Staying Ambitious: How can Corporate-NGO partnerships move towards systems collaboration

1. The WHY - Navigating a Changing Context

1.1 The Context

The scale and complexity of crises are increasing, but resources are tightening. More than 830 million people live in extreme poverty. At the same time, 2024 was the first full calendar year in which global temperatures averaged more than 1.5 degrees, the threshold above which extreme weather and ecosystem loss are triggered. Conflict in the Middle East is deepening displacement and having a knock-on effect on the global economy, with rising energy prices affecting already strained debt and inflation levels, and pushing up costs for companies and their supply chains, as well as for consumers facing rising living costs.

The last two years have seen a significant, likely irreversible, sharp reduction in Official Development Assistance (ODA). The US cancelled 80% of its foreign aid contracts, and it is feared that the 17 largest donors could cut aid spending by over $60 billion between 2023 and 2026. The result is a cascading funding gap across the system, with NGOs, foundations, and corporate social impact teams all experiencing heightened demand alongside constrained resources. Corporates and Foundations are under huge pressure to provide funds to fill gaps and are unable to meet demand. Many NGOs have had to close, and partnerships that had donor-backed de-risking have been ended (e.g., one company lost USAID support for a livelihoods programme; they were unable to find alternatives and convince the business to take the risk internally, so closed it).

At the same time, the ESG agenda is undergoing recalibration, particularly in North America, where political and shareholder scrutiny has led some firms to scale back or reframe their commitments. While this may prove cyclical, the immediate effect is a shift away from public-facing ambitious targets toward more focused, business-aligned initiatives with demonstrable returns. Meanwhile, the regulatory environment continues to evolve, particularly in Europe, with shrinking social impact teams seeing other parts of the business become more involved, e.g., legal.

Further ongoing trends shaping business action on climate poverty and inequality include a strong emphasis on balancing environmental and social challenges, supply chain disruption, and governance challenges, from AI to regulatory changes. (See list on pp. 10-11)

1.2 What the changing context means for NGOs and social impact teams - a system under pressure and transformation

Global INGOs will shrink and evolve (e.g. an estimated quarter of a million jobs have been lost across the NGO sector since 2025, with many organisations cut by half). There will be less service delivery in-country (where it can be delivered more cheaply and by local organisations). Their roles will become more akin to consultancy-style roles that sell services and insights, and that link governments or corporates with local service delivery partners. They will convene and connect with wider local and national coalitions and undertake more advocacy and policy influencing. They will also seek to create alternative funding models (e.g. Save's Global Ventures, or CARE's LendwithCare).

Social impact teams are also likely to shrink and evolve. More of their functions will be taken on by other parts of the business, e.g. ethical sourcing in procurement, ESG compliance in legal, and living wages in human resources. They will be exploring funding sources from other peers and external partners such as the World Bank and other parts of the business (e.g., working with Foundations, leveraging capital and creating or supporting impact funds).

The previous model of corporate–NGO partnership, which was more grant-led, project-based, and loosely connected to business strategy, is no longer fit for purpose

Future partnerships need to be centred around 3 pillars:

- Be directly relevant to **core business** priorities and be funded differently or become self-financing over time.
- Address structural interconnected issues or systems (find ways to link **environmental and social**)
- **Be locally co-designed** and co-created collaborations that go beyond bilateral partnerships (engage governments, suppliers, communities).

2. What do future partnerships need to look like to adapt to a changing context?

The changing context and resulting organisational changes offer the chance to build partnerships that are more closely aligned to core business needs and more financially sustainable.

Systemic partnerships (built on new forms of financing, a core business focus and wider coalitions) and harnessing AI offer approaches that can still deliver ambition in a resource-constrained world.

The following 6 insights and examples suggest a pathway forward.

1. BECOME FINANCIALLY RESILIENT

A low aid world requires diversified funding models beyond traditional grants. One interviewee articulated this clear and actionable funding mix:

"Future partnerships should aim for one-third philanthropic funding, one-third investment capital, and one-third earned income." (Interviewee)

This "third–third–third" model reflects a shift toward **financial resilience and sustainability**, enabling partnerships to reduce dependence on shrinking aid budgets while unlocking new sources of capital.

Examples such as **World Connect** demonstrate how co-investment models can leverage significantly greater local funding (including from project participants themselves), while initiatives like **Save the Children's Global Ventures** and the **Mars Impact Fund** signal a broader move toward impact investment and enterprise-based approaches. The Mars impact fund still aims to provide sustained funding to recipients (not just one-offs) (e.g. recent 3-year $3 m funding to Save The Children to deliver VSLAs in Indonesia)

2. ALIGN WITH CORE BUSINESS VALUE

Corporate partnerships can no longer afford to be focused on delivering 'nice to have' projects implemented by NGO partners. Partnerships need to solve core business priorities or systemic pain points.

