

# SOCIAL INNOVATION IN THE PHILIPPINES

## PURSUING SDGs THROUGH CROSS-SECTOR PARTNERSHIPS

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### Abstract

Cross-sector partnerships can be a viable model for addressing complex social problems (e.g., education, employment, health and environment) and for scaling initiatives for greater impact. This emerging social development model takes on special significance, given the recent adoption by the United Nations of the Sustainable Development Goals (SDGs). In this article, we describe two private-sector initiated cross-sector partnerships in the Philippines, one that significantly reduced malaria incidence in the country and another that empowered women by enhancing their entrepreneurial skills. These two cases show that players from different sectors, by working together at the grassroots, not only overcome their resource constraints but also generate synergies that would not have otherwise been possible by working independently of each other.

### Introduction

Cross-sector social partnerships are a commitment by organisations coming from different sectors (i.e., private, public and non-profit) to work together to tackle problems that extend beyond their respective organisational boundaries. These partnerships primarily seek to address social issues (e.g., education, employment, health and environment) by combining organisational resources to offer solutions that benefit both the partners and society at large (Waddock, 1988). This emerging social development model takes on special significance, given the recent adoption by the United Nations of the Sustainable Development Goals (SDGs).

The collaboration across sectors is a result of the shortcomings of individual sectors in their attempts to address the needs of the poor and the marginalised segments of society. For example, the government sector, especially in developing countries, is typically constrained by scarce resources and bureaucratic

processes in its delivery of various public services. Non-government organisations, on the other hand, often struggle in terms of effective management and control of their resources. Finally, businesses usually undertake symbolic social initiatives that are limited in scale, especially since they focus their resources and energies in fulfilling their economic role. By working together, players from different sectors not only overcome their resource constraints but also generate synergies that would not have otherwise been possible by working independently of each other.

In the Philippines, some cross-sector social partnerships (CSSPs) evolve from philanthropic activities of large and small corporations. Needless to say, scaling up their social initiatives is a big challenge for private firms, who have to contend with limited resources and, sometimes, modest ambitions. Most companies are content with undertaking social programmes for an adopted community or for a small number of beneficiaries. Other companies, however, recognise the potential

for more meaningful and more impactful social development programmes.

By establishing partnerships with government agencies, local government units (LGUs), non-government organisations (NGOs) and even other private firms, several forward-looking business organisations (or their corporate foundations) have expanded the scope of their social initiatives, as exemplified in the illustrative cases below.

### Private-sector initiated cross-sector partnerships – Illustrative cases

#### Case 1: Shell Philippines: Combating malaria in the Philippines

In 2001, Shell Philippines Exploration B.V. (SPEX), together with joint venture partners Chevron Malampaya LLC and the PNO Exploration Corporation, has inaugurated the Malampaya Deep Water Gas-to-Power Project, after more than a decade of exploration activities. By extracting natural gas that fuels gas-fired power stations with a combined capacity of 2,700 MW, the Malampaya Project has reduced the Philippines' oil imports, has provided a stable supply of clean energy, and has generated billions of pesos in revenues for government (Habaradas, 2013). Without a doubt, its economic impact is immense.

Keen on being a good corporate citizen, SPEX has introduced a comprehensive set of programmes in Palawan province, the major site of the project and the main source of the deep water gas. It did this through the Pilipinas Shell Foundation, Inc. (PSFI), the social development arm of the Shell companies in the Philippines (SciP), which undertakes activities that 'respond directly to the needs of Shell host communities' (PSFI web site, undated).

Adopting an integrated approach, PSFI has introduced a variety of programmes, which included technical/vocational training for the youth, an agricultural skills training programme designed to improve farm productivity and management, and an

integrated farming bio-systems training programme for farmers. It also introduced other projects, such as the rehabilitation of a local hospital, rural electrification and a mud crab livelihood project (Habaradas, 2013).

However, what Palawan badly needed was a solution to malaria, a problem that had plagued it for decades. Controlling the disease had been tough, especially in remote areas where there was limited access to basic health care services and facilities, and where there was widespread misconceptions about the disease.

