strategies and contractual safeguards
in non-equity alliances, but these studies generally focus on business-to-business
partnerships and center around increasing the cost of engaging in opportunistic
behavior of one party at the expense of the other.64 As described in the preceding
section, the risks are very different in NGO-BPs.

Coercion is likely unproductive for two reasons. First, under the Integrative
Model’s definition, trust includes a willingness to be vulnerable, irrespective of the
ability to control the other party. While a brand-licensing or a cause related
marking contract is one thing, MOAs in the context of development projects are
frequently legally unenforceable, and even the portions that could provide a cause of
action, such as leaks in confidentiality, could be very difficult to prove in court. It is quite unlikely that the anxieties of an organization’s managers and attorneys will be put to rest by the prospect of what would likely be a very public litigation with remote and tenuous remedies at law. Second, coercive strategies would simply violate the spirit of many of these partnerships.

According to Cahill, the Oxfam-Coca-Cola-SAB Miller partnership had a very extensive MOA that was referenced throughout the partnership. It defined roles, responsibilities, and structure of the partnership, as well as confidentiality and public communications. “While not legally binding, it was legally written,” laughs Cahill. In the event of a breach (for lack of a better word), the remedy was backing out of the partnership as opposed to some sort of arbitration or punitive measure. In hindsight, Cahill y believes that the MOA was probably too restrictive:

It basically eliminated the ability for anyone to talk about this project at all while it was happening, for the first year and half or two years, until we got close to issuing the final report. I’m a firm believer that an organization may have some of the answers and some of the information and some great ideas, but the more you expose your ideas and your thinking and your project to others, the much higher [the] likelihood it will turn out to be a much better project and a much better result. In this particular instance, if this project had been discussed a bit more outwardly throughout the process, the final report would not have been such a shock.

As is indicated by the aforementioned blogger’s comments, navigating the overall impact of Coca-Cola’s products on public health was a substantial barrier for the parties. The report itself did not address the issue. According to Cahill, this absence was not a result of a refusal by Coca-Cola to contend with this impact, but due to the limitations of the poverty footprinting methodology; the footprint was
not meant to be an in depth analysis of the impact of sugary beverages on a country. Regardless, its omission clearly prompted criticism. For Cahill, it was also difficult personally:

It’s a real challenge, even for someone like myself, who believes kids are drinking too much soda, to put aside that belief and not embed those beliefs into a report like this when the report is supposed to be a neutral analysis of the good things that are happening and the bad things that are happening. This is not an Oxfam opinion piece; this is not a Coca-Cola opinion piece. That’s really hard for both Oxfam and Coke to do. Frankly, it was the biggest struggle in the partnership.

Yet both parties did not back out, worked together, and published a quite detailed report at great risk. “You can’t anticipate everything,” states Cahill. “By definition risk management is managing; it’s not eliminating. I don’t think in any project of that scope that it is possible to eliminate all risk.” As such, there must be some level of trust. Cahill states that the level of trust was not static; rather it was built over time and ebbed and flowed during the project:

I think one of the ways trust is established is almost on a day-to-day level – how much effort are they really putting into this? How much work are they doing? How active are they in this engagement? I think its similar to any other type of relationship. This was really a collaborative project with significant resources dedicated by [each partner]. The more active and participatory and willingness to provide access to people and information, that’s how trust is established in this things. Having done five or six of such partnerships in my career, you can tell pretty quickly if someone is just in it for the PR or some disingenuous reason. Coke was very active from the beginning.

Cahill also expressed a great deal of respect for his counterparts at Coca-Cola and SAB Miller in their willingness to be so vulnerable in sharing information and
providing leadership in assessing business impact on poverty in a substantial way.

In other words, he perceived their ability, benevolence, and integrity:

While there was significant brand risk from Oxfam’s perspective, there was probably equal risk from Coca-Cola’s perspective. The fact they were working with an organization like Oxfam that many businesses feel are sort of anti-big business. And then that they are talking about poverty and health, and nutrition, and diversity, and empowerment – pretty thorny issues ... Put it this way, there’s a reason the environmental side of sustainability is so much further advanced than the social side of sustainability. And its really because the social side is really delicate and people don’t like to talk about it. People don’t want to talk about child labor and women being treated differently and excluded, and issues of poverty and disease. People much rather talk about water and carbon.

The Oxfam-Coca-Cola and SAB Miller report was released in the spring of 2011. Very little has been said about the footprint or the partnership since that time. It is not clear what Oxfam intends to do with the poverty footprint methodology, and Cahill left the organization in the following fall and could provide no additional insight. Nor has it been publically stated whether Coca-Cola or SAB Miller plan to follow-up on any of the recommendations contained within the report. Perhaps this is because they are still assessing the imputed cost of implementation.

What follows is a case study of the partnership between Catholic Relief Services and the Intel Corporation on a development project in the Great Lakes Region of Africa. This partnership will be analyzed in terms of its business purpose, risks, and trust from the perspective of key leaders from within each organization.
3.4: Endnotes


44 Smurthwaite, Marilise Smurthwaite, “The purpose of the corporation,” 13-54.


49 Ibid.

50 No representatives from the Coca-Cola Company or SAB Miller were interviewed.

51 Note that the blogger added the cost of the partnership, approximately $600k, to the $2.5mil donation for humanitarian work in Sudan in calculating “the price of Oxfam’s independence.”

52 Marion Nestle, “More on Oxfam’s anti-poverty partnership with Coca-Cola.”


56 Ibid., 714.

57 Ibid., 717.

58 Ibid., 726.


63 Tavis and Tavis, *Values-Based Multinational Management*, 117-118.


66 Current staff of Oxfam America declined to be interviewed on the record for this research.
CHAPTER 4:
A CASE STUDY OF A REVENUE PARTNERSHIP

In 2007, Catholic Relief Services (CRS) began a large-scale development project to combat the rapid spread of cassava disease across six countries in the Great Lakes Region of sub-Saharan Africa. The Bill & Melinda Gates Foundation financed this project, known as the Great Lakes Cassava Initiative (GLCI). The Gates Foundation is at the forefront of the new donor approach to aid and development projects, demanding detailed and nearly real time metrics and measurement of the impact of its funded projects. The GLCI relies heavily on the use of technology in the field and CRS partnered with the Intel Corporation (Intel) to help track and measure progress on project objectives and provide a distance-learning platform. The NGO technology consortium NetHope was instrumental in bringing CRS and Intel together.

4.1: Case Study Methodology

The evolution and outcomes of the CRS-Intel GLCI partnership is a result of many factors. While the partnership is part of a larger relationship between two large organizations, it is in reality a relationship between human beings inside those organizations. As we shall see, strong leadership drove the partnership and made it
work. Each leader believed deeply in the importance of the project, but perhaps more importantly in terms of execution, each leader had the vision, competence, and the gravitas to align the partnership with the needs and motivations of their organizations, take risks, and champion the partnership internally. What follows is an examination of the partnership, drawn from interviews with two leaders as they reflected on the GLCI, told using their own words as much as possible.

Past research on collaborative partnerships has frequently employed qualitative case study methodology, which has proven particularly useful for generating theoretical and practical insights. A single case may even be generalized where appropriate. A potential weakness of this case study is that it is primarily based on interviews with two individuals serving as proxies for their respective organizations. Though it would be remiss to assume their perspectives are universally shared within their organizations, or among everyone involved in the partnership, the subjects are legitimate for broader analysis because they actively forged the relationship and led the partnership within their organizations, not just in spirit, but also in their own labor and positional authority. I also have interviewed a CRS board member on the GLCI and organizational structure of CRS, and spent several weeks in the field with CRS staff in the Philippines on an unrelated project.

Interviews were conducted either in person, or over the telephone. A great deal of information was gained from the subject organizations’ websites. At the time of this writing, there is little to no discussion or analysis of the GLCI or the CRS-Intel partnership outside of the subject organizations themselves. Also, it is important to
keep in mind that the CRS-Intel relationship formed over a period of almost four years, though the vast majority of the collaborative work in the GLCI partnership occurred in the first year and half.

4.1.1: Catholic Relief Services

Effectively owned and lead by the U.S. Conference of Catholic Bishops, Catholic Relief Services is a humanitarian relief, development, and peacebuilding agency that has served over one hundred million people in one hundred different countries since its inception in 1943. Its mission statement reads:

Catholic Relief Services carries out the commitment of the Bishops of the United States to assist the poor and vulnerable overseas. We are motivated by the Gospel of Jesus Christ to cherish, preserve and uphold the sacredness and dignity of all human life, foster charity and justice, and embody Catholic social and moral teaching as we act to:

• Promote human development by responding to major emergencies, fighting disease and poverty, and nurturing peaceful and just societies; and,

• Serve Catholics in the United States as they live their faith in solidarity with their brothers and sisters around the world.

As part of the universal mission of the Catholic Church, we work with local, national and international Catholic institutions and structures, as well as other organizations, to assist people on the basis of need, not creed, race or nationality. 69

Catholic Relief Services stakeholders are vast, including direct beneficiaries, local communities, local NGO partners, staff, donors, governments, peer
organizations, local Churches, the United States Conference of Catholic Bishops, and the Holy See.

