Challenges of network interaction in managing sustainable development projects in developing countries: case of an international consulting company

Olga Dziubaniuk and Maria Ivanova-Gongne
School of Business and Economics, Åbo Akademi University, Turku, Finland, and
Ekaterina Berdysheva
Independent Researcher

Abstract

Purpose – This study aims to explore the challenges and complexities of interaction in international stakeholder networks within the context of projects focused on the implementation of sustainable development goals (SDGs). In particular, it examines the challenges faced by stakeholders in a network from a developed country during interaction in the context of a developing country.

Design/methodology/approach – Using a qualitative approach, this study analyses interview data collected from the key managers of an international consulting company in charge of a water supply and sanitation project in Nepal. The primary data is triangulated with secondary data, such as project reports and related academic articles.

Findings – This study illustrates how interaction in international stakeholder networks affects and is interrelated with SDGs, as well as how aiming to achieve one specific goal can stimulate the implementation of other sustainable goals. Further, this research shows how project managers from a developed country had to adapt to the specifics of the developing country context and how their sustainability project influenced the well-being of local communities by improving environmental and social sustainability.

Research limitations/implications – The research suggests that challenges in stakeholder interaction may arise because of differences in process management methods used by the international stakeholders involved in the project and country-context specifics, such as corruption, imperfect national regulations, cultural specifics, effects of climate change, etc.

Originality/value – The paper contributes to the literature on international multi-stakeholder interaction between actors from developed and developing countries. Furthermore, it adds to the literature on stakeholder networking by highlighting the importance of engaging in a dialogue with local communities during the conceptualisation stages of both sustainability and SDG implementation because of diverging worldviews and practices.

Keywords Sustainable development, SDGs, Multi-stakeholder interaction, Stakeholder network, Nepal

Paper type Research paper
1. Introduction

Western business organisations and governments frequently initiate and support projects related to sustainable development to support developing regions (Alarcon, 2019), which directly addresses the various aims of sustainable development goals (SDGs). SDGs, which were introduced by the United Nations (UN) in 2015, set goals and targets for the future sustainable development of the world that should be achieved by 2030 (SDG, 2015). Implementation of projects focused on sustainable development often requires the facilitation of international networks of stakeholders (Bäckstrand, 2006; Roloff, 2008b; Missonier and Loufrani-Fedida, 2014) and their close collaboration or interaction on a global scale. Multi-stakeholder collaborations “are increasingly suggested as fundamental to achieving the SDGs” (Eweje et al., 2020, p. 2), with the UN acknowledging the importance of such collaborations in Goal 17 Partnerships for the Goals. Implementation of international projects, especially in the sphere of environmental sustainability, frequently involves a variety of project facilitators (e.g. government representatives, consulting companies, financial institutions, local communities, suppliers and individual consultants). The complexity of those networks requires effective interaction and coordination among the actions of all involved parties, which may be complicated because of the social, political and even cultural contexts of different countries. Despite extensive research on stakeholder networks (De Bakker et al., 2019) and project management (Artto and Kujala, 2008), managerial practices of sustainable development projects implementation in the context of developing countries remain vague (Bendell et al., 2010).

Collaboration and interaction are crucial parts of project network management enabling a constant exchange of expertise, knowledge, technologies, finances and human resources, among others (Ayuso et al., 2011). However, interaction between parties from developing and developed countries may be associated with additional risks and tensions in stakeholder collaboration, such as corruption, misunderstandings regarding project aims or different understandings of sustainability (Du Pisani, 2006; Aaltonen et al., 2010; Ivanova and Torkkeli, 2013). In addition, special attention should be paid to the social and country-specific contexts in which project relationships are developed. In particular, scholars have recently highlighted a need for more research on how contextual conditions affect multi-stakeholder collaborations in relation to SDG implementation (Eweje et al., 2020).

This empirical study explores the complexities of actors’ interaction in international stakeholder networks to answer the following question:

Q1. What challenges do stakeholders from developed countries face during interaction with local stakeholders in the context of SDGs goal implementation in developing countries?

Among potential challenges, the study outlines different perspectives on the meaning of sustainable development concept in developed and developing countries and the specific social and environmental contexts of the examined country, Nepal. In addition, this study illustrates how SDGs are interconnected and how interaction in multi-stakeholder networks can be managed to implement the goals in developing countries.

