

# Health and Stakeholder Citizenship

## Report on Workshop, 2 - 3 February 2002

Report compiled by Gordon Baker, Stakeholder Forum

Workshop hosted by  
Stakeholder Forum for Our Common Future;  
Novartis International AG; Novo Nordisk A/S;  
Society for Participatory Research in Asia; World Information Transfer  
at BP Amoco plc Conference Facilities, New York

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### **A. Context of the workshop**

Corporations, NGOs, intergovernmental bodies and others have been developing innovative strategies to tackle urgent issues such as equitable access to health and to other basic needs; increasing transparency and accountability of their operations; and developing partnerships amongst themselves. However, many of these efforts fail to be replicated, many problems remain unsolved, and there is no coherent framework of 'stakeholder citizenship'.

Ten years after the Rio Earth Summit, the World Summit on Sustainable Development will take place in Johannesburg in August/September 2002 (referred to below as "Earth Summit 2002"). Many stakeholders are seeking to engage in exchange and learn from their respective experiences of the challenges of sustainable development. They are also seeking to identify more clearly their roles and options within sustainable development and to become more pro-active in addressing emerging and possibly contentious issues.

Governments and intergovernmental bodies are preparing the agenda of Earth Summit 2002; with 'public health' and HIV/AIDS among the suggested topics. WHO is developing an outline of its specific contributions, which achieved greater focus in a conference on health and sustainable development in Johannesburg in January 2002 (producing the 'Johannesburg Declaration').

The 2-3 February workshop, organised by a group of partner organisations, brought together representatives of corporations, NGOs, intergovernmental bodies and other stakeholder groups. The meeting focused on participants sharing their understanding of key issues and necessary action in the health sector, and key mechanisms of stakeholder responsibility / transparency / accountability. The outcomes identified in this paper form the basis of a working document that will feed into preparations for Stakeholder Forum's "Stakeholder Action for Our Common Future" (Implementation Conference), and into the official Summit preparatory process.

The vision of the Implementation Conference project, as well as of this workshop, is to contribute to all stakeholders playing their roles in making sustainable development a reality.

The goals of the workshop included to:

- Identify good practice and learn from participants' experience;
- Increase understanding of stakeholders' roles in sustainable development, and their limitations;
- Increase understanding of incentives for and barriers against stakeholder action and stakeholder collaboration, focusing on both their short and long term gains;
- Identify / prioritise urgent and emerging issues, particularly in relation to health and sustainable development and those that require joint stakeholder action; and
- Identify areas of possible collaboration.

## B. Outcomes

The workshop helped participants to identify stakeholders' responsibilities and learn about their respective concerns and interests. Participants shared their experiences with projects, programmes and partnership arrangements in developed and developing countries, and developed a better understanding of what they were able and prepared to do in order to promote the goals of sustainable development.

The workshop also helped to identify priority issues within the broad areas of 'Health' and 'Corporate / Stakeholder Citizenship'. Participants discussed those priority issues and what contributions stakeholders and, in particular, *stakeholder partnerships*, could deliver.

The participants also exchanged views on how partnerships should be developed and what the success criteria of 'smart partnerships' might be.

Bringing together participants from different stakeholder groups, the workshop also helped to build linkages between stakeholder communities that operate in different sectors and at different levels around the world.

### **Possible Future Action Areas : Health**

During the workshop, a number of potential areas for stakeholder collaboration were suggested, including:

- Collaboration on HIV/AIDS research and development (R&D), education and delivery
- Working with the Global Fund to fight AIDS, Tuberculosis and Malaria in a specific country to assist the national prioritisation process
- Working to support WHO on its main areas of focus around the Earth Summit 2002
- Lobbying governments to implement the conclusions of the Commission for Macroeconomics and Health
- Preventative healthcare, promotion of healthy lifestyles; education and empowerment
- Determining and advocating the optimum approval regime for drugs developed for diseases prevalent in developing countries
- Innovation (R&D expenditure) targeting diseases prevalent in developing countries
- Promoting linkages between traditional and conventional medicine
- Build on employer / trade union agreements to improve occupational health.