In 2010, Catholic Relief Services operated in ninety-five countries and had operating revenue approaching $1 billion.\textsuperscript{70} The main sources of income are listed by the organization as “United States government grants” (34.4%), “other private support and revenue” (30.08%), and “commodities and freight” (26.20%).\textsuperscript{71} CRS’s programmatic operating expenses are listed as Emergency (33.14%), HIV and AIDS (20.27%), Agriculture (15.42%), Health (10.60%), Education (6.92%), Welfare (4.18%), Peace and Justice (3.23%), and Small Enterprise (1.02%).\textsuperscript{72}

Accounting for more than 15% of CRS’s budget, agricultural programs play an important role in CRS’s programmatic activities, targeting the poorest rural communities all over the world. CRS frequently works in “isolated, remote areas with harsh climates and fragile, degraded ecosystems. These areas were not farmed in the past because of undependable, hostile climates and poor natural resources, but are farmed now because the poor have no other option.”\textsuperscript{73} Institutional donors such as USAID, the EU, and UNDP fund the bulk of these projects. CRS works through local NGOs as operational partners in the field via an agency model, with a long-term goal to “strengthen the capacity of local agencies and farm communities to take control of their own development.”\textsuperscript{74}

CRS frequently employs innovative approaches to agricultural issues. For example, in a number of countries where subsistence farmers find themselves as price-takers in the market, CRS has responded with an intervention called agroenterprise that seeks to increase farmer organization, cooperation, and
participation to build economies of scale, increase yields and the quality of their goods, attract investment, strengthen negotiating power, and reach new markets.\textsuperscript{75} According to CRS, agroenterprise requires “a new way of thinking about agriculture: one that recognizes the market as the driver in the system and requires that investments be aligned with market needs and evaluated against market performance—i.e., sales volumes, product quality, profit, and timeliness.”\textsuperscript{76}

4.1.2: The Intel Corporation

Founded in 1968 to build semiconductor memory products, the Intel Corporation built the world’s first microprocessor in 1971. Its mission statement is to “[d]elight our customers, employees, and shareholders by relentlessly delivering the platform and technology advancements that become essential to the way we work and live.”\textsuperscript{77} The company lists is values as: “Customer orientation; results orientation; risk taking; great place to work; quality; discipline,” and its objectives are to “extend our silicon technology and manufacturing leadership; deliver unrivaled microprocessors and platforms; grow profitability worldwide; excel in customer orientation.”\textsuperscript{78} In 2011, Intel reported a record financial year with revenue of U.S. $54 billion, with a net income of $12.9 billion, with earnings per share of $2.39.\textsuperscript{79} Intel is a publicly traded company incorporated in the state of Delaware.

As a member of the United Nations Global Compact, Intel uses the Global Reporting Initiative (GRI) framework to report on its CSR activities. The GRI requires participating organizations to report in areas of governance, management
approaches, economic and environmental impact, labor, human rights, society, and product responsibility.\textsuperscript{80} The GRI is meant to create transparent and standardized CSR reporting analogous to the annual financial reporting that the Securities and Exchange Commission requires for publically traded companies.

Intel’s 2010 CSR report references the Millennium Development Goals (MDGs) and focuses on education quality and access and environmental sustainability as two MDGs where Intel believes they are well suited to “play a transformative role.” Much of Intel’s proactive philanthropy work, which it articulates as “strategic giving,” is in education. In 2010, Intel gave over $125 million, or 0.8\% of pre-tax net income.\textsuperscript{81} This giving includes both corporate and Intel Foundation cash gifts, in-kind giving, and the calculated value of employee volunteer time. Intel states that 48\% of their employees volunteered time in 2010. This policy allows employees at any level within the company to donate their expertise to causes or issues that are important to the employee on company time.

Intel’s CSR literature explicitly connects the company’s business management strategy with its social responsibility strategy: “By incorporating corporate responsibility into our strategy and objectives, we manage our business more effectively and identify ways to apply our technology and expertise to benefit the environment and society and create shared value.”\textsuperscript{82} In the development sphere, the focal points for the company’s engagement with civil society and government are the Emerging Markets Platform Group, and the World Ahead Program, which was the Intel group that partnered with CRS:

The Intel World Ahead Program delivers resources in the form of technology, Internet access, and digital content, and works
to implement effective e-learning environments. Our Emerging Markets Platform Group conducts research and defines, develops, and markets technology platforms designed for emerging markets, including innovative solutions for education.\textsuperscript{83}

Both of these units are responsible to, or “report up to” the vice president of Sales and Marketing. In other words, in designing the corporation’s authority and management structure, Intel has integrated its philanthropic pursuits with its business pursuits (at least on paper) and does not attempt to conceal it. Quite the opposite, the lead page of the 2010 CSR Report begins with a letter from Intel President and Chief Executive Officer Paul Otellini, who writes, “Our vision for the next decade is [...] to create and extend computing technology to connect and enrich the lives of every person on earth.”\textsuperscript{84} Every person on earth necessarily includes the poor, the rural, and the marginalized. In other words, these communities are viewed as markets, or potential markets for Intel products and services.

\textbf{4.1.3: NetHope}

NetHope is a consortium of thirty-four of the world’s largest development, environmental, and humanitarian NGOs, including CRS, World Vision, Oxfam, the Nature Conservancy, MercyCorps, Save the Children, Christian Aid, the Grameen Foundation, and CARE that seeks to “share tools, programs, and solutions that solve common humanitarian issues in the developing world.”\textsuperscript{85} According to NetHope, these NGOs represent more than $33 billion dollars of revenue annually.\textsuperscript{86} Its primary supporters include Intel, Accenture, CDW, HP, Microsoft, U.S.A.I.D., the
Rockefeller Foundation, Cisco, and the Bill & Melinda Gates Foundation. NetHope’s mission is to:

[B]e a catalyst for collaboration among international humanitarian organizations. By working together to solve problems and share knowledge, we help ensure that our members have access to the best information and communication technology and practices when serving people in the developing world. We do this by working across our membership as a highly collaborative team, solving common technology problems, fostering strong relationships with private industry, and educating our members and the wider community of humanitarian organizations worldwide.  

CRS was one of seven founding members of NetHope, and Carol Bothwell, Chief Knowledge Officer of CRS, currently sits on its board of directors. In 2010, NetHope had a little over $2.2 million in revenue, relying mainly on member dues, corporate gifts, foundation grants, and in kind donations of expert time.  

The central premise of NetHope was first articulated in 2001 by, Ed Granger-Happ, the former CTO of Save the Children.  

In a paper entitled “Wiring the Global Village,” presented to Cisco’s corporate philanthropy group in 2001, Granger-Happ described a widening informational digital chasm between the world’s wealthy and poor. His paper called for a wired virtual village where donors, aid agencies, and beneficiaries were able to collaborate and share information with greater speed, efficiency, and effect. Granger-Happ believed that the dominant aid paradigm of information sharing was insufficient, writing, “for information to truly benefit the world’s neediest families, it needs to move beyond one-way dissemination to two-way interaction, to multi-way collaboration.” He also specifically tasked the private sector with responsibility: “We are seeking a major corporate player to step
up to this challenge and, working in partnership with SAVE the Children, own the process for making it happen.”

From its very roots, although its main function was to further the technology adaptation of NGOs, NetHope was conceived as a multistakeholder initiative that sought to harness the power of private companies in the technology industry for the benefit of the developing world. NetHope serves its NGO members and thus serves its NGO members’ missions.

4.2: The Great Lakes Cassava Initiative

Cassava is a staple crop grown in tropical regions all over the world. Due to its drought resistance and a lack of need for fertilizer, the plant can grow in more arid and economically marginal environments where crops like rice and corn cannot. Consequently, cassava is a critical source of nutrition in sub-Saharan Africa and accounts for more than half of the caloric uptake in the Great Lakes region. Both the leaves and its root are consumed.

Since the 1990s, two infectious diseases, Cassava Mosaic Disease (CMD) and Cassava Brown Streak Virus (CBSV), have rapidly spread throughout sub-Saharan Africa, decimating cassava crops. The diseases can reduce yields by up to 70%-80% and render the entire plant inedible. This pandemic has increased food insecurity in the region.

The GLCI began in December of 2007 as a large-scale multi-stakeholder project led by CRS to help small scale African farmers in Burundi, the Democratic Republic of Congo, Rwanda, Kenya, Tanzania, and Uganda multiply and disseminate
disease resistant or tolerant varieties of cassava in an effort to stop the spread of cassava diseases. The GLCI sought to “develop sustainable capacity in the region to diagnose and monitor the diseases and predict their spread. Linking with existing breeding programs, farmer evaluation of new varieties and integrated crop management options, decentralized seed systems and farmer training involving over 3,000 farmer groups will increase yields by 50% for approximately 1.15 million farm families (approaching 7 million persons), generating $58 million in revenue.” In April of 2008, the GLCI received its primary funding through a four-year, $21.8 million grant from the Bill and Melinda Gates Foundation. Its project goals are to:

- Develop a suite of diagnostic tools to identify the CBSV virus.
- Carry out epidemiological studies to understand how the CBSV virus spreads.
- Conduct annual disease surveillance to assess the extent and pattern of disease spread.
- Monitor disease occurrence by establishing a Disease Early Warning Network.
- Develop pest risk analyses to minimize the risks associated with the diseases.
- Transfer new technologies to the national agricultural research systems and phyto-sanitary institutions.

