



DevelopmentAid Dialogues

Episode 4: Profit and Purpose: Aligning Business & Social Good in Development Partnerships | Insights from CIPE's Kim Eric Bettcher

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Hisham Allam

Hello, everyone. Welcome to DevelopmentAid Dialogues, our new project exploring the heart of humanitarian aid's most pressing topics. I'm your host, Hisham Allam.

Today, we have been exploring the power of partnerships for sustainable development with Kim Bettcher, Director of Policy and Program Learning at the Center for International Private Enterprise, CIPE. Good morning, and welcome to DevelopmentAid Dialogues.

Kim, imagine a developing country facing a severe food security crisis. Government that has recognized the need for a multistakeholder collaboration. What key challenges might this partnership encounter and what strategies could overcome these obstacles to achieve a successful resolution?

Kim Eric Bettcher

Well, I actually have just returned from Ethiopia last week where I was at a conference on business for peace in Sudan where they are in fact facing a food crisis and that's a situation was, with limited international relief, the private sector. Is the 1 that that's out there, moving goods and delivering food to the extent it can, but it's also a situation where there's a lack of an organizing framework. So, I think having collaboration frameworks in place can be powerful.

I'll give you the example of, Yemen where about 10 years ago site hosted a local set of actors, chambers of commerce, nonprofits to think about the future of the country and to think about how to handle crisis both and they came up with a framework, what they called an economic reform team, having that collaboration in place, they've been able to, provide a logistic support, deliver, relief goods, but also continue advocating for a better investment climate and future solutions. So, having a coordinating framework is an important lesson but there are times when, entrepreneurial solutions can happen and I've covered it in the case study on Bangladesh, this is a pandemic situation a few years back where, there was a digital health company that saw the opportunity for collaboration across sectors, to set up, rapid testing booths for, COVID 19 and they put together a partnership with, a medical foundation and, the public hospital and the Ministry of health so that they could provide a service on a public site and meeting public standards but bring, digital solutions. So, there could be a video consulting and, so that just shows that, sort of flexibility and leadership where this will on all sides, things can come together.



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When governments partner with private companies and development projects, there can be tension between maximizing profit and achieving social good. How can these partnerships be structured to encourage companies to prioritize both aspects?

Kim Eric Bettcher

You know, the lesson I have found over time is that it's not enough to say that, you know, business can prosper by working for a social license and, trying to be a responsible community member. Sometimes you have to look for a better-defined business case. So, taking the time to identify the specific business case, which is going to vary by situation, and to do that, co creation is really the key here. Let me give you an example for, from Uganda, one of these Kampala Principals cases. There was a public private producer partnership, that's four Ps in Uganda, involving this arrangement between the government, a local palm oil national company, and, the smallholder farmers. And the idea was to, produce sustainable palm oil in Uganda and the government invested in infrastructure and land and, there was, a 3rd party broker, the to set up standards for sustainability. And I think what made this partnership work was the alignment of the incentives. We can't stress the incentives enough and the voice. So, the small holder farmers, they had a cooperative in the governing structure.

So, their interests, their livelihoods, we're always, at the table and then they brought in SAP, the German technology company with a digital solution. So, SMS, solutions for, farmers so that they could, process there, their inventories and have pricing information and all of that. And, basically set them up for effective exports. And, you know, the reason this works with SAP is that SAP is not doing this as a matter of corporate social responsibility. They're looking ahead to the future development of markets and the technology. They can develop that. So, if you have this co-creation, you can get the incentives right.

And finally, I think a great example for co creation is the Global Alliance for Trade Facilitation, in which CITE is a partner, and that has a structure where the steering committee globally is both global. Government or donors and business and together, they identify the opportunities in a country to streamline the flow of goods and services at the border where they see a development purpose and a business purpose and where they both agree. That's where they intervene.

Hisham Allam

So multi stakeholder collaborations bring together diverse groups. However, this can also lead to communication challenges and slow decision making. what are some strengths and weaknesses for such collaborations and how these challenges be effectively mitigated?