### **Possible Future Action Areas: Corporate and Stakeholder Citizenship**

A number of possible action areas for collaborative stakeholder action were suggested, including:

- Addressing the equity vis-à-vis developing countries of transfer pricing policies within a corporate group
- Exploring the applicability of the Forestry Stewardship Council approach to other sectors
- Encourage the rating agencies to follow the FTSE4GOOD and DJSI lead
- Creating linkages with the work on governance issues, led by IUCN / WRI / USCIB
- Working to create a shared understanding of the meaning of 'stakeholder citizenship' in relation to different stakeholders and governments
- Developing an understanding of stakeholder responsibilities regarding "public goods"
- Promoting peer group pressure towards triple bottom line performance

Some participants considered many aspects of stakeholder citizenship to be cross-cutting. While some aspects such as subsidies tend to be issue specific, and therefore may be best addressed within each sector (e.g. food, energy, water), other aspects for example transpar-

ency and accountability or tools such as reporting and rating are better addressed overall.

### **General comments on Approaching Future Collaborative Action**

Participants discussed barriers to and helpful conditions for collaborative stakeholder action, and shared their views of successful partnerships. There was considerable richness of experience and perspective among participants. The following points were made:

- The process must be FUN in order to retain enthusiasm and achieve results, and targets must have associated timetables;
- Partnerships need:
  - To involve all relevant stakeholders;
  - Clear and jointly agreed goals and processes, with policies designed to enhance transparency and ownership;
  - Clear incentives and benefits for all involved;
  - Access to reliable information for all participants;
  - Clearly assigned roles and responsibilities of partners;
  - Sufficient funding (financial and in-kind contributions).
  - Continual independent monitoring / review of performance, targets and structures;
  - Collective trust and open communication, which builds resilience to challenges.
- We need to be clear how the IC process will add value to specific existing projects that are underway elsewhere. Linkage with the IC process can broaden the scope and impact of planned and ongoing programmes.

### **C. Follow-up**

The Implementation Conference team will engage in follow-up activities to the workshop in order to continue preparations towards the Implementation Conference, including:

- Distribute summary report of the meeting to all participants and put all proceedings on the Implementation Conference website ([www.earthsummit2002.org/ic](http://www.earthsummit2002.org/ic));
- Feed outcomes into the Earth Summit 2002 preparatory process;
- Update the Issues Papers on Health and Corporate and Stakeholder Citizenship to reflect the priorities and possible action areas identified in the workshop;
- Invite workshop participants to indicate whether they wish to continue to be involved in the Implementation Conference process; and
- Form Issue Advisory Groups:
  - to advise on the topics on which to focus and further identify possible collaborative action; and
  - to identify and engage relevant stakeholder organisations that could play an active role in developing and implementing suggested collaborative action.

### **D. Sessions Report**

**Saturday:** Opening presentation from CEO of Novo Nordisk A/S. Panel discussion with key stakeholders, followed by table discussions on key issues identified by the panel. Further table discussions for participants to raise issues in health and stakeholder citizenship and prerequisites for effective stakeholder collaboration and identify common ground for action.

**Sunday:** Break out group discussions of issues in health (at the environmental / systemic level and with a separate group dedicated to diseases) and stakeholder citizenship and identification of conditions for effective stakeholder collaboration. Report to group and discussion.

## Initial Presentations

**Lars Rebien Sørensen**, CEO of Novo Nordisk A/S introduced some of the challenges facing his company. In 'Lifestyle/ Health', great progress has been made over the last 50 years, but we dwell on the problems that we still face. Much of health is in the hands of governments: around the world are great disparities in this provision: ie. states with well developed welfare versus inadequate provision, usually by undemocratically governed regimes.