The research is framed as a case of a Finnish international consulting company, the managers of which are responsible for the initiation and implementation of sustainable development projects in developing countries around the world, including Asia. More specifically, this research explores the Phase II implementation of a water supply and sanitation project (RWSSPWN, 2019) conducted between 2013 and 2019 in rural areas of western Nepal. The project aimed to maintain sustainable domestic water supply and to ensure its access by the poorest excluded households. Clean water access improved the...
health and hygiene of the local population and improved the social sustainability of the community (Haapala and White, 2018). The project directly corresponded to the SDGs, primarily Goal 6 Clean Water and Sanitation (SDG, 2015). Project implementation illustrated that, in addition to the main goals, the project also indirectly addressed Goal 13 Climate Actions; Goal 5 Gender Equality; Goal 3 Health and Well-being; and Goal 17 Partnership for the Goals, which is the key to achieving these goals by mobilising technologies/innovations, financial resources and a collaborative, multi-stakeholder network across both private and public sectors.

This study analyses data collected via retrospective interviews with the focal company’s managers involved in the project. It focuses on the interaction between the company’s local and international managers operating in Nepal and the local project facilitators and communities, which were the main beneficiaries of the project. Therefore, this study adopts a Finnish (i.e. developed country) perspective on managerial practices and sustainability in Nepal. Although there has been sufficient literature on environmental management and sustainability in the Asia-Pacific region beginning in the 2000s, insights into issues of multi-stakeholder collaboration regarding sustainability in this region have been limited (Bendell et al., 2010). The study also considers secondary data related to this and the focal company’s previously implemented projects in Nepal.

Conceptually, this study contributes to the literature on sustainable development projects involving international multi-stakeholder interaction (Amiraslani and Caiserman, 2018; Haywood et al., 2018; De Bakker et al., 2019). Referring to the stakeholder networks as a theoretical background (Roloff, 2008b), this study aims to fill a gap in understanding the network interaction specifics involved in managing complex projects supporting SDGs, focusing particularly on the contextual conditions affecting such interactions (Eweje et al., 2020). In addition, this research answers to the call for contributions to the research on strategic business partnerships in less-investigated post-conflict regions (Beamish and Lupton, 2016). The study investigates the economic, social and cultural contexts of Nepal, which has a rich sub-regional culture but poor regulatory mechanisms, leading to institutional voids (Lashitew and van Tulder, 2019). Finally, the results of this study add to the international business literature by exploring aspects of international partnership and business impacts on SDGs implementation in developing regions (Kolk et al., 2017; Kourula et al., 2017; van Tulder et al., 2021). The managerial implications of this research highlight potential challenges managers may face in managing sustainability projects and relationships in developing countries. The findings show that the managers involved in the project had to face contrasting cultures and differences in understandings of project conduct practices and sustainability in the developing region.

This article continues with, first, a literature overview of stakeholder networks and project management specifics of sustainable development projects. Second, it continues with a critical perspective on sustainability in developing countries. Third, it explores the socioeconomic context of Nepal to provide a better understanding of the environment in which the case project was implemented. Thereafter, the methodological section clarifies the collected empirical data and the analysis approach. The findings outline the major challenges related to interaction and project management practices that arose from the data analysis. The article concludes with discussion and conclusion sections presenting the conceptual and managerial contributions of this research.

2. Sustainability and stakeholder networks
Implementation of international projects demands the involvement and interaction of a variety of stakeholders, framed as a network of stakeholders. In the context of this project,
stakeholders are those who actively participate in network interaction and are responsible for adapting resources and aligning activities over time to achieve favourable changes. Networking among stakeholders is significant for the achievement of project goals (Missonier and Loufrani-Fedida, 2014), as actors exchange their knowledge and expertise through close collaboration. Such multi-stakeholder networks reflect the efforts of actors (e.g. government, business, general public and international institutions) to join forces to solve a specific issue that may affect them and is too complex to approach without collaboration (Svensen and Laberge, 2005; Roloff, 2008a; Roloff, 2008b). Interaction in a stakeholder network refers to a set of interrelated activities and relationships facilitated by directly or indirectly involved actors (Rowley, 1997; Sciarelli and Tani, 2013). Interaction is frequently affected by contextual factors (i.e. political, economic, social and technological) and the previous experiences of the stakeholders involved (Welcomer, 2002; Backstrand, 2006). Understanding interaction in multi-stakeholder network may require a shift in perspective from a focal firm–stakeholder interaction perspective to a more dialogic multi-stakeholder interaction perspective (Freeman et al., 2017; Eweje et al., 2020).