Shell and PSFI had initial doubts about their capability to address health concerns, not having the medical expertise. Nevertheless, they went on to implement a community-based malaria control project known as Kilusan Ligtas Malaria (KLM), which fortunately generated enthusiastic support from practitioners who had the technical and medical expertise needed to address Palawan’s health problems. PSFI has realised that its ability to mobilise resources and organise community leaders, local organisations and private entities to work together towards a common goal – a skill it has honed over more than 2 decades of social development work – was the key to KLM’s initial success (Habaradas, 2013).

Because of KLM, malaria cases in Palawan decreased from 42,394 in 2000 to 8,071 in 2009. Over the same period, deaths due to malaria also went down by 91%. In 2011, the number of cases dropped to an all-time low of 5,623. These were attributed to enhanced early case detection and treatment, very high

mosquito net coverage and intensive indoor residual spraying (IRS). Malaria Awareness Day celebrations, media engagement, multi-media campaigns and continuous advocacy also provided wider opportunities to educate communities on malaria (Dela Cruz, 2010).

KLM’s huge success enabled PSFI to secure a 5-year grant from the Global Fund to Fight AIDS, Tuberculosis and Malaria (GFATM). Renamed Movement Against Malaria (MAM), PSFI’s anti-malaria programme expanded its coverage to include four other provinces, namely Apayao, Quirino, Sulu and Tawi-Tawi. By 2009, malarial cases in all five provinces had dropped by 88% over a 6-year period. In 2010, PSFI has received an additional \$31.4 million from GFATM, which allowed it to expand MAM’s coverage to 40 provinces with an estimated at-risk population of 16 million. And just like in the initial four provinces, malaria morbidity and mortality rates throughout the country substantially declined (see Table 1).

To sustain the gains of MAM, a consortium of business, corporate and NGO partners established the Philippine Movement Against Malaria (PhilMAM) coalition, which serves as the centre of information exchange and consolidation of resources among partners from both the public and private sectors.

In 2011, MAM was recognised as the UN Millenium Development Goal Warrior for Goal Number Six for its significant contributions in addressing the scourge of malaria. A year earlier, it was also conferred an Excellence Award in the Concern for Health category of the 9th Asian Corporate

Social Responsibility (CSR) Awards, Asia’s premier CSR awards programme.

### Case 2: ECHOstore: Empowering women entrepreneurs

ECHOstore Sustainable Lifestyle is the first green retail store in the Philippines. It was founded by Pacita Juan, Jeannie Javelosa and Reena Francisco (also known as the ECHOtrio), who brought their extensive corporate/entrepreneurial experience to this venture that advocates sustainable living.

In September 2008, the ECHOtrio opened ECHOstore Serendra, which targeted the high-end urban market. The retail store provided space for home care, fashion, personal care products and gift items. It also carried organic, natural and non-toxic goods, ranging from home cleaning products to staples such as organic rice, sugar and other produce.

In 2011, the ECHOtrio opened ECHOmarket Sustainable Farms and ECHOcafe (Culture, Community and Coffee), two related concepts that completed the ECHOstore retail triad. Currently, ECHOstore has branches in major cities in the Philippines, namely Baguio, Cebu, Davao, Iloilo, Makati and Mandaluyong, which expanded the reach of its products. It also has an online store, launched in 2013, which features lifestyle books authored by the ECHOtrio.

ECHOstore fulfils its social mission by serving as an outlet for products of women’s groups, cultural communities and other marginalised groups. But instead of simply sourcing from these groups and paying fair-trade prices for

**Table 1: Malaria morbidity and mortality in the Philippines, 2005–2011**

|                  | 2005   | 2006   | 2007   | 2008   | 2009   | 2010   | 2011   |
|------------------|--------|--------|--------|--------|--------|--------|--------|
| Population (000) | 85,472 | 87,237 | 89,050 | 90,917 | 92,225 | 94,106 | 95,546 |
| Cases            | 46,342 | 35,405 | 36,235 | 23,655 | 19,955 | 17,137 | 9,412  |
| Morbidity rate   | 54.22  | 40.58  | 40.69  | 26.02  | 21.64  | 18.21  | 9.85   |
| Deaths           | 150    | 122    | 73     | 56     | 24     | 22     | 6      |
| Mortality rate   | 0.175  | 0.140  | 0.082  | 0.062  | 0.026  | 0.023  | 0.006  |

Source: Pilipinas Shell Foundation, Inc. (c/o Marvi Trudeau), as cited in Habaradas (2013)

their products, ECHOstore helps to build the capabilities of these groups in product design, packaging and other important aspects of running a business. Clearly, ECHOstore's business model allows it to address several SDGs, specifically SDG1 (end poverty), SDG5 (women empowerment), SDG8 (decent work and economic growth), SDG10 (reduced inequalities) and SDG12 (responsible consumption and production).