Kim Eric Bettcher

So, the question isn't whether we collaborate, but how and how much, we have to recognize that partnerships are an investment and if we build expensive, time consuming structures for partnership, that don't deliver, they're not going to be sustained and they're going to fail. So, one has to think through how much institutionalization really is needed.

Sometimes a light touch is really good and forgive me if, I bring an example from the United States, from the city of Boston. Boston had, a run down, seaport district. That, really wasn't serving the economy or the community was cut off



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from the city. And, the mayor at that time, Mayor Menino, had a vision to turn this old district into an innovation district. And when he did this, he did not have a blueprint, a master plan for innovation. He did not have a team and a budget for innovation. But he used the power of, networks and, and his political support, he invited in, a leading, incubator of entrepreneurs into the district. He supported community relations and networking brought artists in, and, this has become a thriving part of Boston startup scene today. So sometimes the softer, lighter touch is better and not so expensive. On the other hand, more formalized structures can be really important and in terms of the value of this, I would, I would look at Kenya where, over 10 years now, the apex private sector organizations got good at advocating for a better business environment, you know, more inclusive opportunity, more predictable business.

The Kenya Private Sector Alliance, a site partner, was the leader in this. They had their own national business agenda process, which was really a bottom-up effort to take business priorities and organize them and filter them and bring them to government in a coherent way. And, then from the government side, right, the government reciprocated, at the top with an annual presidential round table. So, you know, the CEO of the private sector lines would sit down with the president of the country. And annually, they would they would check on progress. So, with this kind of investment, and then supporting dialogue structures with the ministries and more locally, they were able to move Kenya up get these 68 ranks in the doing business indicators in about 5 years. It's a phenomenal, acceleration. So that's thanks to the power of public private dialogue and structured dialogue, having those platforms for continuous feedback.

Hisham Allam

What strategies can bridge these divides and encourage effective collaboration and development of challenges?

Kim Eric Bettcher

I sit in meetings with, with governments with multilateral or intergovernmental bodies trying to bring a private sector perspective in and often we see, on the government side, a preference for top-down solutions sometimes for very technical solutions and government, tends to be risk averse yeah, the private sector, by contrast is focused on getting things done. So, business people, they show up for one meeting or investors show up for one meeting, and they don't see the outcome from that they're not likely to re-engage in the process. So, I think there are strengths and weaknesses to both sides. What the private sector can do it's entrepreneurial and managerial strengths to the table. So, the private sector has to be focused more on, bringing answers to government, not just complaining, right? So, they're used to finding answers in the competitive marketplace they need to get used to providing solutions in the policy marketplace. And when they do, government can really respond well.

Since you speak about culture, I think that you can sometimes change the culture of interaction by changing the scene how are you bringing these two sides together? And, a refreshing thing to do is to have a site visit, for example, where public and private representatives, go visit a port, where, customs processing happens or, a visit factory, and that takes them away from their usual sort of positioning and informal relationships. And they get to know each other as people building relationships really helps to clear up some misunderstanding government starts to see that that business isn't only about greed that they, you know, have an interest in investing in the future of communities and so finding, places to come together and, the best of both worlds.



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So, you are discussing bridging the gaps between the private and governmental sector. Development partnerships often face challenges in maintaining long term sustainability. So how can these partnerships be structured to ensure they continue to deliver benefits beyond the initial project phase?

Kim Eric Bettcher

I want to point out two things first. One is that we shouldn't be overly focused on the sustainability of structures for partnership. We really want to focus on the sustainability of collaboration and solutions. So sometimes we create an organization, and if it serves its purpose, it's time to dissolve it and that can be a win. Now, I would say, if you think in terms of a cycle, the sustainability gets built in at different stages. The first is in the design phase if you've really designed from the outset, then, you're creating value for both sides. And if you haven't taken the trouble to co create, then there's a misalignment. And that's often what's happening when a partnership falls apart quickly. The second thing is there's a need to follow through.