International projects focused on sustainable development (sustainability, for short) require close collaboration and intense exchanges of expertise. Sustainability projects bring together businesses, local communities, governmental and non-for-profit organisations to improve social well-being or resolve environmental issues. For instance, De Bakker et al. (2019) introduced a conceptual framework based on an extensive cross-disciplinary literature review to address multi-stakeholder sustainability initiatives. Their results summarise three key thematic directions of such initiatives across disciplines: inputs into mobilising and managing multi-stakeholder initiatives, the processes of their institutionalisation and the impacts or outcomes of their implementation. These themes are relevant to this study because they embrace the challenges of inclusive stakeholder participation in sustainability projects, the impact of politics on interorganisational governance and the intermediating role of firms in collaborations between governmental organisations, while highlighting the consequences of sustainable projects (which may be challenging to report) and identifying the real beneficiaries of such projects.

Despite its conventional definition, introduced in the World Commission on Environment and Development, the UN Brundtland report (1987, p. 41) as “meeting the needs of the present without compromising the ability of future generations to meet their needs,” sustainability is a multi-dimensional concept. Business studies approach sustainable development as an economic, social and environmental model balancing economic gains with social well-being and environmental soundness (Elkington, 1999). Sustainability embraces stakeholder interactions supporting value co-creation across social, economic, environmental, ethical and educational dimensions (Closs et al., 2011; Lacoste, 2016). Business, civil society and government partnerships play a key role in addressing sustainable development (WEF, 2005; Ramirez, 2021). In this research, sustainable development is viewed via a prism of multi-stakeholder actions aiming to solve environmental and social challenges in a specific country context. Such multi-stakeholder networking is promoted by the UN SDGs, which can be viewed as a global development framework prioritising sustainable development (van Zanten and van Tulder, 2018). International partnerships and collaboration for sustainability are promoted in Goal 17 Partnership for the Goals, which states that “The Global Goals can only be met if we work together. International investments and support are needed to ensure innovative technological development, fair trade and market access, especially for developing countries” (SDGs, 2015). Thus, productive goal implementation requires networking among multiple stakeholders, including governmental organisations, private sector organisations.
and other directly or indirectly affected actors. Multinational business organisations of various sizes take an active role in implementing SDGs, though these are often reactive in nature. Nevertheless, international companies engaged in addressing the SDGs framework can obtain opportunities for international development and support legitimisation of the goals via their local and international stakeholder networks (Sinkovics et al., 2021; van Tulder et al., 2021).

Multi-stakeholder initiatives are not without challenges. Dentoni et al. (2018) emphasised the challenges involved in governance processes, such as deliberation, decision-making and their reinforcement in multi-stakeholder projects. In particular, problems may arise if a partnership occurs under conditions of knowledge uncertainty (Dentoni et al., 2018). Thus, a variety of stakeholder knowledge should be collected and considered during the project discussion stage. Decisions should be constantly adapted according to the new information and knowledge emerging during the implementation stage. In turn, implementing decisions requires monitoring and evaluating their impact on desired project outcomes. However, the issue of reaching strategic goals may be hidden in ineffective governance mechanisms. Although all stakeholders are expected to participate in decision-making, some involved parties may have the power to harvest the most project benefits. For instance, Moog et al. (2015) discussed a case in which civic communities and small environmental organisations found it hard to participate in debates over the standards of an Forest Stewardship Council-certification organisation focused on the sustainable utilisation of forests. The dominance of corporations and politics in shaping certification standards has undermined the trustworthiness of the organisation and prompted the withdrawal of non-governmental organisations from collaboration. Local communities are also considered active stakeholders in sustainable development projects. Thus, international companies should make a strong effort to consider the practices of local communities when implementing SDGs (Parsons, 2008).