A key component of the GLCI is the use of advanced diagnostics and mapping technology for disease surveillance. The project takes a local capacity building approach, focusing directly on educating smallholder farmers on the recognition and eradication of the disease through farmer groups, and in turn relying on
farmers as one source of data for the large-scale mapping. The project thus relies heavily on hardware and software that works reliably in sub-Saharan Africa with local NGO field workers who, in many cases, had never used a computer before:

GLCI has adopted an innovative digital field-based M&E [monitoring and evaluation] system in which field agents enter monitoring data into ruggedized mini-laptops. In addition, field agents use the laptops to take on-line courses to bolster their cassava disease knowledge and training skills to support farmer groups. During laptop roll out, GLCI faced enormous challenges: lack of access to power, poor/non-existent internet connectivity, viruses, a large number of first time computer users, varied education levels, and language barriers. After extensive training and continued support, 200+ field agents enter M&E data directly into a web-based database which generates automatic reports and allows GLCI to make project adjustments based on real-time data.97

The scale and ambition of the GLCI are great. So is its potential impact on food security in the region. And considering the stakes, it was critical to move fast to overcome the massive technological hurdles and become operational. CRS estimates that by the close of the project in May 2012, the GLCI will reach over 1.27 million beneficiaries, 68% of them women, in over 3000 farmer groups in the Great Lakes Region.98

While the relationship between CRS and Intel is the focus of this study, it is important to recognize that the GLCI was much more than the deployment of technology in the field. CRS worked with many diverse partners on the biological, agricultural, organizational, educational, and capacity-building systems that underlie the GLCI. The technology deployment was critical to the program design and what it will be able to accomplish. But it is one facet of many, for technology is only as good as the content it contains and how that content is used.
4.3: Partnership Formation

In May 2008, NetHope hosted a conference in Silicon Valley that brought together the IT executives and staff from its NGO membership and representatives from its corporate partners to share expertise and insights, including Intel, which had joined NetHope as a corporate partner earlier that year. Carol Bothwell attended on behalf of CRS. At the time, Bothwell and her staff were exploring ways to better use technology in the field, though originally they were thinking in terms of technology use for CRS staff, not their operational partners. Intel sent corporate social responsibility representatives, but also sent World Ahead Chief Strategist and veteran computer science engineer Chris S. Thomas. “I was pulled over by CSR because they had no idea what to do with NetHope,” recalls Thomas.

Thomas has been with Intel for twenty-four years, engineering networking technologies such as TCP/IP, the LANDesk Management Suite, and a host of other industry standards that billions of people use every time they use a computer or go on the internet. As Chief Strategist, he is responsible for driving into new areas for Intel and getting new projects started within the company; he was specifically tasked with applying his engineering experience and skillset to emerging markets. He has participated in, and in many cases led, numerous large-scale technology projects with governments and NGOs all over the world. In many cases, such as when he was approached to attend the NetHope conference, Thomas is often called upon to develop strategy on an ad-hoc basis. As Thomas himself put it, “Who do you call when you don’t know what to do? That’s me.”
Carol Bothwell came to CRS in October of 2007 after a long career in the private sector with the global IT firm CSC, where she was also the Chief Knowledge Officer. Instead of retiring, Bothwell sought an opportunity to use her expertise as a way to give back: “I really think that technology can make a major impact on developing communities and the way we carry out relief and development efforts on their behalf in a positive way. I also think that a lot of the conflict in the world today is driven by the gap in wealth between rich and poor and that technology offers a huge opportunity to reduce that gap.”

At the conference, Bothwell observed Thomas’ presentation of the use of technology in Intel’s child education projects in rural, disconnected classrooms in developing countries. Most of these programs relied on the Classmate PC, the ruggedized laptop at the center of the World Ahead program that eventually became the field hardware for the GLCI. Bothwell immediately saw the value of the platform for CRS’s programming. “I said [to Thomas], we do education in almost every aspect of what we do. There might be a real opportunity to take advantage of this technology.” Considering much of CRS’s work occurs in rural and low infrastructure areas, Bothwell was particularly impressed with the fact that the laptops function in semi-connected environments. Moreover, the learning platform could aid CRS in capacity building among local partners. Bothwell returned to CRS headquarters in Baltimore and began speaking with CRS programmatic staff about the potential of using this technology in a pilot program.

At the NetHope conference, Thomas came with a set of essential requirements for choosing a project to work on:
I said we’re picking a project that can be done and completed in a year. Not designed or prototyped in a year, but we can complete in a year. Second, we’re picking a project to be funded, not donated. What we’ve learned is that donations without skin in the game almost always have led to incomplete projects or waste where the technology just sits in a corner and there’s nobody to support it anymore because there’s no business model behind it. So we end up saying “oh we are just going to go do this, it becomes this great case study and look at all the good we did …” and you go back two years later and there’s nothing going on. And there’s nothing going on because we forgot to create an ecosystem of people that support it and make money off of it, maintain it, and understand its implications.

Back in Baltimore, Bothwell approached Shaun Ferris, a senior technical advisor on CRS’s agriculture programs. Ferris immediately saw the potential for the GLCI, which had originally contemplated using Blackberry devices for data capture and handling the education component separately. Excited by the possibilities brought by the Classmate PC, Bothwell and Ferris did not want to do a small ten-person pilot; it would be relatively easy to make something work for ten people, but it was a whole different matter to make something work among hundreds of field agents across six countries in sub-Saharan Africa. The technological challenges were considerable, but traversing the language, cultural, and capacity differences with the technology might be even more daunting. Bothwell wanted Intel to be all in. Bothwell, the GLCI program manager, Michael Potts, and Thomas and Intel’s CSR staff set up a meeting in Baltimore to see what they could design together.

Thomas arrived at the meeting with colleagues from two software vendors, Agilix (for the learning platform) and FormRouter (for the data collection). Both companies had cloud-based software as a service (SaaS) solutions that Thomas
believed could be easily adapted to the needs of the GLCI. Unlike most cloud-based software, which require constant contact with a central server, the solutions these vendors provided were able to function in the field without an internet connection and exchange information to a central server when field workers returned to an area with internet access. Thomas was familiar with the engineering challenges of deploying technology in rural semi-connected environments. “The dynamic of latency when you get into the rural world where bandwidth is expensive and doesn’t necessarily get optimized, needed a solution that worked for low bandwidth,” he said. “The companies we brought in from day one met that.”

Thomas and his group showed up at the meeting with working prototypes; he was convinced that the solutions to the GLCI IT needs were available with off the shelf products that simply needed to be adapted to the program, rather than building a new IT platform from scratch. In light of the urgency of the cassava pandemic, this was especially important.

“The first thing we asked was whether Intel was going to donate laptops,” recalls Bothwell. “And Chris said, ‘no we’ve done that before, that’s not where we think our value is - our value is providing the engineering talent to see this solution through.’” Bothwell regards the engineering talent Intel brought to the table as critical and rarely experienced in development or in the business world. “You rarely get that level of access to senior talent from top technology providers. Now maybe with a larger company might command more attention, but it is rare to get the level of engineering support we had on the GLCI project. I never had that level of access in the private sector, even on our big deals.”
One of the initial challenges the partners faced at the Baltimore meeting was the re-routing of the funding from the Gates Foundation to accommodate what was essentially a seismic shift in program design. Bothwell and her colleagues opened up the GLCI budget to Thomas so they could work together to figure out how the changes could possibly be funded. “We built the business case and took it to Gates and they allowed the reprogramming of the money,” says Bothwell. “We showed them that it wouldn’t cost any more to implement the proposed technology on the GLCI project and that the implementation produced substantial benefits.”

At the end of that two-day meeting, CRS and Intel left with a partnership and a functioning Classmate PC based prototype, the core of which was an entirely new information and communication technology (ICT) platform designed to:

- Streamline the monitoring and evaluation process by enabling faster and more accurate data reporting from the field.
- Facilitate information exchange between farmers, field agents, partner staff and CRS country program managers.
- Improve knowledge and capacity of field agents through a distance learning system to enable them to better facilitate farmer training.
- Record and track cassava diseases and link back to on-line mapping processes.¹⁰⁰

Intel’s original contribution to the GLCI was a loan of four Classmate PCs, approximately $1200 worth of equipment. Intel also assisted CRS in finding a vendor to sell the Classmate PCs at a bulk discount. Thomas’ one-year deployment requirement did not quite occur; the GLCI was actually up and running in fourteen months, but for four of those months the laptops were stalled in customs. Due to the
complexity of implementing a technology platform across six countries, the partners anticipated that the ICT solution would require a great deal of adaptation and change management to respond to challenges in the field. The partners spoke on a weekly basis to work out the kinks, and in April 2009, the GLCI won Intel's Inspire Empower grant competition that provided $100,000 to support the change management activities associated with the deployment of GLCI technology.

Although the partners explicitly set out the partnership goals and expectations at the Baltimore meeting and reviewed them with CRS’ Executive Leadership Team, there was never any written memorandum of agreement signed that detailed responsibilities, roles, and obligations of each partner. This is a significant fact indicative of a willingness to trust each other, especially coming so early on in the relationship. Furthermore, both Thomas and Bothwell were quite effusive in their praise of each other; the level of trust and respect they articulated was astonishing.

The dire situation that the GLCI was trying to combat is easily understood; both parties wanted to leverage their core competencies to improve food security. But it did not end there; both parties repeatedly asserted that the GLCI is important not only for the benefit to be achieved in the field among farmers, but also as a model that is driving strategic change within their respective organizations. But how did it happen? Why partner with each other and make such large commitments in the first place? Answering these questions requires an understanding of the motivations of the partners, the risks associated with partnering, and the perceptions the partners had of each other.
4.4: Intel’s Motivations and Risks: Reaching the Next Billion

What motivated Intel to lend some its best engineering talent and executive leadership to a development project like the GLCI, a level of technical support Bothwell stated was fairly unheard of, even in business? To start, Chris Thomas devoted his time to the GLCI because he believed in the project. But equally critical is the CSR structure of Intel, which allows employees to donate in kind contributions to projects of their choosing. Such contributions of course, are a tax write off for the corporation, reducing imputed cost. Moreover the GLCI had absolutely nothing to do with Intel’s business practices and the multiple risks associated with responsibility partnerships.