This requires NGOs to fundamentally rethink their positioning and for social impact teams to build relationships and capital with other relevant teams across the business, including risk, treasury, climate, and corporate affairs.

As one interviewee noted, NGOs may need to operate more like **consultants**, working with companies to diagnose and solve issues such as supply chain resilience, climate risk, or workforce sustainability.

One suggested way of achieving this in a way that is distinct from commercial consultancies was to move away from having **"funding relationships" to "mutual capability exchange"**:

A practical example is **Jarwun** **(Australia)**, which facilitates secondments of corporate staff into community organisations, funded through corporate training budgets rather than philanthropic or CSR budgets. This model builds capacity on both sides through a process of 'mutual exchange' of skills and knowledge, whilst simultaneously building understanding of core challenges that can be addressed together.

3. DESIGN LOCALLY, SCALE SYSTEMICALLY

Traditional partnerships have often focused on delivering discrete projects or programmes. However, overall impacts are arguably small and often do not move beyond the 'pilot graveyard'.

Partnerships need to be locally co-designed and meet the scale of the problems. In the current context, this requires being part of multi-actor collaborations involving local governments, suppliers and communities that shape markets and systems.

This approach moves beyond outputs (e.g. number of beneficiaries reached) toward structural transformation around issues that affect the business (e.g. water, wages, new markets, workforce retention). Such a holistic approach offers more potential to address both the environmental and social aspects of global challenges.

For NGOs, localisation reflects long-standing commitments to shift power, funding, and decision-making closer to communities. In the current context of shrinking aid budgets, it is also becoming a practical necessity. For companies, increasing regulatory pressure, particularly around human rights due diligence and scope 3 reporting on emissions reductions, is requiring companies to have much deeper visibility and engagement within local supply chains and communities.

Two strong examples of this approach include the **Dairy Nourishing Africa Partnership in Tanzania** and **Millers For Nutrition**[1] – both of which brought together governments, NGOs, corporates, and donors to build a functioning system where demand was created, supply was de-risked, distribution systems were built, and a sustainable market established.

4. BUILD COALITIONS NOT BILATERAL PROJECTS

There is growing recognition that bilateral partnerships are insufficient to address complex challenges and can result in transactional rather than transformative partnerships. Local and national government ownership of or engagement was felt to have often been lacking and seen as critical in the current context in order to mobilise domestic resources and ensure a greater chance of scale and sustainability, and to avoid duplication of multiple fragmented efforts.

Future models increasingly involve governments (local and national), multiple corporates, NGOs, financial institutions or development banks.

These can differ in scale, from one to two corporates and other NGO and academic actors (e.g. The **Zurich Climate Resilience Alliance**, which emerged out of the Zurich Foundation. It has impacted 3 million people

[1] P36 includes an up to date case study

and influenced an increase in spending of more than 1.25 billion USD) to very large World Bank-led coalitions worth many hundreds of millions. It was noted, however, that the scale of these might be too big for some companies and too far removed from their immediate business needs; nonetheless, if the right issues matched (e.g. World Bank 5$ billion a year **Agri Connect Programme** to help smallholders move from subsistence to surplus), they were viewed as significant opportunities to be explored.

5. MEASURE WHAT MATTERS TO SHOW VALUE

"You cannot build a business case on a few nice stories anymore." (Interviewee)

The growing demand for **measurable impact and accountability is viewed as a structural shift that will endure**. As one interviewee noted, social impact functions are increasingly expected to operate with the same discipline as core business units. The rise of approaches such as Social Return on Investment (SROI) reflects a broader expectation that partnerships must demonstrate clear, quantifiable value rather than relying on narrative or anecdotal evidence.

The demand for **rigorous measurement** is intensifying. Corporates are increasingly applying business-style performance expectations to social impact initiatives.

This includes adoption of **SROI frameworks,** stronger use of data and analytics and alignment with core business KPIs. It could also involve trialling community based measurement programmes like Poverty Spotlight (which ABInBev are using in Paraguay to inform and track progress of their support for micro retailers).

AB InBev's partnership with WWF on water stewardship, and landscape management in 5 African countries where they have operations relies on **scientific research, data analysis and stakeholder engagement**. These tools are viewed as both fundamental to driving effective water management strategies and also provide information that can directly inform operational risk, investment decisions and long-term supply security for AB InBev.

