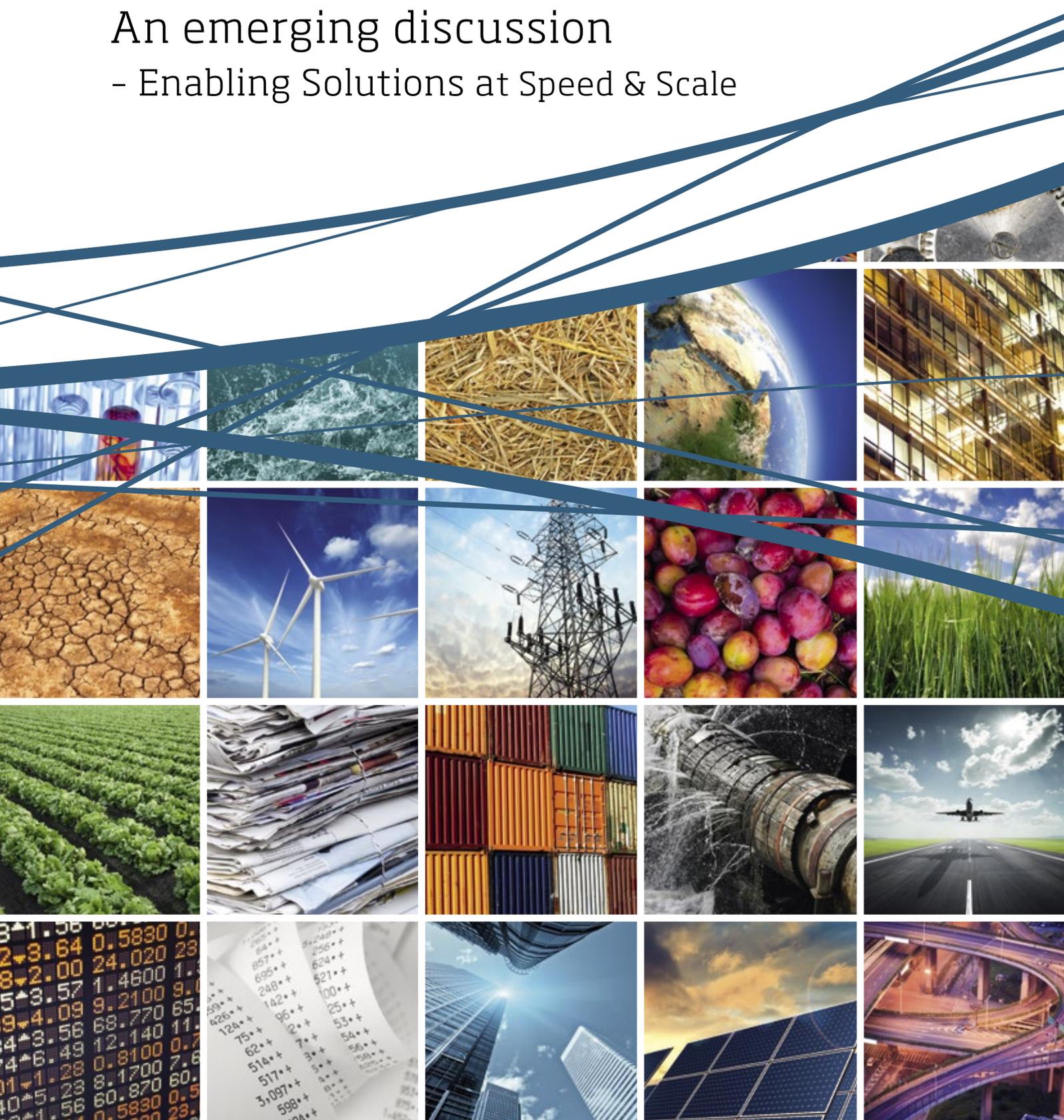


Scaling The Impact of Green Growth Partnerships

An emerging discussion

- Enabling Solutions at Speed & Scale



Index

- 3** Foreword
- 4** Scale matters
- 4** What is the challenge?
- 5** What is impact at scale?
- 6** Scaling approaches
- 6** 3GF Partnerships
- 10** Enabling and learning
- 11** Resources