But that does not explain why a senior engineer and corporate executive found himself in Uganda speaking to local CRS partners and farmers about how they are using the technology on his own time and at his own expense.101 It also does not explain why Thomas spent almost four hours of his own time reflecting on the experience of working with CRS for this case study. Thomas does this because he cares on a personal level; he sought to specifically bring forward Intel’s core competence to advance the needs of CRS and its beneficiaries. He believes Intel has a great deal of value to contribute to the developing world, but he receives the institutional support from Intel because the company is trying to figure out how to get Intel products into emerging markets. And Thomas believes the GLCI may provide some answers about how to go about it.
Intel's primary source of revenue is the sale of the silicon central processing units that are at the core of computer systems. In 2010, Intel earned about three quarters of its revenue from the sale of chipsets and associated hardware for both data centers and PCs. As explained above, Intel’s World Ahead Program is targeted at reaching emerging markets and Thomas was specifically tasked with figuring out how to do it. As Thomas put it, “We had shipped a billion computers into the world in the mid-nineties. The next metric was, ‘well how do we get the next billion?’ Over the last four years we’ve actually succeeded in growing into two billion connected users. My programs now within the organization are the third billion.”

Partnering with governments and NGOs in emerging markets is thus part of a major strategy: “It is a very conscious effort on my part because part of my role is to reach out through new types of organizations and find the money in the pipeline that is going to get technology in the hands of people who aren’t necessarily capable of doing it on normal purchasing cycles. A lot of that money comes from the aid world.” It is not in Intel’s interest to keep the use of tech limited to back office applications in the United States and Europe, which is currently a dominant international NGO paradigm, including at CRS. Instead, it is in Intel’s interest for technology to be used in the field, thereby selling more processors in development projects, and creating awareness and computer literacy in the market among the people benefiting from their use.

Neither Intel (in its CSR literature) nor Thomas attempt to conceal this revenue motive. Quite the opposite, Thomas was consciously seeking opportunities
to mobilize this motivation for good, and to prove to others it can be done. And
Bothwell clearly understood and accepted this motivation. When asked about
Intel’s motivations, she replied:

“I think Intel is trying to break into the bottom-of-the-pyramid market. A partnership with an NGO provides value in figuring out what products work and have the potential to provide value to local communities. Often companies will talk to you about CSR and [reputational capital concerns, attracting employees] but I think that at this junction in history, there is a huge overlap in the interests of NGO’s and technology providers. The bottom of the pyramid market is a huge growth opportunity for corporations, so I think they are much more motivated, or should be much more motivated, to form partnerships with NGOs. NGOs have the connections in the communities, the understanding of their needs, and can offer fertile ground for piloting products or services in those communities. NGOs on the other hand see or should see the tremendous potential that technology has to make them more efficient and effective in carrying out their mission.”

Thomas’ year timeframe for NetHope projects and his insistence on the use of off the shelf products like cloud-based SaaS “apps” that could be easily adapted to the GLCI rather than created anew, were driven by Intel’s time to sale model.

Thomas explains: “We make money when somebody buys a computer because of the processor inside. The time to buying a computer in a [development] project is usually never. The time to buy a computer in a project that’s being incented to use a cloud solution is as soon as possible or first. Adoption of these apps drives sales for Intel. And if it doesn’t work, we don’t win.” Intel does not make any money from the sale or service of the software, but they make money when a software platform is standardized and deployed because that is the point at which individuals and organizations need to purchase computers.
The company clearly has a business interest in the rapid deployment of valuable technology in the field for development projects. “The GLCI is just the tip of the iceberg of what technology can do for this sector,” asserts Thomas. But he (and many others) will also argue that “rapid deployment” and “development project” all too frequently appear as an anathema to each other. For example, Thomas recalls being asked to urgently meet with an undisclosed organization. After assessing the technology engineering needs of the project, Thomas told the project’s managers that he could have them up and running in a matter of weeks. He was dismayed by their response. “They said ‘oh no this project isn’t launching for 3 years,’” he recalls. “They said ‘our organization is slow and it takes a lot of time to change.’”

As discussed in Chapter 1, the critique of NGO inefficiency and accountability is hardly new. But the lack of agility brought on by three year planning cycles, poor or non-existent use of technology in the field, and the grant-by-grant nature of funding are directly counter to Intel’s business interest. Herein lies both the organizational risk Intel faced with partnering with CRS, and the personal risk for Thomas among his colleagues at Intel.

The value of deploying company resources for development projects without an obvious or immediate revenue stream is not universally shared among the company’s internal stakeholders. Intel is an enormous organization and one could hardly expect everyone within it to agree that what Thomas is doing is a viable strategy. Thomas says he is often criticized for working with organizations that are not necessarily perceived as having any business advantage. “I report up into sales,” he said. “When you have people that are salesmen saying, “why are you doing this?”
you have to have thick skin. So the risk for me personally is that if I failed in this effort I wouldn’t be able to get Intel to continue working with NetHope. So the risk would be not continuing to do a good job.” The risk was also relying on CRS to do their part, which was entirely out of Thomas’s control.

Intel did not make any money on the GLCI; the revenue brought indirectly to Intel through CRS’s purchase of Classmate PCs did not offset the value of the in-kind contribution Intel put into the GLCI. “There is no major revenue stream coming out this yet,” acknowledged Thomas, “but I believe that is going to change. The big picture is that there is billions of dollars not being directed efficiently. The inefficiency is a direct loss to Intel because we are not getting our technologies into successful programs across the world. It is opportunity money.” It is, in fact, a great deal of opportunity money. The NGOs that make up NetHope alone represent over $33 billion annually and they may be viewed by some as conduits to these markets. The narrow, immediate market for Intel products through this strategy are the fieldworkers that could be supplied with technology for fieldwork, financed through NGO programming. The broader markets are the communities of current NGO beneficiaries, or their descendants. Creating awareness of the products is the initial step in creating demand, even if individuals in these communities cannot yet afford them.

In the specific case of the GLCI partnership, Thomas felt there was very little internal resistance. He attributes this to the fact that not only was it a partnership between an NGO and Intel, but within Intel it was a new level of integration of their corporate social responsibility department and their engineering talent. Recall that
the CSR department approached Thomas because they were unsure of how to proceed with NetHope or what exactly they could contribute. Intel’s corporate social responsibility department is not staffed with computer engineers, and while the CSR department is extremely important to Intel, it does not embody the semiconductor manufacturer’s main competence. But the GLCI project provided an example of how to do things differently and it has authored a strategic change at Intel. “The CSR teamed up with the business and said let’s solve a problem together,” said Thomas. Karen Spencer of Intel’s Corporate Affairs (CSR) came with Thomas to Baltimore. Thomas and Spencer made joint progress updates to other executives. “This is the leadership we are doing now aggressively. Since then we’ve gotten much more focused on teaming up CSR objectives with our business objectives.”

And Thomas is enthusiastic not only about the benefits the GLCI brought to Intel, but what it means for CSR at Intel in the big picture:

We got amazing reputation, we got awesome responsibility, and we didn’t give up on revenue, we just didn’t make a lot. Most CSR projects don’t think about the third one, which means they are not bringing their corporation forward and they are not bringing their best people forward because their best people cannot be incented to do things for free. By breaking that mold, which a conscious effort on my part, we’re trying to figure out how to apply real private industry practices to work that is beneficial to everyone.

Putting Intel’s core competence as a company to work for public good is a personal mission for Thomas. He takes great satisfaction from his work on the GLCI. And he is trying to prove that the business case can be made to facilitate this leveraging of private power for public good. Put simply, faster, more efficient NGOs
that leverage technology in the field to make their programs better are good
business for Intel. The GLCI had very low imputed cost throughout the partnership,
but the future revenue potential has the capacity to drive it very far in the opposite
direction: an increase in net wealth.

But this cannot happen if there is no scale. While the figures concerning how
many computers deployed in the field would be necessary in order to make a profit
was not discussed with Thomas (if such figures have even been calculated), one,
two, or even ten projects like the GLCI is probably not going to suffice. Again, it is
important to keep in mind that Intel is not simply seeking to recoup resources
expended in projects like the GLCI; they are trying to create a new and potentially
massive revenue stream that will also benefit the developing world. In this sense
they are simultaneously making a business investment that they also believe is a
social investment.

Yet Thomas recognizes that there are two main challenges to the wide-scale
adoption of technology in the field. The first is the federated management structure
present in many international NGOs, including CRS. The second issue concerns how
development projects are funded and how that funding cycle interacts with a SaaS
model of technology deployment. These challenges happen to be some of the very
same challenges Bothwell faced at CRS in launching the GLCI collaboration.
4.5: CRS’s Motivations and Risks: Technology in the Field and Downstreaming Change

Through Intel, CRS was able to deploy a massive project leveraging technology in the field in new ways to accomplish its programmatic objectives. Bothwell asserts that Intel provided engineering talent and support to the project that CRS would not otherwise be able to afford. As such, CRS’s primary motivation to partner with Intel emanated from the company’s ability to help design and facilitate this new model of technology deployment. The ICT platform allowed CRS to conduct surveillance, collect data, educate farmers and operational partners, and map results in ways and at a pace rarely seen before in development projects. Put simply, partnering with Intel helped CRS bring more benefit to its beneficiaries. And CRS wants to carry forward what it learned from working with Intel into other projects.