6. LEVERAGE AI AND DATA AS A NEW FRONTIER FOR PARTNERSHIP VALUE

"AI and data are reshaping the value exchange in partnerships. NGOs can generate locally grounded data that companies can't access, while companies can bring the systems, technology and AI to turn that into something useful. Together, they can build shared systems that neither could create alone." (Interviewee)

AI is already transforming how NGOs and corporate social impact teams operate, particularly by improving efficiency, data management, and reporting. For example, tools such as Microsoft's Cloud for Sustainability are streamlining ESG and sustainability reporting. Business Fights Poverty is working with a number of its corporate and NGO partners to develop secure, bespoke AI tools that help teams quickly access trusted knowledge and micro-learning, grounded in their materials. This is proving especially valuable where knowledge is scattered, teams are stretched, or people need faster access to reliable guidance and insight.

Whilst it is still an emerging and rapidly evolving space, this shift could enable partnerships to:

- **Drive efficiency**: In one large-scale nutrition food fortification programme, an AI-enabled chatbot and automation tools were used to deliver technical assistance, reducing delivery costs by around 40%.
- **Unlock new data sets**: Combine NGO local knowledge with corporate technology. This is evident in Mercy Corps/Zurich's flood early warning example, where local NGO data combined with predictive modelling has improved the accuracy and timeliness of risk forecasts.
- **Accelerate experimentation:** AI lowers the barrier to experimentation, allowing partnerships to rapidly pilot use cases, such as knowledge tools or supply chain data platforms, at relatively low cost and scale them if successful. Partnerships can move toward a "pilot and iterate" model, rather than large, slow programme design.
- **Identify and address AI risks**: e.g. key populations such as smallholder farmers or informal workers are not represented in datasets, creating an important new role for NGO–corporate partnerships to jointly identify who is being left out, build more inclusive datasets, and ensure AI systems support, rather than undermine, equitable outcomes.

3. How to move towards systemic partnerships – 6 strategic shifts

Whilst the six pathways above describe what future-fit partnerships increasingly look like, interviewees consistently stressed that systemic collaboration also requires organisations to *behave differently*. The following strategic shifts reflect practical lessons from practitioners working across finance, supply chains, climate, livelihoods and systems change initiatives.

1. Start with incentives, not intentions

In an era of shrinking aid budgets, ESG recalibration and rising political uncertainty, partnerships built primarily on goodwill are increasingly fragile. The strongest collaborations are those designed around the real

incentives, risks and motivations of each actor involved. System change happens when participation makes practical sense, commercially, politically, institutionally or socially, not simply because actors share values.

Multiple interviewees stressed that many partnerships fail because they focus on awareness raising or shared ambition without understanding what genuinely drives behaviour..

A Lebanon agriculture example illustrated this clearly. Farmers only changed labour practices when access to EU export markets created a compelling commercial incentive through Global G.A.P certification requirements. Likewise, contributors working in finance repeatedly stressed that partnerships only scale when designed around “bankability”, risk allocation and capital flow rather than impact language alone.

Practical advice

- Map the incentives, constraints and risks facing every stakeholder before designing the partnership.
- Ask what each actor stands to gain: commercially, politically, reputationally or operationally.
- Frame collaboration around shared value and practical outcomes, not only moral arguments.
- Demonstrate opportunities through tangible pilots or market evidence rather than abstract concepts.

2. Design around catalytic functions

In resource-constrained environments, partnerships cannot afford duplication, confusion or vague collaboration structures. High-performing system collaborations succeed because each actor performs a distinct catalytic function within the system. Clarity matters less about “who is at the table” and more about “what function each actor enables.”

Several interviewees highlighted the importance of distinguishing:

- who absorbs risk,
- who allocates capital,
- who convenes,
- who provides technical expertise,
- who enables delivery,
- and who connects actors across the system.

This is particularly important as NGOs and corporate social impact teams shrink and evolve. Partnerships increasingly need to operate as ecosystems rather than bilateral relationships. The most effective examples combined concessional finance, technical assistance, government legitimacy, local implementation and private-sector capability in complementary ways.

The Global COVID Corps, the Dairy Nourishing Africa Partnership and several blended finance examples all demonstrated the importance of role clarity and complementary capabilities.

Practical advice

- Clarify which organisations are best placed to absorb risk, convene, finance, implement or legitimise action.
- Avoid duplication by designing partnerships around complementary strengths.
- Identify missing system functions early, particularly around coordination, translation and local implementation.
- Build partnerships backwards from the practical conditions needed to deliver outcomes or unlock capital.

3. Build trust as infrastructure

In fragmented and uncertain environments, trust becomes a form of infrastructure. Partnerships operating across sectors, cultures and geographies depend on relationships that enable openness, coordination and adaptive decision-making.