3GF Secretariat:

E-mail: 3gf@um.dk
Phone: +45 33 92 00 00
www.3gf.dk

Postal address:

Ministry of Foreign Affairs
of Denmark
Asiatisk Plads 2
DK-1448 Copenhagen K

Publisher:

Ministry of Foreign Affairs of
Denmark

Design:

Datagraf Communications

FOREWORD

Sustainable development is a defining issue of this generation. The recent signing of the Sustainable Development Goals (SDGs) and the Paris Outcome on climate change has helped create new momentum around climate change, poverty elimination and the decline of global ecosystems. Green growth is a key means to deliver on the SDGs and has the potential to unlock new growth engines and spur global economic growth.

Governments and business are building on this new momentum to meet the climate goals and stay within boundaries that the planet can sustain. The private sector are investing in new business models and increasingly participating in voluntary private sector initiatives. But much more needs to be done. There is an urgent need for acceleration and change and for new approaches and policies that leverage the capacity of the private sector.

Multi-stakeholder partnerships, between the private sector, the government and business sector, are an important vehicle for change and will be critical in meeting the ambitions of Paris and the SDGs. Working across sectors, partnerships offers a distinct and dynamic approach that allow each sector to contribute according to their strengths.

While a growing number of partnerships are supporting the green transition, they have struggled to reach critical scale. Many partnerships are single solutions or individual pilots, and few are yet to realize their potential. Partnership solutions must be designed to meet the climate and development challenge within the required timescale.

The aim of 3GF is to make this happen. 3GF is developing partnerships that create positive tipping points and enable the green economic transformation. 3GF recognises the importance of scale and this paper aims to open up that discussion in the context of partnerships. It draws on the experience of 3GF partnerships and their work in exploring and demonstrating how collaboration among businesses, investors, public institutions, experts and civil society can realise the potential for inclusive green growth.

“The knowledge and expertise managed and possessed by multi-stakeholder partnerships needs to be shared as widely as possible in order for it to reach beyond immediate constituencies and communities and to have an impact on a global scale”

UN - DESA 'Partnerships for Sustainable Development Goals: A legacy review towards realizing the 2030 Agenda'

This paper outlines the key arguments for change followed by scaling approaches with some promising examples from 3GF partnerships: Global Forest Watch, the Latin America Water Funds Partnership and the Industrial Symbiosis Partnership. The paper concludes with a section on enabling and learning which includes practical questions for partnerships grappling with these issues.

About 3GF

The Danish-led 3GF platform seeks to accelerate the transition to a green future by being a global initiative that initiates and enables scalable green growth solutions through an annual process. 3GF convenes top decision makers from governments, business, finance, civil society, and international organisations, with a view to exchanging strategic green ideas, share novel green growth evidence, and push forward innovative partnerships for green growth.

SCALE MATTERS

What is the challenge?

Green growth is a key strategy for delivering the Sustainable Development Goals (SDGs). Green growth is a development pathway that enables growth and limits environmental damage by reducing greenhouse gas emissions, adapting societies to climate change and promoting the sustainable use of resources. The New Climate Economy estimates a capital cost increment of only US\$270 billion a year or less than 5% for a green approach. And while some countries have already demonstrated the benefits of a green economy, countries at all levels of income have the opportunity to reconcile economic growth and climate goals.

Governments are establishing frameworks, incentives and policies that achieve environmental benefits and stimulate innovation and economic development. Major businesses are investing to green their supply chains and develop new products, services and business models. The vision of a green economy is an attractive one, but a vision alone is not enough¹. Despite a number of promising initiatives, green growth solutions are not being developed fast enough nor adopted at scale. This will require a move away from business as usual towards fundamentally different and innovative solutions.

Successful Partnerships

The potential impact of green growth partnerships has become more evident but is still not well defined or understood. Emerging research at the 3GF indicates that successful partnerships effectively manage complexity, build knowledge and capacity, limit transaction costs and challenge business as usual.