In addition to the new capabilities enabled by the ICT platform, Bothwell observed a very positive response from the field agents, the local NGOs. “They were excited about the use of the equipment,” recalls Bothwell, noting that capacity building is a core objective not only of the GLCI, but also central to the mission of CRS. “We strengthened our partners in the field. By putting technology in the hands of our partners we were giving them tools to enhance their learning and so they became more effective in their work.” CRS found that the use of laptops not only created computer literacy but also improved their partners’ stature in the community by increasing their expertise and perceived value. The farmer groups viewed the laptops and the Agilix GoCourse educational component as a trusted
source of information about what was happening with their cassava plants and what they needed to do about it. It made them more likely to internalize the education offered by field agents and change their agricultural practices to respond to the diseases.103

The use of technology can also make the aid dollar go further, certainly a central motivation of CRS. As stated above, even with all the increased capabilities and benefits, the use of laptops and SaaS solutions in the ICT platform added no additional cost to the Gates Foundation. The management of NGO projects, whether big or small, requires a great deal of accounting, finance, data entry, coordination, monitoring and evaluation. These functions are a very central part of the services provided by international NGOs like CRS. In the aid world, a lot of this work is still being done on paper in NGO field offices. All these processes have labor costs that can be reduced by using technology. Bothwell calls this the labor tradeoff.

“Technology is not an added cost,” she explains. To illustrate, she points to a recent conversation with CRS staff in Sierra Leone:

They were contemplating the use of Apple iPod Touch devices for doing a nationwide Knowledge, Attitudes and Practice (KAP) malaria survey. And they said ‘we’d really like to try this technology, but we just don’t have the budget.’ And I said ‘have we done the tradeoff on what its going to cost to do it on paper? Let’s estimate of how many people you are going to hire to do the data entry, and what you have to pay them, how much you will spend on transportation and data cleansing, and lets do a comparison.’ The project team did a simple comparison: a paper-based survey would cost [something like] $51,000, and an iPod touch survey would [something like] $53,000, but you would have the data in hours rather than six months later.
Related to the labor tradeoff is the power of the types of data field-based ICT platforms can capture for monitoring and evaluation (M&E), as well as their implications for reducing administration costs and increasing accountability and transparency. Like the private sector, performance metrics rule the NGO world. How else does an organization prove that their theory of change in a project works? How else does an organization show the donor that they were good stewards of the money? The improvement of M&E systems is considered a core need of many NGOs.\textsuperscript{104} M&E was a central part of the GLCI from the start, and they built M&E into their adaptation of the SaaS solutions. The technology allowed for a broader data capture, standardized across six countries, from sources closest to the problem: the local NGOs and the farmers themselves.

The metadata generated by software applications can even affect M&E in unforeseen ways. While visiting a GLCI site in Uganda, the local CRS staff told Thomas that they thought the educational component was failing because the laptop recipients had not completed all the classes. The Agilix learning system tracks the amount of time spent in a session and what modules were used, so Thomas asked to take a look at a beneficiary’s computer. He observed that the laptop users were all over the place in the education modules, spending some time in one lesson, and then switching to another. By examining the logs, Thomas deduced that the farmers and local partners were dealing with a diseased plant right in front of them and were using the laptop and training modules as diagnostic tools instead of a direct training. The local staff confirmed his hypothesis. Thomas was excited, “At that moment we went from ‘this is not working’ to ‘oh my goodness this is really working!’”
The speed at which the captured data can be transmitted between project stakeholders in the field, region, and headquarters in Baltimore was also quite new. According to CRS Technical Advisor Mike Matarasso, the ICT program “enables us to manage data on a vast scale without the logistics of getting the files and getting swamped with heaps of paper to work through, data only has to be input once, minimizing the amount of work and potential errors of a paper-based system, and analysis happens in real time allowing for immediate action to be taken to improve project outputs.” CRS even created a real-time dashboard of project metrics that anyone with an Internet connection can access anywhere in the world (including recipients of the Classmate PCs in the GLCI).

The value of the ICT solution that the GLCI models is becoming more and more apparent within CRS, not just at the headquarters level but in the regional and country offices. Bothwell has experienced a continuum of reactions from staff as she seeks to advance the use of ICT:

The first interest staff has in using technology is often focused on donor reporting. If you talk to people in the field, they say ‘I have to do these donor reports, it’s really hard, I have to run around collecting data and key it in, and create a report - can I make that more efficient’. People focus on improvements in labor costs and data integrity. Once staff begin using technology to collect and report data, they focus on the use of that data to adjust project plans. They are no longer waiting two years to see the impact of what they have been doing and they can make real time adjustments to their plans – such as improvements in training courses based on field agent learning results. Finally, they begin to realize the potential of technology to reach more people, to build capacity of partner organizations, and ultimately to provide services – like market prices and weather data for farmers - that have the potential to empower beneficiaries in improving their livelihoods and quality of life on an on-going basis.
Some of the risks CRS faced centered on partnering with a for profit company, but other risks were inherent in such a large and complex project, and the organizational change and leadership needed within CRS to see it through. In describing the decision to partner with Intel, Bothwell articulated many common risks NGO’s face when partnering with a corporation. At the forefront was the stakeholder perception of the partnership. Bothwell acknowledges that CRS, as a religious organization based on Catholic social thought, needs to be cautious: “You have to worry about partners from a reputational point of view, in terms of what they are doing or not doing in other areas in the developing community.” CRS’s executive leadership team, not Bothwell, makes the final decision on its partners, examining not only their behavior in the world, but also their reputation, and the industries in which they operate for issues antithetical to Catholic moral and social teaching.

Another risk Bothwell perceived and addressed early on was making sure any public communications, including results and success of the GLCI, were accurate and agreed upon. “Once we began to publicize what we were doing we had formal agreements concerning the use of each other’s name or logos,” recalls Bothwell. She was especially concerned that someone within Intel might claim success with the GLCI before CRS felt it was merited, worrying that “our donors, our partners on the ground, or the communities that were involved will come back and say ‘that wasn’t accurate.’”

As of April 2012, there is rather little public relations communication coming out of Intel regarding their role in the GLCI. In fact, there is only a single press
release regarding the April 2009 Inspire-Empower grant, which also highlights the other three (non-CRS) projects that also won the grant competition, and one 2010 Intel CSR blog entry authored by Thomas where the GLCI is mentioned as successful.\footnote{As of the writing of this paper, Intel has not yet published its 2011 CSR report, but there are indications that the GLCI will make an appearance in some form. Catholic Relief Services’ and NetHope’s communications include YouTube videos, data sheets, informational pamphlets, “stories from the field” type communications, and of course, the project metrics dashboard.}

Yet, the most difficult-to-navigate risks of partnering with Intel came not from the company itself, or public communications, or use of logos, or Thomas, or the fact that the company had a revenue motivation, but from (1) the level of collaboration required within CRS to implement a multi-region, multi-country technology initiative; (2) CRS’ unfamiliarity with large-scale technology projects in the field, particularly in contexts that extended beyond the bounds of CRS offices; and (3) the behavior change that is necessary to adapt to new ways of doing things. These challenges had nothing to do with Intel as a company. These were challenges that were only overcome only with a strong cross-divisional partnership led by Bothwell, Shaun Ferris (senior advisor for the Agriculture Sector), Jessica Silverthorne (the Senior Officer managing the Gates Foundation Relationship), and the GLCI Project Managers (Dai Peters and her predecessors Chandreyee Banerjee and Michael Potts) and the dedication of key members of their respective staffs.

Like many international NGOs, CRS is organized along geographical lines and much of the program decision-making and responsibility is centered at the regional
and country level instead of the main headquarters in Baltimore. Support functions, like ICT and Program Quality, are federated; support staff reports to HQ Department Leaders, Regional Directors, or Country Representatives depending on their location. In addition, most projects are managed at the country level: Multi-country, multi-regional projects, such as GLCI, are rare and represent challenges to CRS’ traditional decision making patterns. Finally, CRS works with local partners to deliver its programs: GLCI worked with 55 partners and 200 of their field agents in the use of Intel’s technology solution. The success of the GLCI technology initiative required the cooperation and commitment managers at HQ, two regional offices, six country programs, and 60 partnership organizations and the combined efforts of their ICT, agriculture, and monitoring and evaluation staff.

Bothwell knows from experience that deployment of technology projects in organizations where without full line authority takes time since management must accomplished through influence and building the commitment of peers towards project goals. Yet at the end of the day, there may be more success precisely because of those relationships and the fact that management has generated more buy-in and ownership of project goals.

CRS investments in ICT had primarily been in the back office systems required to support its headquarter operations, and to a lesser extent those required to support field offices. The only IT systems in use specifically to support field office operations were the core financial system. Most other field management functions were accomplished using e-mail and spreadsheets or systems that were specific to particular country programs. Relatively little technology was being used
to support operations in field settings outside the bounds of CRS offices, much less in the hands of partner field agents.