Many contributors argued that collaboration frequently fails not because of technical weaknesses, but because of hidden agendas, lack of transparency or insufficient relational trust. Several noted that organisations often “listen to reply” rather than to understand. Others stressed that psychological safety and honest dialogue are essential for genuine collaboration.

The most successful partnerships were described as those where:

- partners openly acknowledged constraints,
- shared accountability,
- built trust through action,
- and created space for difficult conversations.

The Kenya National Business Compact on Coronavirus (NBCC) illustrated how visible accountability, shared goals and rapid coordination mechanisms helped build momentum and collective action during crisis conditions.

Practical advice

- Invest time in relationship-building and shared understanding before scaling activity.
- Create transparent governance, accountability and decision-making processes.
- Build trust through small, visible wins and consistent follow-through.
- Create environments where stakeholders can discuss tensions, risks and failures honestly.

4. Prototype and iterate in real time before scaling

In periods of rapid change and uncertainty, large, rigid programme designs are increasingly difficult to sustain. Many interviewees stressed the

importance of experimentation, demonstration and iteration rather than attempting to engineer perfect solutions from the outset. A recurring theme was: “show, don’t tell.”

Stakeholders are more likely to engage when they can see tangible evidence that a model works in practice. Demonstration effects create confidence, unlock participation and reduce perceived risk.

The Lebanon potato farming example illustrated this clearly. Farmers only adopted new export-oriented approaches after demonstration plots visibly proved the viability of export-quality production. Similarly, contributors working on AI and blended finance stressed the importance of testing targeted pilots before scaling.

Interviewees also highlighted that AI lowers the cost of experimentation, allowing partnerships to move toward more adaptive “pilot and iterate” approaches.

Practical advice

- Use pilots and demonstration projects to reduce uncertainty and build confidence.
- Design partnerships to learn and adapt rather than attempting to predict everything upfront.
- Prioritise quick wins and visible results that can unlock broader system engagement.
- Treat failure and iteration as part of system learning rather than signs of weakness.

5. Invest in intermediaries and translators

As partnerships become more complex, the role of intermediaries, brokers and translators becomes increasingly important. Yet these functions are often underfunded or poorly recognised.

Multiple contributors emphasised that system collaborations frequently fail because different actors operate with different incentives, languages, timelines and definitions of success. Effective intermediaries help bridge these divides by translating between:

- finance and implementation,
- global and local actors,
- policy and delivery,
- commercial and social priorities.

Several interviewees described intermediaries as essential for:

- aligning expectations,
- building investable pipelines,
- convening unlikely partners,
- and ensuring local realities shape system design.

The Bangladesh financial health initiative, facilitated through an intermediary using human-centred design, demonstrated how neutral

conveners can help organisations align around shared challenges while reducing competition and fragmentation.

Practical advice

- Recognise convening, brokering and translation as essential system functions, not overhead costs.
- Invest in actors who can bridge finance, policy, technical and community perspectives.
- Use neutral intermediaries to reduce fragmentation and build trust across sectors.
- Build shared language, frameworks and data systems that allow diverse actors to collaborate effectively.

6. Build for resilience after exit

Future-fit partnerships need to be designed with resilience after exit in mind: the ability for systems, markets, communities and relationships to continue functioning even after external actors step back.

Several interviewees stressed that many traditional partnerships unintentionally created dependency rather than resilience. Short-term projects often delivered temporary outputs but failed to leave behind the local ownership, financing structures, institutional relationships or capabilities needed for lasting change.

By contrast, the strongest examples focused on strengthening systems that could sustain themselves over time. This included locally owned market systems, community financing structures, embedded government engagement and models where local actors invested their own resources and capabilities into the solution. As one contributor noted:

“Your role is to facilitate change, not to drive it.”

Practical advice

- Design partnerships around local ownership and long-term system resilience from the outset.
- Build capabilities, financing mechanisms and governance structures that can survive leadership or funding changes.
- Ensure local actors have meaningful decision-making power and investment in the outcome.
- Measure success not only by short-term delivery, but by whether the system continues functioning independently over time.

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Resources

Green and Inclusive Growth Partnership Examples (2024) Detailed list of examples and links to different partnerships designed to address green and inclusive growth. Examples are split into individual level (one company core business function), project level (multiple partners) and platform levels (systemic and global multiple partners).

Adapting to the Changing Aid Landscape, Opportunities for Corporate Foundations (2025) Business Fights Poverty

Annex: [Building Business Partnerships for the Future – A renewed vision for business action on green and inclusive growth](#) (2024) - Some Relevant Insights