Within the pharmaceutical industry, companies face the dilemma of making sufficient financial returns on investment and ensuring that their drugs are accessible to all that need them. Additionally, social investment and philanthropy into developing countries may run against local (eg anti-dumping) regulations in developing countries put in place to support local industry.

A video and presentation of how Novo Nordisk is tackling Diabetes (their main revenue stream, globally): they operate within the stated WHO guidelines, alongside national health strategies, enhancing the capacity of those national strategies and offering drugs at subsidised prices to developing countries. A foundation has been set up to provide additional funding for the very poor.

Being a good corporate citizen appears to conflict with shareholder value maximisation. However, not engaging as a responsible citizen exposes the pharmaceutical company to reputation risks, particularly where they invent a new highly effective drug; their pricing decisions (if too high) can lead directly to (poor) people dying. While not maximising profits in the short term, the creation of trust underpins their continued licence to operate. The ability to attract and retain staff and shareholders with these values is consistent with longer term corporate objectives, and reflects the history of Novo Nordisk as a responsible corporate citizen.

**Andreas Seiter** of Novartis International AG endorsed Novo Nordisk's approach and added that the challenge Novartis faces is to be a good corporate citizen alongside imperfect governments, and that this led to a negative public response from factors outside their domain. He mentioned two initiatives: they are working towards the achievable aim of leprosy eradication, and they have a tiered pricing structure for malaria prophylactics (\$40 for a treatment sold to tourists, \$2 for the same treatment sold by local hospitals in developing countries). They have developed a cure for leukaemia, sales to developing countries are subsidised by higher price sales in the developed world. They have recently established a Tropical Disease Research Centre in Singapore (with 50 researchers) aiming to develop drugs specifically targeting developing country diseases and to build local R&D capacity. He concluded with the comment that pharmaceutical companies have a difficult balance to strike when it comes to pricing their drugs – giving them away for free takes them into a political role, when this is not necessarily appropriate.

**Christine Durbak** presented the role of World Information Transfer: to increase health (including environmental health) literacy and knowledge through multiple media, and presented some of the cultural challenges of spreading knowledge effectively and appropriately across the globe. She stressed that access to information was crucial for all citizens, and that such information must be scientifically reliable and easily understandable.

**Yasmin von Schirnding** of WHO discussed the central role of health in sustainable development, identifying the inadequate attention given since Rio to health and poverty alleviation, health risks and determinants beyond communicable diseases, health impacts of development policies and practices and the new implications of globalisation. WHO's approach towards the Earth Summit 2002 is to have broad measurement of data and definition and agreement of strategy, with stated immediate goals of raising the priority of 'health' at the Earth Summit 2002, renewing Agenda 21 commitments and supporting them with agreed action plans / global initiatives. Specific focus is on intersectoral action, as well as new partnerships and alliances.

**Laura Williamson** of UNEP DTIE talked of their role in monitoring health / environmental

health and promoting transparency among participants. They support the work that GRI is undertaking in agreeing a set of measurable guidelines.

**Allen White** of Global Reporting Initiative (GRI); they aim to provide a set of corporate reporting standards to encourage comparability and completeness in 'three pillar' (social, environmental and economic) reporting, as well as the tools to measure these, accountably. Their initial focus has been to establish corporate reporting structure; over 150 companies have agreed to work with these voluntary standards, providing annual reports along the specified criteria. They expect to include governments and NGO reporting guidelines in the future. One project (funded by the Gates Foundation) is to develop a corporate HIV/AIDS reporting protocol on policies, practices and programmes, starting with Sub-Saharan Africa extractive industries, then agriculture and ground transportation. Guidelines to be determined in discussion with industry experts, human rights groups, labour, governments, academia, multi-lateral institutions and community groups.

### **Table Discussions on the Presentations**

Following the initial presentations, participants had table discussions around the questions: What did you like about the presentations? What concerns did they raise?