ECHOstore began to attract community-based enterprises that wanted their products displayed for sale in the store. However, the ECHOtrio had to reject majority of the products due to poor design and lack of visual appeal. They eventually worked closely with national NGOs serving poor communities, which requested them to critique the product design and packaging of these small producers. The ECHOtrio volunteered their time and expertise to serve as mentors, and eventually launched the ECHOdesign Lab as a programme.

The ECHOtrio eventually set-up the ECHOsi (Enabling Communities with Hope and Opportunities Sustainable Initiatives) Foundation, which received funds from individuals and institutions that wanted to support their advocacy and social mission. The establishment of the foundation allowed the ECHOtrio to receive support from government, and to work in partnership with various groups, especially NGOs, that are similarly concerned with developing communities. For example, they have worked with the Peace and Equity Foundation (PEF) and the Partnership and Access Center Consortium, Inc. (PACCI) in setting up ECHOVILLAGE stores throughout the country; and also with the Department of Trade and Industry (DTI) and the Philippine Commission of Women (PCW) for the GREAT Women Programme. These are ongoing partnerships that allow ECHOstore to spread its advocacy for sustainable living across the supply chain.

According to the ECHOstore web site, the company carries at least 3,400 products in various distribution points throughout the country. Working with more than 80 organisations and foundations, it has reached at least 131 micro-entrepreneurs,

8,000 households and 34,420 beneficiaries (ECHOstore, 2011).

### Insights

Cross-sector partnerships can be a viable model for addressing long-standing social problems and for scaling initiatives for greater impact. Our two illustrative case studies provide some evidence of how these were achieved.

### Leveraging resources: Achieving synergies

The success of KLM/MAM is partly due to the synergies derived from the smart utilisation of the collective resources of SPEX and its business partners, PSFI, the provincial government and the Department of Health. At the initial stages of the programme, SPEX has provided financial resources to support various activities, including the blood smearing required to trace the incidence of malaria, the provision of mosquito nets, intensive indoor residual spraying, multi-media awareness campaigns and continuous advocacy among local government officials. SPEX's grant was supplemented by the Palawan provincial government, which agreed to contribute P5 million per year for 20 years to ensure that the project will be sustained even if the grant is exhausted. Needless to say, it would not have been possible to scale the project without utilising the existing health service infrastructure (i.e., hospitals and rural health units) and without the support of municipal health officers.

Moreover, PSFI was able to engage corporate and business partners to support specific malaria control activities, especially when it was scaled up nationwide. For example, Malampaya Foundation, Inc. (MFI) has supported the installation of 500 Solar Home Systems (SHS) in microscopy centres, hospitals and rural health units in Palawan. TeAM Energy (formerly Mirant Corporation), on the other hand, has supported the installation of SHS in far-flung village health centres and microscopy centres in Sulu and Tawi-Tawi. The SHS provide the communities with a reliable source of electricity, which allow microscopists and health workers to conduct diagnostic

activities even at night or during bad weather.

In the case of the ECHOtrio, working with NGOs like PEF and PACCI has allowed them to not only leverage on the resources of these institutions but also to tap their partners' extensive network throughout the country. PEF and PACCI, on the other hand, are able to expand their network of village stores by tapping the technical and marketing expertise of ECHOsi through the ECHOdesign Lab. The partnership empowers village enterprises 'by providing access to suitable markets for innovative, traditional and ethnic products'. Through ECHOVILLAGE stories, local artisans can sell small batches of their products and take comfort in knowing that they don't necessarily have to go large-scale to meet the demands of usual distribution channels ([www.echostore.ph/index.php/community/our-communities/](http://www.echostore.ph/index.php/community/our-communities/)).