And I speak often from the perspective of public private dialogue and in many cases. Dialogue is seen as a 1-time event. People come together, they make some agreement and then. That's the end of it. We had, a project in Lagos, Nigeria, where, business came together, the Lagos Chamber, came together with government, a couple of agencies, the Food and Drug Agency and, the Revenue Service to, work on integrity and, and fighting corruption and, they came together. They found solutions that were using more technology and reducing the human interface and after agreement was reached, nothing happened. Nothing got implemented. But business had to take leadership to continually follow up on what was discussed and agreed.

So, taking good notes, keeping a matrix of progress on recommendations, following up bilaterally with different ministries and it takes that initiative persistence to make implementation happen within the overall agreement and then, and then finally if you're getting results, then people come back for more. I like to talk about this kind of collaboration is a good sandwich, right? If it's, if it's not feeding you, then you're going to do something else. But if it's, if it's tasty and it's nourishing you. Then you'll come back for more and, and, and you'll keep at it.

Hisham Allam

Measuring the success of development partnerships can be tricky. How can we define and track progress toward achieving stated goals?

Kim Eric Bettcher

Yes, we need measurement and as important as it is, I would argue that sometimes we need to manage expectations for measurement. If we look at the private sector the private sector has its key performance indicators, KPIs. So, they do have a measurement mindset, but it tends to be limited to their KPIs. And so those can be of a developmental nature, right? If you have an impact social impact investing firm, you know, they live and die by their numbers. But you have to make sure that in dealing with the private sector, you're really talking about something that matters to them fundamentally, you know, ideally to their KPIs, which could be defined with, with some developmental purpose.



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And I think this is not only a matter of the private sector, but if we think in international development, those of us who are donors or implementing donor projects, it's too easy to impose substantial measurement frameworks on local actors who don't fully understand how those frameworks for measurement are serving their own objectives. And I, I would appeal that we at least and make those the core of measurement as much as we can. And let, let me now turn to one of the flagships for measurement, again, the Global Partnership for Effective Development Cooperation has a biannual measurement process on measuring partnerships.

So that is certainly the standard to check for global partnerships. A couple of lessons have emerged from that process, especially when it comes to private sector engagement. The first lesson is around perspectives. It is really important to capture the facts and do that in a systematic way. But we also get a much different, get a very different understanding of partnership.

If we get the perspectives from the different sides of the partnership hear from the government, hear from the business here from the nonprofit organizations and they will tell you different things about how relevant they think the agenda is about how inclusive the partnerships have been whether they're achieving results.

And so, in this context and others as well as much as it's important to have the monitoring and the mapping on a factual basis, you need some kind of complimentary process. To get stakeholder perspectives to sort of drill down and see what's, what's beneath those numbers and have a better understanding of what those numbers mean. Another lesson from the Global Partnership for Development Cooperation is that monitoring and measurement cannot stand alone, right? It has to be linked to some sort of mechanism to drive action. And, you know, the Global Partnership for Development Cooperation is brought in. What it calls action dialogues.

Hisham Allam

I want to ask about the role of transparency and accountability. How can transparency and accountability be maintained throughout the process to ensure all parties are held responsible for their actions and commitments?

Kim Eric Bettcher

Well, let me just throw in a really interesting anti-corruption example where the private sector was the one to lead on anti-corruption in Thailand and, and site supported the development of a coalition there by the private sector in which companies made a number of commitments. Yes. And not only to make a kind of pledge against bribery and corrupt practices, but to implement policies that, and systems and to commit to information sharing and to be even audited and this is a very high level of partnership, which takes a lot of trust and commitment and that had built in mechanisms for peer verification.

So, companies could. Could check what their, their peer companies were doing and support them. And there was a checklist and an audit component built in to see that companies were actually implementing the, the practices that they, they said they would. And then this opened up all kinds of possibilities for information sharing and collective action against corruption.



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Based on your experience, do you believe that governments in the third world typically accept the idea of having a third party oversee and monitor such process to ensure government accountability?

Kim Eric Bettcher

Governments willingly buy into this process, even for the private sector engagement component to it to assess. The compiler principles, you know, about 18 governments have now agreed that they want to do this, you know, so voluntarily governments do, um, join on when they, when they see a reason it's not so easy for a private sector actor alone to oversee government, but I mentioned the example of working groups where they can do this together.