Manage complexity. The SDGs represent the most ambitious and integrated development project that the international community has ever articulated. The SDGs require inter-generational solutions whilst taking account of both national and regional priorities. And coupled with the complexity of working in partnership with different timescales, values and approaches, the challenge is complex. Successful partnerships learn to live with uncertainty and adapt and steer through this complexity¹.

Build capacity. Partnerships require adequate resourcing, management attention, financing, and they need to be supported by the relevant organisational skills and capabilities including infrastructure, systems and processes. This becomes an even greater problem when the partners begin scaling or speeding

up the partnerships activities. Many organisations entering into partnerships need to find resources to dedicate to the partnership and may need new resourcing or capacity building models.

Limit transaction costs. Despite being popular, many partnerships are consumed by high transaction costs which can be debilitating especially when a partnership tries to scale. Consensus and trust between partners takes a long time to build, in particular when there are no standardised rules and contracts. And when a partnership scales its activities, it may be with a new and different set of players. Successful partnerships try to limit these transaction costs whilst recognising trust is a key to success.

Challenging business as usual. Entire industries - such as fossil fuel producers or those providing subsidies to fossil fuel producers - depend on the continuation of conventional approaches. In some cases, job functions may be consciously or unconsciously maintaining barriers to scale. Successful partnerships recognise winners and losers from change and set about effectively managing them.

1. Forstater, M., & Madden, K. 2013, Partnerships and the search for Green Growth (internal paper)

Partnerships are critical in accelerating and scaling up innovative and transformative solutions. Partnerships - negotiated voluntary multi-sector initiatives between actors from businesses, investors, think-tanks, experts, international organisations and governments - are a key vehicle for achieving a greener economy. Partnerships

can be established where markets or government action on their own have failed to solve intractable problems and where cross sector, collaborative action is required. Partnerships are the cornerstone of 3GF's work and are often small-scale interventions with scalable effect on much larger systems.

What is impact at scale?

Impact at scale implies solutions that match that the size of the problem that are being effectively implemented. In the language of the world's development banks, the investment needs to shift 'from billions to trillions'. However, partnerships do not scale their impact by simply increasing organisational capacity, by taking on new staff or through employing the same strategy in new contexts. The focus must be on scaling impact, rather than scaling the partnership itself.

3GF defines scalable solutions as, a technology, practice, business model or policy which delivers efficiency gains in relation to scarce resources and / or vulnerable ecosystems. It needs to gather sufficient backing, evidence, knowledge, acceptance capital or support to be implemented and that enables a tipping point which overcomes barriers to scale, disrupts business as usual and creates new normsⁱⁱ.

Tipping points are critical to understanding scale (even if only understood with hindsight). A tipping point can indicate when a partnership is starting to achieve impact at a significantly greater scale than previously. In other

words, the partnership is starting to have an effect at a system-level, for example by mainstreaming a green technology or practice, by creating new markets or improving governance.

A tipping point has been described as a planetary leverⁱⁱⁱ or a leverage point, a place within a complex system where a small shift in one thing can produce changes in everything^{iv}. It has been proposed that in order to be effective, a planet lever needs to be long and positioned in the right place^v. And it helps if there aren't strong, opposing forces pulling the lever in the other direction. The places to intervene include the rules of the system, the structure of information flows or the existing mindset or paradigm.^{vi}

3GF believes the approach or business model that enabled early success may not be applicable once a 'tipping point' has occurred^{vii}. In fact, the governance and strategy of the partnership may be radically revised as it matures, and the partnership starts to take on a life of its own and the impact increases. This can be explored further by examining different scaling approaches.

SCALING APPROACHES

Partnerships will adopt and cycle through a number of different strategies and approaches as they overcome barriers and pursue scale. Partner roles and responsibilities will also evolve, depending on the context and enabling environment. For example, governments will often need to see a proof of concept coming from the private sector, which in turn often needs the government support to scale. Multiple strategies may be pursued in parallel since they are often mutually reinforcing. As partnerships develop, they are often moving from the direct delivery of outputs, towards equipping and enabling others to deliver.