#### Positive Aspects of the Presentations

- The opportunity for open debate
- Openness to partnerships and willingness to listen
- Honesty of the process and participants and ease / transparency of information transfer
- The five chosen issues for IC
- Companies appear serious about engaging / thinking / acting on the issues
- Possibility of a profitable business case using tiered pricing
- Value based presentation, honest presentation of Andreas' "dilemmas" with regard to governance
- Sentiment that maximising shareholder value leads to raised social value
- Raised awareness of key health issues and corporate action addressing them
- Raised profile of WHO and the progress made by them and UNEP
- Acceptance of Corporate Social Responsibility as part of working in society
- Evidence of social investment, rather than one-time giveaways.

#### Concerns Raised by the Presentations

- Missing a framework for purpose and discussion; Need a clear focus for effective action; Lack of coherence re partnerships' purpose
- Complexity of system of Sustainable Development indicators
- Jargon – beware lack of understanding of each others' positions, data and goals; need for common language
- How this process links into Earth Summit 2002 is not clear. Feeling of elitism (in Earth Summit 2002 process); need for new leaders?
- Debate is focused on specific issues already. Unclear through which processes it got this far. Who determines priorities? What about prevention / education / population?
- Unknown boundaries in governance: Citizens? Companies? Governments?
- Number of missing groups (eg consumers; youth, grassroots groups); question of representation in general
- Many pilots, but are business cases replicable?

- Call to action, but no movement yet
- Fear that you risk stakeholders' independence by engagement in partnerships
- Excessive strength of markets (and companies) over values in decision-making in health
- Uncertain accountability
- 'Local solutions to local problems' is being overlooked
- Rights and responsibilities must be appreciated, in adequate framework, with respect.
- Flexibility needed in the process and recognition of different groups

### **Table Discussions on Priority Issues**

Participants then had table discussions around the questions: What are the most important issues in health and stakeholder citizenship for collaborative action? What are the prerequisites for effective collaboration on these? Some identified topics (not in any order) were:

### **Health**

#### Overarching Concerns

- Poverty eradication (globally)
- Improving living conditions, esp. water, food, sanitation, energy
- Equitable distribution of resources
- Economic development with equity and sustainability
- Increase integration of economic, social and environmental aspects in (corporate) policy to serve the goal of sustainable development and not solely profit; life-saving drugs are "public goods"
- Political desire for certainty when only probability is possible (esp. environmental health)
- Risk assessment of developments – need for the scientists to step in
- Getting government / industry to commit to environmental standards
- Implementation – what countries do versus what they say
- New equity / incentive structures
- Need for collaboration on HIV/AIDS R&D, education and delivery

#### Key Health Issues

- Preventative healthcare and promotion of healthy lifestyles
- Education – on Public health, HIV, health and environmental protection
- Integrate traditional and 'modern' approaches
- Differentials in access to care for marginalized groups (gender, cultural issues)
- Increase R&D and delivery of preventables (vaccines): HIV / AIDS, malaria, TB
- Improve ecosystem health (community involvement)
- Understanding of and education regarding links between environment and health, eg regarding pesticide poisoning
- Incommunicable diseases (eg diabetes)
- Making critical drugs available
- Need for an international framework / policy on bio-ethics
- Building local capacity, eg training of doctors and nurses
- Improve health / environment assessments
- Public health and health care must be patient focused and value based

- Reliable, consistent, accessible and user-friendly communication, in local languages
- Distribution of HIV drugs in Sub-Saharan Africa
- Structuring incentives innovatively to protect environment / promote healthcare at local level
- Support the recommendations of the Commission on Macroeconomics and Health
- MSF / Novartis example (malaria pilot in Tanzania): disseminate lessons learnt
- Environment and health equity and incentives
- Environmental health issues don't exist in isolation – eg trade agreements
- Ecosystem health – need for community involvement
- Limits between entitlement and health
- Violence and environmental collapse, stress and human health impacts
- Lack of economic incentives or international health standards on environment and health
- National frameworks: Do they exist? How to enforce them? Target strategic intervention and lobbying.

