

THE CHEVRON FORUM ON DEVELOPMENT

A CASE STUDY ON INNOVATIONS IN DEVELOPMENT

CARE and Cargill: An Innovative NGO–Private Sector Partnership to Fight Global Poverty

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THE RURAL DEVELOPMENT INITIATIVE

Formed in 2008, the Rural Development Initiative is a five-year, \$10 million partnership between CARE, a prominent humanitarian organization, and Cargill, an international producer and marketer of food, agricultural, financial, and industrial products and services. CARE partners with Cargill employees in local communities and along the company's supply chains to improve crop yields, access to markets, and incomes for farmers; enhance the attendance and quality of education programs; and increase access to health care, nutritional programs, and safe drinking water in rural communities. With projects in Ghana, Côte d'Ivoire, Egypt, India, Honduras, Guatemala, and Brazil, the CARE-Cargill partnership seeks to help 100,000 people lift themselves out of poverty by 2013. Through the Rural Development Initiative, CARE and Cargill leverage their respective strengths to improve livelihoods, while at the same time improving Cargill's competitive advantage and fulfilling CARE's mandate.

BACKGROUND

This innovative initiative was built out of a long-standing, philanthropic relationship between Cargill and CARE. As the two organizations reevaluated the changing development landscape in the early 2000s, each sought more focused engagement with fewer, but stronger, partners. Cargill sought to be involved in the development sphere beyond writing checks and wanted to bolster

its own bottom line by investing in the communities where its employees lived and its materials were sourced. CARE wished to leverage the unique capabilities of the private sector—not only resources, but also technical expertise, buying power, and business skills—to enhance their programming in communities where both partners operate. As CARE drew back its number of corporate partners and strengthened its engagement with a select number of companies across five key industries, Cargill became its alliance partner for agriculture.



¹On July 1, 2011, Radha Muthiah began transitioning into a new position where she now serves as executive director of the Global Alliance for Clean Cookstoves.

LESSONS LEARNED

The “courting” process can be lengthy, but thorough due diligence is necessary to create the strong foundation of a lasting partnership. Both CARE and Cargill went through extensive due diligence and review processes before discerning if and how they should partner with one another in this effort. Each organization took stock of the strengths and capabilities that could be leveraged by working together and evaluated one another’s organizational structures and project portfolios. Furthermore, the “courting” process entailed a thorough review of each organization’s priorities, motivations, and overarching philosophies. CARE and Cargill entered their partnership with a comprehensive understanding of one another’s guiding principles and how those may affect their relationship. This upfront effort to determine goals, expectations, and metrics takes time and communication, but it creates a strong foundation for entering into a partnership.

Frequent communication and a high degree of flexibility are needed by both organizations. There is a need for constant communication, trust, and transparency between the two partners, not only to coordinate on project objectives but also to keep one another informed of changes within their organizations and to continue to strengthen the overall partnership. Cargill views its relationship to CARE as equivalent to that of a key corporate account and is committed to keeping its partner aware of any critical developments within the company. Furthermore, the more that is learned about the counterpart’s operating procedures, assets, and bottom line, the deeper and more dynamic the relationship can become. As such, each partner must be flexible and open to the evolving nature of collaboration. Priorities may evolve as they are passed between Cargill and CARE, and projects may adapt as they are passed from headquarters to the field.

Cultural and institutional tensions between the for-profit and nonprofit sectors need to be bridged. CARE and Cargill each have unique assets to be leveraged in the Rural Development Initiative, but their respective nonprofit and for-profit models inherently create cultural and institutional differences between the organizations. While working together, CARE and Cargill have encountered differences in language and terminology, organizational models, and employee perceptions and motivations. To reap the benefits of collaboration, each partner must maintain its integrity while also allowing for the flexibility needed to adapt to the structure of its counterpart. Furthermore, training and communication from managerial leadership is important for employees to understand why collaborating with a different sector yields synergistic benefits to both the organizations and their stakeholders.

CULTIVATING SOYBEANS IN EGYPT

In a region with a long history of rice cultivation but intensifying demands on water, Cargill is leveraging its farming expertise and buying power to introduce soybeans to the Nile Delta region in Egypt. Through its partnership with CARE, Cargill is helping to train and educate local farmers on strengthening the quality and yield of this new crop, while also improving market access and profitability of the less water-intensive soy. Cargill Egypt pays local farmers the international price for soybeans, providing a premium that is reinvested in communities through local development projects. In Egypt, CARE and Cargill are successfully improving the livelihoods of farmers, while at the same time strengthening Cargill’s supply chain, diversifying Egypt’s agriculture, and reducing demand on water.

“We realized that corporations could do just so much more than...the writing of a check.”

—*Radha Muthiah*