The development of collaborative partnerships does not necessarily follow a standard or linear process. Since green growth partnerships aim to support long-term transformative goals, the partners may recognise that the partnership cannot solve the core challenge in one step, but offer a partial solution that can be put into action. As those involved in partnerships work together to develop and test different approaches they may shift from one mode to another, and explore different parts of the solution space.

The timing or sequence of developments is a key question for a partnership to consider and will be depended on the partnership hypothesis or solution. All partnerships should think about scaling from the outset and build in appropriate strategies. The timing of the strategy may differ with some partnerships taking a sequential approach to rolling out its activities, in a linear or sequential way. Or scale might be designed into the initial scope of the partnership. Another early consideration is whether it will be achieved via a 'top-down' strategy (e.g. international standards) or 'bottom-up' (e.g. replication across countries and continents approaching scale).

It can be difficult to separate out the partnership strategy from the scaling strategy and in some instances, where scale is integral from the outset, in practice they mean the same thing. At the very least, the scaling strategy needs to be clearly nested in the partnership strategy.

Continuous learning is key to effective scaling. Successful partnerships take the time to envision the future and see the steps, challenges, moves, and counter-moves that

may unfold, while responding to those that actually do^{viii}. Partnerships that are not designed for adaptation and learning can become good at delivering particular models such as pilot projects or transparency tools, and may become better at replicating this business model than at solving the problem they set out to^{ix}.

Based on the experience of 3GF partnerships as well as broader learning from green growth and sustainability partnerships, three approaches to scale have been observed: 1. - developing policies and standards, 2. - expanding business models and 3. - building and strengthening networks.

- 1. Developing standards and policies** is important in rewarding good performance or in creating a level playing field (or even go beyond a level playing field to initially favour sustainable business). Standards and policies in this setting encompass soft, voluntary standards on the one hand through to new legislative arrangements on the other, and might be consumer driven, industry backed or government led.
- 2. Expanding business models** requires the growth of an organisational infrastructure and expansion into new markets. This can be a challenge in many developing and emerging economies where the capacity on the ground can be limited and there is a need to prepare for long term sustainable growth. Expansion into new geographies may entail replication, but it can also refer to entering new industries or value chains or even new ecosystems. A key challenge is to maintain and adapt the leadership, energy and creative processes that made the partnership successful in the first place.
- 3. Building and strengthening networks** is critical to enabling scale. In part this refers to a network effect where the impact of a partnership is dependent on the number of users and customers - often in reference to technology driven partnerships. For green growth partnerships however, networks have also played a broader role in scaling up through transferring knowledge and skills and advocating solutions and action. Building and strengthening can also facilitate access to innovation, a critical element of scale.

3GF Partnerships

The 3GF works with new or existing partnerships to accelerate the transition to green growth and bring transformative solutions to a global scale. There are around 40 partnerships under the 3GF umbrella covering a range of issues from water, food, energy to issues along the value

chain. To test this framework and the issues of scale, timing and approaches, we have focused on three of 3GFs important partnership initiatives: The Global Forest Watch, Water Funds and Industrial Symbiosis.

Scaling approaches of 3GF partnerships

		Approaches		
		Policies and standards	Business models	Networks
Timing/sequences of development	Sequential/linear	Industrial Symbiosis <ul style="list-style-type: none"> • Advocacy • Cost of waste 	Industrial Symbiosis <ul style="list-style-type: none"> • Training • Met??? Water Funds <ul style="list-style-type: none"> • Assessment • Priorities 	Water Funds <ul style="list-style-type: none"> • Manual • Training
	Sequential/exponential		Global Forest Watch <ul style="list-style-type: none"> • Local application 	
	Comprehensive from the start			Global Forest Watch <ul style="list-style-type: none"> • Tool • Crowdsourcing

Global Forest Watch www.globalforestwatch.org/

Global Forest Watch (GFW) provides accurate, up-to-date data on the status of the world's forests. It combines a near-real-time deforestation alert system, complementary satellite data and systems, partner maps, and mobile technology. Led by the World Resources Institute and with over 100 partners worldwide including the University of Maryland, Google, and Imazon, GFW gives governments, business, and civil society, access to information to improve forest management.