This same model works in the case of the Great Women Programme, which is funded by government through the DTI and PCW. This means that the ECHOsi Foundation does not have to shoulder the cost of providing the technical training to women entrepreneurs, since government has already allocated funds for this purpose. These government agencies, which are mandated to increase entrepreneurial activity in the countryside to address rural poverty, are served well by tapping ECHOsi Foundation, which provides the business expertise needed by the target beneficiaries. The women entrepreneurs who receive the technical training through the ECHOdesign Lab eventually become suppliers of ECHOstore, who buy their products at fair-trade prices. As a result, the partnership does not only help community enterprises get market access but also feeds into the business model of ECHOstore, which is able to improve the reliability of its network of suppliers for its own retail outlets.

### Working at the grassroots: Getting buy-in

Learning from the initial success of KLM in Palawan, PSFI has constantly engaged the officials of LGUs and agencies, community leaders, local associations and NGOs,

media and the residents themselves to develop local ownership of MAM. LGUs have helped to organise activities and coordinate resources, aside from providing staff complements, and financial and logistical counterparts for MAM.

PSFI has worked closely with civil society groups such as New Tribes Mission, Agape Rural Health Programme and Sulu Ulama Council, who help in the timely distribution of MAM commodities. PSFI has also coordinated with the local police and military, even the US Marines, to bring MAM activities (and to hasten the distribution of MAM commodities) to the remotest communities and conflict-stricken areas covered by the project. PSFI has also collaborated with the Department of Health for the integration of MAM with other health programmes through participation in health caravans; and with the Department of Education to integrate malaria topics in the Health and Science subjects of elementary and high school students.

Working with civil society groups is also a strategy being undertaken by ECHOSTORE/ECHOSi. Since they carry goods produced by community-based enterprises, it is important for them to establish a network of contacts at the local level. This is something that their NGO partners have already established in their years of experience at the grassroots. For example, PEF works with local NGO networks in various areas in the country, and provides support for the establishment of Partnership and

Access Centers (PACs) in the poorest communities in identified regions and priority provinces.

Through its partnership with PEF, ECHOSi gains access to major NGO networks such as the Alternative Systems for Community Development Foundation, Inc. (ASCODE), the Cordillera Network of Development NGOs & POs (CORDNET), Multi-sectoral Alliance for Development (MUAD) Negros, Provincial Alliance of NGOs & POs for Development (PANGODPOD) Inc., Palawan NGO Network, Inc. (PNNI), Upland Marketing Foundation, Inc. (UMFI) and Saranggani Province Empowerment and Community Transformation Forum (SPECTRUM) ([www.echostore.ph/index.php/community/our-communities/](http://www.echostore.ph/index.php/community/our-communities/)). Getting buy-in is much easier when there are organisations that have already gained the trust and confidence of the people in the target communities.

### Conclusion

In the Philippines, businesses and civil society groups have taken an increasingly active role in addressing poverty and its related problems (i.e., joblessness, homelessness, hunger and disease) as a response to 'the limits of the state'. These problems have become so big and complex that individual businesses and non-profit organisations, in spite of their institutional resources and capabilities, will not be able to deal with these on

their own (Austin, 2000). It is interesting to note, however, that national government agencies and local government units (LGUs) have played a key role in cross-sector collaborations, especially in terms of providing counterpart funds and scaling up successful initiatives, as shown in the two cases presented above. Clearly, these social initiatives have benefitted from the synergies that resulted from the complementary capabilities of the organisations that form these collaborative partnerships.

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### United Nations Social Impact Fund

The United Nations Social Impact Fund (UNSIF) is a Social Impact or Blended Financing platform in partnership with social responsible public and private sector investors that tie directly into and support the achievement of the newly established SDG priority sectors. Based on the successful UN Multi-Partner Trust Fund (MPTF Office) partnership structure, UNSIF is a partnership between UNEP, UNCDF, UNFPA and UNDP. UNSIF brings together venture philanthropists, foundations, corporations, government and private investors to chart a new course toward creating a collaborative financing model.

Utilizing an innovative, inclusive and sustainable 'blended finance' platform, UNSIF strives to extend the reach, efficiency and impact of international development grants by leveraging and deploying complementary capital market investment from a new breed of development financiers. To meet the investment needs of the SDGs, UNSIF supports the paradigm shift to leverage overseas development assistance (ODA) with investments of all kinds: public and private, national and global, in both capital and capacity.

For more information, access:

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