### **Corporate Stakeholder / Citizenship**

- Engender trust in your partners, without compromising values, on equal footing
- Agreed, shared understanding of the issue / problem
- Follow bottom up principles
- Creation /adoption of a new framework / leadership model

### **Prerequisites for Effective Collaboration**

- Provide BASIC NEEDS: Clean water, Adequate food, Safe shelter, Safe workplace, Health
- Build trust
- Build equitable basis for partnerships, including formal mechanism for community participation, especially in ecosystem health (linked to water management)
- Use a rights-based approach: responsibilities and accountability
- Include questions of scale and ecosystem context
- Create new equity and incentive structures in R&D
- Include gender considerations, eg regarding access to care
- Define and identify health priorities and limits to research
- Mobilise communities; promote local capacity
- Poverty and inequitable distribution of resources; economic empowerment programmes for poverty eradication

### **Breakout Groups Output (Sunday)**

#### **Health and Environment:**

What are the processes required to ensure effective stakeholder collaboration?

Q1 Who needs to be involved?

This is context specific, the political context / enabling environment frames this issue, typically the affected community information providers, decision makers, independent experts,

the government, NGOs, independent auditors/verifiers. Importance of choosing appropriate the unit of analysis.

Q2 What factors are to be considered?

Different roles for stakeholders in an effective collaboration: Independent monitors and experts, corporate stakeholders, governments, NGOs, small businesses, local communities, intergovernmental institutions, foundations and media.

Q3 What would critical success criteria be?

- Process
  - The partnership is sustainable, desirable and informative
  - Interests of various stakeholders discussed, reflected, agreed and documented
  - Establish collective trust, with open communication, so challenges can be overcome
  - Low tension and a sense of ownership of project by all participants
- Outcomes
  - Strategies for action implemented
  - Negative consequences of ecosystem decline for human health are reversed – THINGS GET BETTER! Remember to target long term goals...

Q4 What critical things need to be addressed?

- General:
  - Respect different participants; particularly affected communities in initial consultation process.
    - Trust and listening; relationship building
    - Identifying barriers to trust; neutral facilitation
  - Maintain flexibility and acknowledge the value of informal processes
  - Mediation process and training
  - Expression and monitoring of outcome, with agreement.
- Information and accountability:
  - May not exist, or may need to be verified for neutrality
  - Measure in terms of impact on health
  - Translate and disseminate formally
- Clarification of the problem:
  - “What’s supposed to be different when we’re done”?
  - Acknowledge terms of reference and rules of engagement, limitations of process with openly stated rights and responsibilities
  - Recognise differences / power with sectors and communities
  - Identify achievable goals at outset, and acknowledge when they are or are not achieved. Recognition of the ‘end’ of a project or stage necessary to keep forward momentum.
- Scope:
  - Get to know the community (whether geographic or based on interest)
  - Involvement in and access for community
  - Bring cultural openness / respect different learning styles
- Actions:
  - Identify realistic expectations and clear points of commitment

- Identify responsibilities of people beyond the immediate community
- Responsibility to actually do something
- Respect the outcome