At one level, GFW has taken a network approach to scale and transparency. It has been operating globally since its

launch in 2014 with international data sets and numerous language platforms. GFW is accessible and free of charge: anyone from business, government and civil society can track where new forest clearing is happening and intervene as appropriate. Users can also contribute to GFW by sharing data and stories from the ground via GFW's crowdsourcing tools, blogs, and discussion groups, creating a network effect.

GFW continues with this strategy by developing and applying the tool through higher resolution imagery, more alerts and more powerful analytics. There have been over

one million users of GFW from every country in the world. Plus numerous interactions via social media and thousands of media stories from around the world.

In parallel, the GFW partnership takes a business model approach to scale by merging the latest technology with on-the-ground partnerships. On a case by case basis, GFW works in different countries and on different issues and supply chains to replicate solutions. For example, GFW Commodities relates to the supply chain for pulp and paper, palm oil and other forest-based commodities and supports companies such as Unilever and Cargill, who have made a commitment to deforestation-free supply chains. In comparison, GFW Fires is a specialist platform to monitor and analyse forest fires and engagement with the Indonesian government to reduce illegal burning.

Through GFW Finance, the partnership is looking to go further 'upstream' beyond the companies, directly to the investors, shareholders, private equity funds and others who provide financial services to these companies. And in a new departure, GFW partner Google has worked with the marine-focused organization Oceana to transfer experiences into a different ecosystem and established Global Fishing Watch, an online platform seeking to 'enable anyone to visualise the global fishing fleet in time and space.

Latin America Water Funds Partnership

<http://waterfunds.org/en/what-latin-american-water-funds-partnership>

The Latin America Water Funds Partnership (LAWFP) aims to improve water security through the use of natural infrastructure and the creation of Water Funds. Water Funds improve water quality and availability, provide a long term source of employment and promote investment in green infrastructure such as wetlands, forests, grasslands and coastal habitats. Founded in 2011 by The Nature Conservancy (TNC), FEMSA Foundation, the Inter-American Development Bank and the Global Environmental Facility (GEF), 20 water funds have been created in some of the largest cities in Latin America, investing and mobilising more than US\$1200m directly into watershed conservation.

Water Funds are inherently local and context-specific, bringing together upstream and downstream watershed users to identify and implement conservation solutions.

In scaling up Water Funds, the partnership has therefore taken a linear business model approach with an exponential mode coming into action soon via an accelerator mechanism composed of toolkits and training available openly and incentivized with strategic investments and grants. LAWFP has mapped where water funds might be established, the potential impact and the barriers and enablers in making this happen. For example, in Peru, the cost of watershed conservation needed to be reflected in water tariffs, and LAWFP have therefore influenced legislation to make this happen. In Quito, a 2% annual investment from the water utility goes into FONAG (the Quito Water Fun).

LAWFP also recognised the challenge in maintaining the local and context-specific approach without overloading the capacity of TNC and its partner organisations. The partnership has therefore worked through a network approach creating a platform and acting as an enabler for multiple new local-level water fund partnerships. By building capacity and transferring knowledge, LAWFP have for example, supported 200 partner organisations through an operational manual with tools for vision and strategy, investment, roles and responsibilities and transparency.

This network approach has also influenced core partners. Due to FEMSA Foundation's involvement in the LAWFP, the company increasingly recognised that the water footprint of its bottling plants extend to the whole watershed and internalised the risk of watershed governance. A similar approach took place with IDB, as the concept of green infrastructure was internalised and integrated within internal policies and procedures. Recently a US\$200million loan was issued, of which a record US\$17million was earmarked for green infrastructure, a significant cultural shift within IDB.

Moving forward, LAWFP will continue to expand and deepen its activities in Latin America while TNC explores the potential of international replication in Asia and Africa.