And we also have some think tanks. I'm thinking of South Asia, for example, that have monitored government progress, and it can be a little sticky situation. But it comes down to the reliability, especially of using official. And then publicly available measures and building the, the trust that the objective is to help the government achieve its objectives. Right? So sometimes it's a matter of credible technical strength, but also you know, managing your relationships a little bit.

Hisham Allam

Okay, looking ahead, what trends do you see shaping the future of development partnerships? And how can organizations like Sawpits support and encourage effective collaboration for sustainable development?

Kim Eric Bettcher

Trends can be hard to assess because a lot of this, this work is cyclical in nature. I think sort of a recognition of the importance of the private sector and, and markets and, and, and strong governance will, will come and go one thing I would say that is a current trend to watch is the global decline in civic space. A good number of countries have introduced new laws NGO laws, so called foreign agent laws to, to restrict what domestic non state actors, nonprofit actors can do in the community, in the policy space on political issues.

And as that sector gets squeezed that reduces the, what you could call the enabling environment for, for partnership. So, if civil society organizations are not seen as. Legitimate actors to participate in partnerships, or if they're unable to collaborate those actors then that just reduces the, the scope of possible collaboration. On the business side, I would say that trust in business is maybe not a new trend, but something that's being understood better. My team at, at SIPE. Commission studies a couple of years ago in, in, in 3 countries, and that was Ukraine, Tunisia and Bolivia.

And we asked the public in these professional polls what their views were on the economy, what their concerns are, what they felt about the role of the private sector in economic recovery, how they felt about the role of government. And one of the recurring findings is that citizens, the public did have a higher level of trust in business than in any other government or social institution.

This is true across countries, and not only did they have trust in, in business, especially small business, but they had an expectation that, that business would take a leading role in the economy and in recovery.

That's not to say that they did not also expect government to play a role, right? They do and they also want business to be a better partner. So, you know, the takeaway here is that business needs to have the confidence to innovate and, and,



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and lead development solutions. But it also has to think. Much more consciously about what are the priorities of other sectors and how can be a better partner. And we've started looking at some of these examples and we have, for example, for community development and youth development examples in Malaysia on, on anti-corruption or in the Philippines on right to information or, access to information. So, we are seeing spaces were businesses to civil society, were again, the cultures can be pretty different. But finding those opportunities to come together and I think that it's difficult as it is, that will be one of the main steps forward.

Hisham Allam

Well, development projects often struggle to reach marginalized populations. How can partnerships be designed to be more inclusive and ensure everyone benefits from development efforts, particularly considering CIPE's focus on democratic and economic participation?

Kim Eric Bettcher

Yes, it's 1 of the great ironies that we want development to be about spreading wider benefit. And yet it's 1 of the hardest things to do effectively for me. 1st, I would say that that inclusion is a site core value and the way that programs are inclusive as by giving voice to the, the organizations and the constituencies that we want to empower.

I think a strictly beneficiary perspective is not enough. We have to inculcate leadership in these populations and give them access and empower them. To help shape the programs and the policies in the communities. When we work with women, we have helped women's associations to, to serve their members, develop strengths, their governance and strategies and to take on advocacy tools.

Like the women's business agenda to actively shape the conversation around what are the priorities for women in business? What is the value that women bring to the economy and to the community? Too often they have been left out of high-level conversations between government and business associations and federations.

Women have at times had to form their own associations and form their own agenda. And maybe that's not how it should be, but the reality is that having them lead is essential. And in fact, women from, you know, South Asia to, to Nigeria, Latin America, they're, they're finding ways to, to get changes that actually benefit them around access to finance.

For example, similarly site has supported programs with the entrepreneurs in the informal economy, Senegal, for example, or Zimbabwe holding town halls dialogue structure so that they can have a voice and resist decisions made, you know, without them. In Zimbabwe, there was a decision to close all of the informal markets and the way they operate is often not ideal, but you need to find solutions instead of closing down livelihoods for, for the population. So, I think voice it's really key. But then beyond that, anyone who's supporting public private dialogue initiatives or collaboration, you have to recognize the reality that most of the marginalized populations are not going to be well represented in informal organizations. And so, you have to think creatively about how to get in touch with these people and find out what their priorities are.