### Communicable and Non-Communicable Diseases

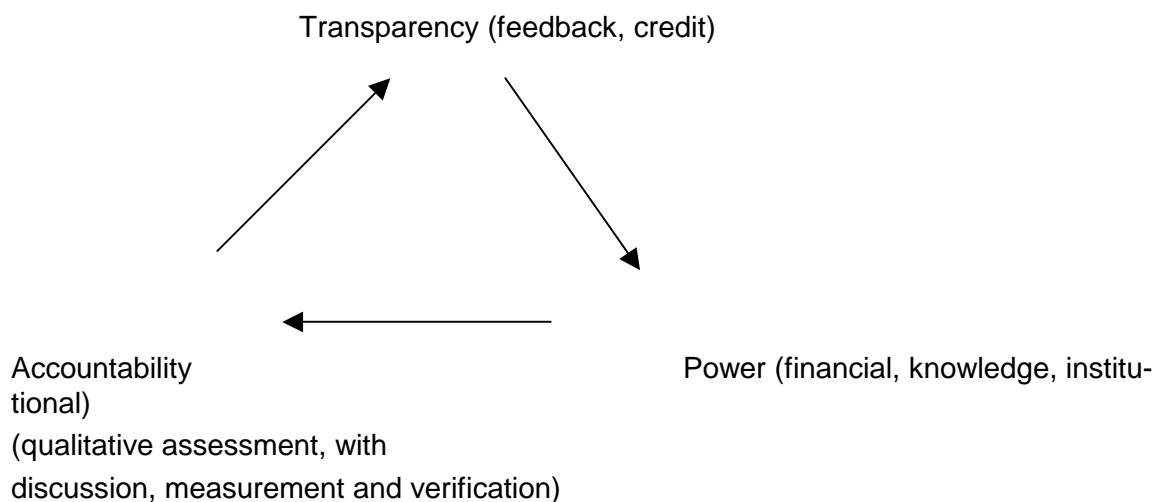
Key initial areas of focus:

- Medical education and empowerment;
- Linkages between traditional and conventional medicines;
- Innovation processes targeting diseases prevalent in developing countries;
- Linkages to occupational health; and
- Health as a basic human right.

Factors to achieving local partnerships for progress:

- Involve all local stakeholders, and ensure a level power base of initial involvement (eg in African rural community: healers, educators, patient groups, NGOs, companies). Appreciate that much of health is outside the remit/responsibility of multi-national companies, and is environmental / agriculture, waste, sanitation, etc driven.
- Ensure facilitation across cultures, languages; take time to build trust
- Champion specific goal(s), and engage in issues that might represent 'risk', through addressing issues in a novel way, outside your predetermined role
- Appreciate the dynamic nature of the process and its targets; structure incentives for stakeholders to participate (corporate, NGO, local community, etc); maintain a flexible framework

The 'Power Triangle' (collaboration only works if all 3 points are addressed)



Possible examples / outcomes

- Dow Chemical, Merrill Lynch and "Silicon Valley" companies identified as being responsible corporate citizens. Promote peer group understanding and pressure?
- Work with the WHO towards Earth Summit 2002; support their initiatives through stakeholder collaboration.
- Action? Potential group task to help countries (starting with just one) towards implementation of national action strategies under the Global Fund (TB, Malaria, HIV funding). The

group could specify targets, approaches and engagement at the appropriate levels, starting with a framework for discussion / implementation at and around August 2002 and the Earth Summit 2002.

### **Corporate / Stakeholder Citizenship**

Q1 What are the key elements of corporate citizenship?

- Accountability (but how to standardise / enforce?)
- Confidence building
- Across the full spectrum (from prevention to reaction)
- Good governance
  - Beware free-riders
  - Responsibilities regarding public goods
    - Identify a sensible baseline / framework / foundation?
    - Work with government (trade rules, corruption, etc)

Q2 What are the roles and responsibilities of other stakeholders?

- Accountability
- Structuring of incentives
- Coordination
- Risk-taking
- Will to reframe problems and engage in new kinds of partnerships

Challenges and Dilemmas

- What is the unit of analysis (many sectors, actors and local variations)?
- Role of Power?
- Independence and rightful roles of different stakeholders?

**Annex: Workshop Participants** (contact details provided to participants separately)

**Chair:** Derek Osborn, Stakeholder Forum

**Participants:**

Michael Araujo, IUCN - The World Conservation Union  
Andjelia Barton, Hawaii Institute for Human Rights  
Sebastian Beloe, SustainAbility  
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