Industrial Symbiosis Partnership

www.international-synergies.com/

The 3GF Industrial Symbiosis partnership brings together public and private sector stakeholders from within individual nations and from around the world, to raise aware-

ness of industrial symbiosis and its ability to foster green growth and eco-innovation through business opportunities contributing to a circular economy. Led by the UK's International Synergies Limited, the goal of the partnership is to accelerate the roll-out of industrial symbiosis via global networks to deliver green growth and hence also climate change mitigation. The methodology involves working with the public and private sector actors, the research community and institutions, and is inherently collaborative and inclusive. The partnership has also had an educational goal to ensure that policy makers appreciate that industrial symbiosis is not considered only in terms of waste but also equally in terms of job creation, innovation, and climate change mitigation.

The partnership has two approaches to scale. Firstly, the partnership recognises that strong public policy on industrial symbiosis can help drive market demand, so have advocated the uptake of industrial symbiosis in supra-national, national and regional industrial policy across the world. In Europe, for example, the partnership has been advocating industrial symbiosis to be incorporated in waste/industrial/environmental/innovation/growth policies since 2006 which has ultimately led to the inclusion of industrial symbiosis as a key policy tool to be applied at a national level across Europe in the recent circular economy package, which applies to all EU member states.

Secondly, the partnership is using a proven approach to industrial symbiosis, established in the UK and now replicated in many countries. The partnership implements programmes which are typically supported by government investment in pilot programmes which, if successful, enable scale up within those countries. Examples of countries going from pilot to scale include the UK, South Africa, France and Turkey. The partnership's core methodology applies across cultures and economies although the organisations involved in scale up and replication vary according to context.

Moving forward, the partnership have identified several opportunities for further scale through expanding business models for example introducing industrial symbiosis in 7 African countries with support from Switch Africa Green, and a prominent focus on industrial symbiosis from the G7 Alliance for Resource Efficiency. Through a network approach, there will be a new generation industrial support tool SHAREBOX innovation supported via

Horizon 2020 SPIRE and new training materials developed with the support of the UK Foreign and Commonwealth Office trialled in Latin America, Asia and Africa regions with UNEP's network of Resource Efficiency Cleaner Production Centres.

The activities have been resourced by the individual partners directly, leading to strategic but sporadic interventions. A future ambition of the partnership is to develop on an inter/national basis industrial symbiosis standards to guide activities, and to demonstrate clear links to the delivery of a number of SDGs and all INDCs.

“A move from stand-alone solutions to deliberately planned and orchestrated action, which will create an ‘ecosystem’ of efforts that address interrelated issues”

‘Scaling up impact: A guide to collective action’, Forum for the Future (2015)

ENABLING AND LEARNING

3GF's mission is to 'explore and demonstrate how better collaboration among leading businesses, investors, organisations and key public institutions can effectively realise the potential for long-term global, inclusive green growth'. 3GF seeks to support partnerships towards global green growth and explore how scale might happen.

As partnerships start to achieve impact at scale, there may be a need to engage in the broader green growth agenda. One option is to work with partnership platforms such as the 3GF which are part of a wider enabling and learning system. Partnership platforms are typically working in three ways to increase the impact and scale of partnerships:

The following questions have been developed for partnerships to consider when defining their pathway to scale.

1. Why does scale matter for the partnership?
2. Can the partnership be designed with scale in mind?
3. What is the sequence of development - will the partnership take a sequential (linear or exponential) or comprehensive approach to scale?
4. Which scaling (or combination of) approaches might the partnership consider: developing policies and standards, expanding business models and building and strengthening networks?
5. How can a partnership's impact be scaled up in areas where it has limited capacity?
6. How can proven green growth solutions mutually reinforce our efforts?
7. What is the right amount of effort (time/ finances etc.) to invest in helping others to learn from a partnership's experience?

- **Capturing the bright spots:** Despite a growing number of multi stakeholder efforts, green growth partnerships often do not realise their potential. Partnership efforts remain piecemeal, not moving beyond pilots or individual projects and few are operating at scale. The SDGs cannot be achieved through the slow and incremental implementation of least-cost actions or project-by-project interventions. Partnership platforms

have started working to capture the 'bright spots' and scale up what works, thereby increasing efficiencies and avoiding duplication. Partnership platforms provide space for learning and sharing and help partnerships to access good practice examples, facilitation and support, training and tools.