On joining CRS, Bothwell worked with agency leaders to develop an ICT strategy and roadmap aligned with the CRS's business strategy. The roadmap initially focused on improving CRS's internet services and implementing a knowledge sharing and collaboration platform – a platform that would enable staff to apply something learned in the field in Northern Uganda, for example, to help a similar program in the Philippines. It then focused on improvements in back office systems and their integration: CRS has completed major upgrades of its finance, human resources, and customer relationship management systems and is now rolling out an agency wide budget planning system, supply chain management system, and project information management system to support regional and country program operations. Finally, the roadmap focuses on mainstreaming the integration of technology in CRS' field project design through an innovation, knowledge exchange, and field support programs, all aimed at helping projects take advantage of technology.

Implementing the roadmap has required a transformation of CRS' federated ICT organization: new processes for the implementation of ICT systems, new ICT roles and responsibilities, and above all, new ICT skills. “We have gradually built the capacity of the ICT organization through a recruiting and staff development program and through partnerships with ICT consulting firms such as Accenture Development Partners. We initially focused on enhancing the capacity of our HQ ICT organization and have begun focusing on building the capacity of our field ICT
organizations. The GLCI partnership was launched early on in the effort to transform the ICT organization. CRS did not have the skillsets in place in the field offices to manage the types of applications that would be used in the field for programming, nor to advise programmatic staff on their selection of technology tools for a project. GLCI took an unprecedented level of coordination between the Baltimore and India-based HQ ICT Teams and the East Africa Region ICT staff and eventually led to the hiring of ICT consultants to provide field support to GLCI staff in their use of the GLCI laptops during the extended deployment period.

Finally, the GLCI technology project had to deal with the normal resistance to change that occurs when new ways of doing things are introduced. And the changes the GLCI required were not small. For example, the easily accessible, standardized, and rapid M&E across six countries raised concerns among the various offices implementing GLCI. “We were collecting data that would be very visible,” said Bothwell. “Offices all had their own means of providing data and they were unsure how they would be perceived when evaluated using a standard set of M&E indicators. They were also concerned about the data being accessible immediately after being collected by field agents prior to management review and validation.”

In addition, some of the operational partners and others were skeptical about the use of technology at the field agent level. The GLCI used a radical approach that put hi-tech equipment directly into the hands of fieldworkers, the local NGO partners that are second-from-bottom of the pyramid in a traditional development project hierarchy:

We were giving computers to field agents when their supervisors didn’t have a computer,” recalls Bothwell. “There
were people who thought this would never work, that with the
level of education of agents in the field that they wouldn’t be
able to adapt technology; that it was just too complicated for
them to do. [But] we found that many field agents who had
never used a computer before learned to do so within days and
were able to teach others. It is a lesson to all of us in relief and
development work. If we look at the rapid spread of cell phone
technology in developing communities, people with relatively
little education are not only quickly learning to use phone,
developing communities themselves are inventing new ways to
take advantage of such technology – such as the use of cell
phones to deliver banking services to the rural poor.

Implementing a broad project like the GLCI required visionary leadership
from Bothwell, Ferris, Silverthorne, and the GLCI project managers. It required the
ingenuity of CRS ICT, Agriculture, and Monitoring and Evaluation staff. And it
required attention to organizational change and the need to create buy-in from the
multitude of CRS stakeholders that the GLCI would touch.

Bothwell found herself at the center of change and in some cases, driving it.
Change was needed not only so the GLCI ICT platform could function, but also for
CRS to adapt to the wider use of technology within the agency. In her mind, the two
issues were connected. She was relatively new to the organization and had “grown
up” in an IT firm where risk-taking and change were routine; Bothwell was
accustomed to large-scale technology deployments and understood that they rarely
go as planned, especially with something as complex as the GLCI. She noted, “What I
worried about was the fact that CRS as an agency didn’t have a lot of experience
with technology, and I wasn’t sure how much tolerance CRS would have for things
not going quite right? If GLCI didn’t go well, would CRS staff be willing to take a
chance again? I worried a lot about that in the beginning.”
Bothwell is also quick to point that she did not work alone and had a great support from well-respected people within Catholic Relief Services. She and senior advisors from headquarters made several in country visits to champion the cause and specifically sought out local leaders to raise support for the project. CRS as a whole was able to overcome the risks and challenges associated with the GLCI partnership; staff from the GLCI and CRS’s country and regional offices collaborated effectively and put the ICT solution in place across six countries with the support of Bothwell and Thomas.

4.6: Building Trust and Managing Risk in the Partnership

Drawing on the integrated model of organizational trust introduced in Chapter 3, I will analyze the CRS-Intel relationship through the three factors of perceived trustworthiness: ability, benevolence, and integrity. The trustor’s propensity to trust will also be examined. Following that, I will identify examples of risk taking in the relationship (RTR), most notably the entering into the GLCI partnership.

While I did not ask questions regarding the subjects’ personal history surrounding trust or vulnerability, propensity to trust will be discussed generally based on what is known about the subjects’ backgrounds and experience in their careers. The integrative model relates propensity to trust with a general willingness to engage risk-taking behavior that is stable across situations.\textsuperscript{108} The trustor’s culture is also considered a factor affecting the propensity variable.\textsuperscript{109} Based on their skillsets and backgrounds in global, for-profit technology firms and familiarity
of working with business partners and clients, both Thomas and Bothwell likely have a relatively high propensity to trust. American business culture can generally be said to encourage risk taking. Moreover, the technology industry inherently pushes boundaries and competes in very competitive markets under a high level of risk and constant obsolescence and renewal. Bothwell, for example, compared her experience at CRS with the private sector: “if you go and get product from somebody, you take the risk of the quality of support they give you.”

The perception of the trait of ability was clearly articulated by each partner in regards to their counterpart over the course of the interviews. According to the model, ability is defined as “that group of skills, competencies, and characteristics that enable a party to have influence within some specific domain.” Particular statements from Bothwell include the assertion that Thomas was “brilliant,” and that, “right away you were comfortable you were working with someone who would add a lot of value to what you were doing.” For his part, Thomas repeatedly credited Bothwell with the success of the rollout, noting her ability to “get things done,” and adapt his engineering input to needs of the GLCI. Neither Bothwell nor Thomas specifically identified each other’s respective positions in their organizations as affecting their perception of ability, but it certainly would make sense for the trustor to assume a level of competence at such a senior office, particularly with their backgrounds in IT. In a technology sense, they spoke the same language, so there was less of a cultural divide than one might expect when NGOs and businesses partner.
Under the integrative model, benevolence “is the extent to which a trustee is believed to want to do good to the trustor, aside from an egocentric profit motive. Benevolence suggests that the trustee has some specific attachment to the trustor.” In describing why the GLCI was different from some of the past projects he had worked on, Thomas spoke of Bothwell’s commitment, passion, and leadership:

CRS’s difference was Carol Bothwell. There are some leaders in here that are willing to take the risk to make the change. And Carol saw this urgency and her heart is huge, she is a wonderful human being. She is one of those silent leaders; one of those people that make it happen and are understated about it.

Thomas also understood that Bothwell accepted Intel’s revenue motivation and how the GLCI fit into Intel’s emerging markets strategy. The above quote is also applicable to perceived ability, especially under Thomas’ recognition that visionary leadership was a critical component to this project. Bothwell stated that Thomas had a “desire to really make a difference,” and indicated her belief that he cared not only about the project and the farmers, but also about the larger role of technology in contributing to a better world. Her experience in the private sector also gave her perspective on the significance of the major level of support Intel and Thomas were willing to provide to CRS.

Both subjects called each other by their first name and spoke of the other with a familiarity that only comes from an established relationship of mutual respect, reminiscent of how one would talk about a colleague or friend. When speaking about each other, both Thomas and Bothwell distinguished the other from
their respective organizations, recognizing their individuality as human beings as opposed to simply acting as agents for their organizations.

The attribute of integrity under the integrative model is defined as the adherence to a set of principles the trustor finds acceptable. Recall Thomas’ prerequisites for choosing a NetHope project: he wanted the project to be running within a year and to be supported not out of Intel’s pocket, but out of Intel’s own sweat equity via Thomas. He also required that it be paid for up front. Bothwell wanted Intel’s full commitment into actual on the ground operations. At the Baltimore meeting, they all agreed to these principles. Intel’s reputation as a company certainly helped Bothwell’s perception of integrity, in other words the perception that Thomas and Intel would keep up their end of their partnership.

During Thomas’ interview, however, he articulated a number of prior disappointments in working among various public and private organizations in development projects, and his personal frustration with how the business of development is done. “The world needs help right now,” he said, “and turning engines that are benevolent and trying to be benevolent into productive benevolence is a real challenge today. We’ve got very few really good examples of it.” As a result, Thomas expressed a certain level of generalized distrust of the sector, not because of a perception of bad motivations, apathy, or incompetence, but due to experiencing inefficiency, lack of reuse, and a general disinterest at the program level to do things differently or accelerate service delivery.

This made his enthusiasm regarding Bothwell, CRS, and the GLCI all the more striking. Thomas credits NetHope’s Jack Levy with facilitating the formation of
initial trust: “There was trust between Jack and I; there was trust between Jack and Carol that became trust between Carol and I.” Thomas understood prior to partnering with CRS how the dynamic of federated IT operated among NGOs and how it might constitute a major barrier to the speed of deployment or even the overall success of the partnership. But he also came to believe that Bothwell and CRS would do what was necessary to accomplish their goals. He perceived Bothwell’s integrity, and by extension, her organization’s.