And there's no one way. But you can do it through surveys. You can do it through proxy organizations who know these populations well, but the typical dialogue structures on their own are not going to be enough because they're just not



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going to show up represented by the main business bodies. And the final thing I'll say on inclusion, which really has to be.

A recurring practice in mindset is to mainstream inclusion. I've, I've been involved with projects where women's participation, for example, is designed into the project, but a project's life, you know, has many changes in it and. It's so easy to kind of overlook that you need to bring in those voices and that participation at every step of the way.

It has to be very conscious effort has to be built into our processes and not something that, is a check the box in a in a proposal.

Hisham Allam

Technology is playing an increasingly important role in development. How can partnerships leverage a technology to improve communication, data sharing and overall project effectiveness?

Kim Eric Bettcher

Well, clearly technology is changing the world fast, and we have to be mindful of that and stay on top of it, and part of Cypher's response is that we have recently launched a Center for Digital Economy and Governance check that out, which institutionalizes work that Cypher has been doing for several years in this area.

One lesson is not to get so blinded by technology that we see technology is always the solution. That shapes the partnership. I think the way you phrase it is better that partnerships leverage technology. So we have to come back to fundamental principles of organizing partnerships, and then see how technology enhances those things and not replaces them.

So, in other words, I often see that low tech solutions are compelling if one's having an inclusive dialogue or collaboration, we saw during the pandemic that, you know, the technologies like zoom conferencing are effective ways to reach people in more remote areas. People who can't show up in person who don't have the time to travel can't afford it can bring people a little bit closer to their government and it's a well understood technology and so more widely used.

We have other technologies for transparency, a number of portals about regulation, about government initiatives, and those are quite useful, and I think, again, best paired with good mechanisms for conversation and collaboration. I would check out the Danish business forum is one that is a nice pairing of dialogue and technology.

I think that it will be useful in terms of accountability that we can keep better track of policy agendas. But technology is also going to shape things and in ways that we don't fully predict. I love how we had an example of a partner from Poland. That responded to the crisis of refugees coming from Ukraine, and it was the civil society organizations that modeled the response to support Ukrainian refugees.

But it was business that scaled up the solution in a large way by digitizing the, the matching and using its networks. And so, networking is powerful, and sometimes it doesn't need a big partnership structure. So, I think because technology facilitates networks. That that's a power that we want to use, and I'm sure you know, we work with all kinds of business membership organizations that artificial intelligence is going to serve them well and in their marketing.



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But ultimately, the marketing isn't going to mean anything if they aren't staying relevant to today's issues, staying relevant to their constituencies, creating a value proposition. So, this all comes back to what we talked about before about the need to found partnerships on good, consciously developed articulation of what is the mutual value and what is the common purpose. And then, and then you bring together the tools to help it.

Thank you, Cam, for this rich and valuable insights. As Sebastian Pinera, former president of Chile, reminds us, we have got to move beyond the idea that the public and private sectors are at odds. The governments have to lay the groundwork for private equity to productively invest in things like education. It's a partnership, not a battle. CAM's experience at CYBE exemplifies this very notion.

Hisham Allam

Thank you, Kim, for rich and valuable insights. As Sebastian Pinera, former president of Chile, reminds us, we have got to move beyond the idea that the public and private sectors are at odds. The governments have to lay the groundwork for private equity to productively invest in things like education. It's a partnership, not a battle. Kim's experience at SAIB exemplifies this very notion. I think you have to, is it okay? Um, let's, let's leave it like this and I will slice it. I will include, and I will tell you in case we need the last one to be edited or something else. I will tell you.

By working together across sectors with a focus on transparency and accountability, we can unlock the immense potential of partnerships to create a more just and equitable society. Remember, DevelopmentAid is here to equip you with the resources and connections to make differences.

Visit our website at developmentaid.org to access our database for expert, Project listing and valuable development information. Thanks for joining us today until next time, this is Hisham Allam, who offered DevelopmentAid Dialogues.