- **Applying a systems approach:** Due to the complexity of cross sector collaborations, many partnerships end up tackling single, isolated challenges. Yet the SDGs are complex, context-specific, and interlinked and require a holistic approach with a broad range of stakeholders engaged to ensure insights and ownership. For example between urban mobility and housing or around the energy, water and food nexus. Partnership platforms are also starting to apply a systems approach, by identifying shared or common barriers to scale by partnerships, facilitating exchange and by convening different and often unusual groups of individuals and organisations to solve partnership problems.
- **Raising the game:** Partnership are heralded as the solution to green growth and achieving the SDGs but current solutions still fall short of the targets. Part of the problem is in providing the right incentives and level of ambition. Partnership platforms must provide the momentum and leverage to unlock political and business commitment towards the SDGs. 3GF and other like-minded platforms must continue to support partnerships in raising their game, and provide ambition and effective leadership to ensure the solutions meet the size of the challenge.

This document is a framework for discussion and aims to highlight the key scaling issues alongside potential strategies and examples. It does not provide all the answers. Scaling the impact of green growth partnerships requires us to see ourselves as learners with the right questions, rather than experts with the right answers.

As of December 2016, the 3GF is in a rethinking process to establish a new vision, mission and strategic goals with clear success targets and binding agreements from key partners. The aim of this process is to build on the strong foundations already built by the 3GF including its capacity to convene high level decision makers engaged in the green transition.

As part of this process, there have been discussions on scale and how should the 3GF continue to support its partnerships in achieving scale and impact. Stakeholder consultations identified ten recommendations for the 3GF and for other like-minded platforms in how to support green growth partnerships to achieve scale and impact at speed:

1. Assess the level of partnership ambition needed to achieve the SDGs.
2. Understand needs and avoid duplicative action.
3. Identify barriers to scaling and building transformational models
4. Define what is a partnership for green growth
5. Explore the different pathways and business models for scaling.

6. Recognize the national context in making partnerships happen.
7. Identify and access funding to help scale partnership impact
8. Make connections between different partnerships and partners to enable scale.
9. Distil lessons learned and key success factors.
10. Establish models for learning and continuous improvement.

3GF looks forward to continuing this discussion in the future and to providing ongoing support for partnerships to achieve scale and impact.

Resources

3GF, 2012, Accelerating Green Growth through Public-Private Partnerships, 3GF

Forum for the Future / Shell Foundation, 2014, Scaling up impact: A Guide for Collective Action, Forum for the Future

Nelson, J., Jenkins, B., Gilbert, R., 2015, Business and the Sustainable Development Goals: Building Blocks for Success at Scale, Harvard CSRI and Business Fights Poverty

'Platforms for partnerships: Emerging good practice to systematically engage business as a partner in development', The Partnering Initiative

3GF, 2014, The Partnership Approach

Author

Katherine Madden and Dave Prescott

Acknowledgments

Maya Forstater, Stephen Hart, Leo Horn-Phathanothai, Lisbeth Jespersen, Sibbe Krol, Rachel Lombardi, Auerlio Ramos, Jodie Roussel and Nigel Sizer

- I Peter M. Senge, 1990, The Fifth Discipline: The Art and Practice of the Learning Organization
- II Forstater, M., & Madden, K. 2013, Partnerships and the search for Green Growth (internal paper)
- III Folley, J, 2012, Push Here, Momentum: Directors Note, University of Minnesota
- IV Meadows, D., 1999, Leverage Points, Places to Intervene in a System
- V Folley, J., 2012, Push Here, Momentum: Directors Note, University of Minnesota
- VI Meadows, D., 1999, Leverage Points, Places to Intervene in a System
- VII 3GF, 2014, Partnership Approach
- VIII Forstater, M., & Madden, K. 2013, Partnerships and the search for Green Growth (internal paper)
- IX Forstater, M., & Madden, K. 2013, Partnerships and the search for Green Growth (internal paper)

www.3GF.dk

Follow Global Green Growth Forum on Twitter

 @3_GF - #3GF16