The integrative model uses the concept of RTR to demonstrate the actual behavioral manifestation of the willingness to be vulnerable to the actions of the other party (trust). The progression of the relationship is as follows:

Stage 1: Parties meet and discuss ideas - NetHope conference
Stage 2: Parties examine partnership potential internally
Stage 3: Partnership is formed - the Baltimore meeting
Stage 4: The rollout of the GLCI
Stage 5: Subsequent support and refinement of the ICT platform

The entry into the partnership at stage 3 was the most important and greatest RTR factor at the organizational level. The partners relied on each other to complete their agreed tasks and essentially had no recourse if the other party failed to do their part. CRS could not control the level of actual technical support Intel would give and relied on Thomas’ representations that he would answer the telephone calls once the inevitable bugs in the system began to manifest and help CRS work through them during stages 4 and 5. Intel could not control or influence the biology or agricultural science at the heart of the GLCI, the locations or farmer groups selected, care of the plant cuttings, the efficacy of the educational content for
the field workers through the distance learning platform, the accuracy of the data put into the laptops, and most importantly, the considerable organizational capacity, leadership, and management needed to launch such a massive effort across six African countries; all were determinative in the success or failure of the GLCI, and all were the responsibility of CRS.

The use of a communications and publicity agreement that formed later in the relationship (post stage 3) clearly illustrates that CRS perceived a stakeholder risk of inaccurate or untimely representations of success by Intel, and thus sought to mitigate it through the agreement to protect one of the agency’s most important asset: its reputation among its multitude of internal and external stakeholders.

A major RTR factor that is, perhaps, one of the best demonstrations of trust in the relationship, was the absence of a MOA that detailed roles and responsibilities, timeframes, or performance obligations. As a general articulation of roles and responsibilities, the MOA could have some potential value in a NGO-BP like CRS-Intel to settle disputes or prevent confusion or overstepping, but neither party felt the need to legislate their actions or the partnership goals.

While Bothwell works with a multitude of companies in her capacity as Chief Knowledge Officer, nearly all of the agency’s relationships with businesses have been the acquisition of goods or services in a transactional relationship and have been routinized because they flow from procedural requirements placed on them by CRS, its donors, or federal law. The Intel partnership was different; the particular in-kind nature of Intel’s participation was outside Bothwell’s experience at CRS and simply did not come up at the Baltimore meeting. Although Bothwell did not state
this during the interview, because the project went forward without an MOA, it was clearly not a demand of CRS’s the Executive Leadership Team when they approved the project, nor from the Gates Foundation when CRS sought permission to reallocate the funds.

Upon reflection, Bothwell also stated that she and her colleagues opened a portion of the GLCI budget to Thomas and his team because they did not view Intel as a competitor of CRS. The parties signed a non-disclosure agreement, which mitigated, to a certain extent, the risk of disclosure of proprietary information gained at the Baltimore meeting to a competitor. This was the standard practice at CRS, and was not particular to Intel. But the “who does what, when, and how,” was only agreed upon orally and completely informally. For Intel’s part, Thomas was actually dismissive of the idea of needing an MOA:

We had an urgency and the leaders were conscious of the goal. This was just personal relationship doing the right thing: we’re going to do this in a year, we are going to use off the shelf technologies, and we are going to take them into the market and make it happen; it was going to be paid for. Why do you need an MOA to go and do the right thing?

The fact that neither party was focused on formal designation of roles and responsibilities in the first place considering the risks is significant because it shows they were focused on the objective, not the risks. Thomas also stressed the importance of the in-kind nature of the partnership to building trust and absence of MOA:

We are donating people; we’re doing the work. We are participating with them. Its really hard not to have trust when you show up to the meeting with working prototypes, you become part of a team that’s designing the project, and you
stay on those phone calls. You don’t need an MOA to do that; what you need is people that are willing to do real work. The difference [in using an MOA] is that you are creating a document between organizations for people who don’t do the work. The reason this one worked is Carol and I both do the work. If we have a problem, and we’re not just going to get an MOA and point other people to the task.

Thomas’ statement highlights a few important points for analysis: First, the in kind nature of the partnership built a relationship between people, a certain sense of responsibility, commitment, and ownership for the collaborators. The GLCI was CRS’s project and ownership was assured for Bothwell, but it clearly garnered a great deal of personal commitment from Thomas. Secondly, the executives with decision-making authority were not only involved in a loose sense from beginning to end, but as Thomas put it, “did the work.” While the project consisted of a small number of committed employees for Intel’s part, the project was not a commitment made by an executive who then gave it to junior staff or other departments to complete. For CRS, a much greater number of internal and external stakeholders were involved, which increases the importance of Bothwell’s leadership role.

The results and the success of the GLCI in terms of halting the spread of the cassava diseases are still being assessed, and results such as how it has affected food security will not be known conclusively for some time. Some data is not instant no matter what technology a program uses. However, the data collection and distance learning aspects of the ICT solution are in place and operating across each of the countries, the prevalence of disease has been reduced, and the healthy cassava varieties have enabled farm families to recover their cassava productivity: As of April 2012, the GLCI surpassed its original target of 1.15 million farmers and has
supplied 1.27 million farmers with clean planting material, along with the
knowledge to use the material correctly, all facilitated by the partnership’s ICT
solution.113

This chapter presented the motivations and risks for each partner in
partnering and relying on each other, as well as the risk mitigation strategies
employed. It examined the revenue business purpose for partnering and what effect
it had on the level of risk tolerated by the parties, their perception and trust of each
other, and the level of resources committed. Chapter 5 will summarize key findings
and explore the implications of use of technology in the field within the context of
the privatization of development.

4.7: Endnotes

67 James Austin, “Strategic Collaboration Between Nonprofits and Businesses,” 70.

68 Bent Flyvbjerg. “Five Misunderstandings About Case Study Research.” Qualitative Inquiry

69 Catholic Relief Services, CRS 2010 Annual Report, accessed April 4, 2012,

70 Ibid., 40.

71 Ibid.

72 Ibid.


74 Ibid.

75 Estelle Biénabe and Denis Sautier, “The Role of Small Scale Producers’ Organisations in
Addressing Market Access” Beyond Agriculture” (proceedings of seminar, February 28, 2005).
Department for International Development (DFID), London, UK, accessed April 4, 2012,
http://www.dfid.gov.uk/R4D//PDF/Outputs/CropPostHarvest/BeyondAgric.pdf, accessed, 70.


Ibid.


A total of approximately $533 million has been over the last five years. Previous years: 2009 – 1.8%, 2008 – 1.3%, 2007 – 1.2%, 2006 – 1.4%.

Ibid., 10.

Ibid., 93

Ibid.


Granger-Happ is now the Chief Information Officer of the International Federation of the Red Cross and Red Crescent Societies and Chairman of NetHope's Board of Directors.


Ibid., 2.


Ibid.


Dr. Dai Peters, GLCI Project Manager, email message, February 5, 2012.

FormRouter was dropped by CRS after the pilot demonstrated that the software did not fulfill the GLCI’s needs. CRS very quickly created its own form capture software instead.

CRS, Great Lakes Cassava Initiative Inspire Challenge Final Report (July 2010).

Thomas was in the region on business, but took the weekend to sightsee and visit CRS fieldworkers.


CRS, Partnership for Success: Stories from the Great Lakes Cassava Initiative, 13, 48.

Marc Lindenberg and Coralie Bryant, Going Global: Transforming Relief and Development NGOs (Bloomington, CT: Kumarian Press, Inc., 2001), 236.


Such as the Apple Newton, Friendster, PalmOS, 3DO, Iomega Zip Drive, etc.


Ibid., 718.

GLCI Director, Dr. Dai Peters, email message; CRS Press Release, “Catholic Relief Services and Gates Foundation Help 1.2 Million Farm Families in East and Central Africa Fight Cassava Disease,” (to be released May 10, 2012).
CHAPTER 5:

KEY FINDINGS & IMPLICATIONS

5.1: Key Findings on NGO-Business Partnerships

The type of partnership (Reputation, Responsibility, Revenue) has major implications on the level of risk tolerated and amount of trust built in the partnership. Due to great variation and potential overlap of the business purpose for partnering, it is impossible to create a bright line rule. However, the business purpose for partnering certainly affects how stakeholder and programmatic risks are managed and manifested by risk taking in the relationship.

Examples of reputation partnerships were not explored in the primary research for this study. But it is clear that the risks the organizations face are primarily limited to brand. For the business, absent an abject failure, imputed cost is relatively low because few resources are actually committed in the partnership beyond reputational capital concerns. While the attention or resources for a cause or an NGO are very valuable in creating public awareness and support for important issues, reputation partnerships do not require a great deal of trust outside of brand stewardship by the partnering organization.

Responsibility partnerships probably have a “trust ceiling” because there is an inherent tension, not only from stakeholder risks, but also from the potential of
vast disagreements over what ought to be done to fix the negative externalities of business operations. In the case of the poverty footprint partnership, Oxfam reserved the right to campaign against Coca-Cola to maintain independence. Oxfam also had to accept the possibility that Coca-Cola would not implement any of the proposed changes due to the imputed costs of acting on them. This creates a ceiling on the level of trust. With Verité, confidentiality agreements necessarily cloak its social audits in secrecy; it would be difficult to see how they would be effective without one. The confidentiality agreement places the social audit relationship outside of trust under the Integrated Model because of the ability to control the other party through the agreement.

Revenue partnerships have the capacity to align CSR objectives with the core competencies of a business and bring greater benefits to NGO programs. Bringing a company’s best people forward in a partnership is difficult to accomplish when there is more than nominal imputed cost. The engineers, experts, and others among the corporation’s best and brightest are not likely to be contributed by a corporation in the responsibility or reputation partnerships. Creative strategic partnerships have the capacity to leverage the power of businesses for the public good by creating what Thomas called “skin in the game” beyond cost savings and reputational capital considerations. This also may occur at an organizational level; Intel experienced a greater merger between its core competencies of IT and its CSR department as a result of partnering with Catholic Relief Services.

The revenue partnership also gives a corporate manager the breathing room among primary stakeholders to pursue a public benefit. Related to the first point is
the reality that not every stakeholder within a company is going to agree that a public benefit is worth pursuing, no matter how noble it may be; the reputational capital and cost savings arguments only go so far in light of imputed cost. The articulation of the revenue purpose is a powerful incentive to provide the room for someone like Chris Thomas to leverage a company’s capabilities to advance important public work.

5.1.1: Building Trust and Effective Partnering

An internal champion within each organization appears to be critical; leadership, positional authority, and buy-in are all essential elements. The leaders within both organizations were able to articulate the motivations internally and to each other. Each had the positional authority and credibility within their organizations to take risks and convince others to support them. This is especially true for CRS where Bothwell had to advocate down the “cascade of people” whose commitment and involvement was critical to the success of the ICT platform.

The ability to “speak the same language” should not be underestimated. Bothwell’s years of experience in IT consulting allowed her to quickly understand, harness, and transmit to the rest of CRS the engineering support offered by Intel. This technical familiarity helped each partner perceive ability and trust that the other could get the job done.

The clear understanding of the business purpose helped build trust. Perhaps it is counterintuitive, but in a sense the revenue motive actually helped build trust for CRS regarding Intel’s commitment. Bothwell understood Intel’s revenue
motivation, she accepted it with the understanding that it was one of the central reasons the GLCI received such a high level of support and commitment from Intel and Bothwell could rely on it.

The in kind contribution of expertise helps build a relationship between the parties. The marketing relationships that typify Reputation partnerships do not require a great deal of personal involvement. The side-by-side work over months that was required to build the ICT platform fostered an important personal relationship of mutual respect and admiration. Both Bothwell and Thomas demonstrated a passionate belief that technology could be used to benefit the developing world in a huge way. While organizational motivations matter, at the end of the day the people that worked together shared a common and powerful belief in the cause.

An MOA is not always required if the people who agree to work together are actually working together. If the parties are secure in their commitment to the project and their willingness to adapt to needed changes, an MOA that details duties, rights, and responsibilities might be more trouble than it is worth. Had Thomas and Bothwell agreed to the project and given it to others within their organizations to complete, it would likely be a different story.

A coercive MOA would probably not work in a situation like the GLCI partnership. Lawyers may provide a thousand good reasons in their minds about why a MOA is necessary, but in reality, use of an MOA should be considered in light of the circumstances of the particular partnership. A one-size-fits-all approach is
potentially harmful to building trust among the people engaged in the partnership, especially when the realities on the ground require fluidity and adaptability.

Despite a high level of trust, key stakeholder risks for CRS around public communications around the GLCI were still handled with an agreement. Like the Oxfam-Coca-Cola partnership, risks associated with stakeholder perception were a central concern for CRS. They navigated this by limiting public communications until they felt they were ready to speak about it.

It is not clear how many NGO-BPs use MOAs, what is contained within them, or how the parties view them. An avenue of potential future research could be to conduct a wide ranging survey of partnerships, using content analysis methodology on MOAs to find out what is common among such agreements, and cross reference them against the type of partnership.

Finally, multistakeholder initiatives like NetHope are important meeting grounds and can provide an initial level of trust. The opportunity to meet, exchange ideas, and network was extremely important to the inception of the CRS-Intel partnership. Jack Levy of NetHope was also credited with providing an initial level of trust between the parties that eventually grew into separate trust between Bothwell and Thomas. Clearly, the technology sector and the development sector have an enormous overlap of interest. NetHope clearly understands confluence and is working to reap its benefits for development. Because of this overlap, the technology sector provides fertile ground for more NGO-BPs like the GLCI.
5.2: The Privatization of Development and Remaining Questions

As evidenced in CRS’s experience in the GLCI, use of technology in the field will change how monitoring and evaluation of programming is accomplished. The timeliness, transparency, accuracy of programmatic data can all be transformed by technology in the field while simultaneously reducing administration costs. The data generated by technology in the field has the capacity to help refine NGO programming internally and help NGOs decide how to focus their efforts. The aggregation and sharing of data and knowledge has been a challenge for large international NGOs. Ease of access to information across countries and region allows for greater meta-analysis. Standardized data sets on large collaborative efforts, such as in the case of a humanitarian emergency or disaster could be particularly helpful. Recent experience over oversupply and undersupply of services in the Indian Ocean tsunami disaster and the earthquake in Haiti indicate coordination of emergency relief among multiple NGOs, government, and international agencies in these situations is still extremely difficult and largely insufficient. An ICT project in Haiti is currently piloting the use of such technology. Large, easily accessible data sets are also important for quantitative social science research.

But in light of the marketization of NGOs, what might be the effects of use of technology in the field? It could reduce the administrative role and power of Northern NGOs in favor of local NGOs. In many ways, the infrastructure of large international NGOs is in place to facilitate and account for money moving from donors in the global North to beneficiaries the global South. Use of technology by
grassroots NGOs reduces the need for the currently essential back office administration of Northern NGOs. Information will no longer need to be filtered through regional and field offices back to donors; they can instead see it in real time. According to Bothwell, “a lot of public fundraisers say that they want to bypass the CRSs of the world and go straight to the grassroots. I think that this may eventually change our services; we may become more of consultants to local NGOs as opposed to the overall umbrella manager.”

Use of technology in the field may also drive adoption of humanitarian services cloud software. According to NetHope, SaaS is delivered at a lower cost than traditional IT, is implemented more quickly and with less technical support needed, and it is supported with better service across distributed communities. An easy example is for those who have ever had to deal with Microsoft Outlook and Exchange servers as compared to using something like Gmail that is hosted in the cloud. As more and more NGOs see the benefit of using SaaS platforms like those used in GLCI, the more demand will be created. At some point, “there’s an app for that” will be ubiquitous among NGOs in almost all aspects of their work. NetHope is already working on what they call the Cloud Services Initiative to:

Accelerate humanitarian organizations’ access to successful cloud-based applications that can be leveraged for many different problem sets in the developing world. Applications will be shared through a marketplace, which will provide additional information including an NGO rating, case studies, technical requirements, pricing and service level agreements that will make it easier to use and re-use key services.

As indicated in Chapter 4, NetHope’s corporate partners are the Who’s Who of Silicon Valley. The organization must be careful not to bar small, non-Northern
programmers from entry into this market. NGOs in revenue partnerships must also assess how their stakeholders feel about being conduits of a potential competitive advantage for corporations. Bothwell explains:

A potential concern down the line - as local small entrepreneurs local businesses start to develop their own products, it can give you more pause about who you partner with. Are you shutting them out by partnering with a large western firm? I thought of it in the NetHope world – which has large contribution by large Western tech companies. In the Humanitarian Cloud, the small developers need to have an opportunity play in this marketplace, it can’t just be the big guys. We to make sure that we are not the agents of a monopoly.

Technology in the field may also accelerate the marketization of NGOs. As discussed in Chapter 1, there is growing demand for greater accountability, transparency, and measurable impact of NGO programming. This is driven from within NGOs themselves as well as from donors. In many cases, such demands are contractual obligations in funding agreements. With standardized SaaS ICT solutions, donors can watch how and where their dollars were spent, using standardized metrics of performance to calculate their return on investment. It is not unrealistic to expect that donors will at some point demand repeatable, scalable solutions in the field due to its ability to satisfy the desire for measurable ROI. If use of technology in the field becomes a requirement for funding, it could drastically alter the non-profit landscape.

Adoption of SaaS may even require global NGOs to become less federated. CRS’s experience adopting the ICT solution illustrates the barrier federated management poses. In order to disseminate uniform systems agency wide, a certain loss of local control is necessary. CRS has an excellent reputation of strong
grassroots engagement and participation in their programming. It is perhaps, the best argument for localized control of resources and programing. The promise of SaaS will provide a new twist in the local/global balancing act for NGOs like CRS. Secondly, SaaS may alter the funding paradigm of NGOs. SaaS does not work in grant-by-grant funding paradigm; even if the overall cost is lower, it needs a constant stream of funding to enable ongoing service. Current funding models are insufficient to support ongoing SaaS. Donors seeking repeatable, scalable SaaS enabled programming will need to alter funding arrangements.

Greater resources may be poured into programs that have good metrics (like agriculture and public health), even more than they are already. Demonstrating ROI on peacebuilding programs or social change advocacy is difficult because social change often happens very slowly, is fragile, and “peace” and “justice” do not translate into forms capture easily. Herein lies the heart of the philanthrocapitalism critique; if NGOs are competing for resources in a market where the winners and losers are defined by ICT-enabled ROI metrics, less attention may be given to social change programming.

5.3: Endnotes


115 See http://haiti.ngoaidmap.org/.


118 Lewis, The Management of Non-Governmental Organizations, 159.
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Kiobel v. Royal Dutch Petroleum Co., 642 F.3d 268, 270-72 (2d Cir. 2011) *cert granted*.