Many studies indicate that networking and multi-stakeholder relationships enable the productive development of sustainability projects by facilitating knowledge exchange, linking activities and combining resources (Ghauri and Tasavori, 2014; Vildåsen and Havenvid, 2018; Romestant, 2020). Prior research shows that multi-stakeholder collaboration is crucial for solving sustainability problems in socio-ecological projects, such as groundwater contamination (Foley et al., 2017; Schneider and Buser, 2018). In fact, projects concerning sustainable management and access to water resources among the poorest populations reflect a known global agenda for cross-sector partnerships. Numerous projects concerning sustainable water supplies and, consequently, increased sanitation and well-being have been supported by companies, international institutions and non-profit organisations in, for instance, India, Brazil and Kenya (WEF, 2005). Such projects rely on the mutual exchange of expertise and adaptation to local demands. This, in turn, requires a mutual learning and constructive approach to knowledge development with respect to project goals. According to Savage et al. (2010, p. 23), the advantages in multi-stakeholder collaboration are achieved through the following:

- appreciative linkages, e.g. the extent of shared goals;
- structural features of the collaboration, e.g. how tightly coupled and institutionalised it is and the power differential among partners; and
- processual issues, e.g. the degree of trust among partners and the quality of leadership.

In addition, success factors for productive partnerships within the framework of sustainability projects include a reciprocal understanding of benefits and goals among stakeholders, clarity of roles and responsibilities, organisational competences,
an understanding of the needs of local partners and space for local partners to develop their own capacities and capabilities (WEF, 2005).

Time and resource alignment are required for foreign stakeholders to adapt to the specific context of a host country. Misunderstandings and additional risks can arise, especially during international operations. Foreign companies may need to adjust or adapt their plans to changing conditions and be flexible in agreements with their partners from developing countries to eliminate potential conflicts (Beamish and Lupton, 2016). International companies may experience hurdles in their strategies in developing regions because of inefficient cross-cultural communication and, consequently, may fail to disseminate knowledge and expertise (Abugre, 2018). Some research indicates that multinational enterprises (MNEs) can exhibit opportunistic behaviours in developing regions, which may prevent spillover of technologies, knowledge and expertise to local stakeholders in the long term (Oetzel and Doh, 2009). Companies that do not adopt a bottom-up managerial approach to understand the local social and cultural contexts of the countries they enter may negatively impact local communities. As an empirical study by Sinkovics et al. (2016) indicates, mandated top-down business process regulations may have good intentions, but when they are not balanced with the cultural and social needs of the community, they may have unintentional negative consequences, such as human rights violations. Challenges may also arise if companies rely solely on traditional partnerships with business organisations, neglecting other stakeholders, like communities, local governments and entrepreneurs (London and Hart, 2004). However, governments and civil society are non-market actors that interact reciprocally with international companies, especially in implementing solutions addressing sustainability issues (Doh and Lucea, 2013). Private and public sector co-dependency may jeopardise business performance and legitimisation in the regions.

Although corruption is common in developing counties, companies whose countries of origin enjoy strong governmental systems and regulations are less likely to engage in corrupt activities (Yu and Lee, 2021). However, even Nordic companies’ traditions of ethical and normative governance cannot guarantee them success in developing regions. Companies that enter developing countries but are unable to manage corruption risks undermining their reputation may end up paying fines and withdrawing all activities from those countries. These processes are illustrated by various cases, including TeliaSonera’s (Sweden) unsuccessful attempt to enter the Kazakhstan telecommunications market (Ahlberg and Romberg, 2018) and the Nordic multinational Stora Enso’s engagement in a scandal concerning child labour used by their Pakistan subcontractor (Ivanova-Gongne and Lång, 2019).

Thus, country context is important for international companies to consider, as even perspectives on sustainability vary across regions or countries (i.e. in terms of uniform understandings and agendas of issues). Previous research on sustainability perceptions in the European Union countries has revealed differences in sustainable development priorities. For instance, although all countries have been found to prioritise education as a background for a sustainable future, concerns over responsible consumption differ across different country clusters, finding the greatest value in the Nordic countries (Matschoss et al., 2019). In developing countries, the effects of climate change and associated environmental protection have been observe to be significantly higher, though economic growth is still prioritised (Running, 2012). Quality and level of education and political ideology also may influence country-specific perceptions of environmental challenges (Sudarmadi et al., 2001). Section 3 introduces deeper insight into sustainability in developing countries.

3. Sustainable development in developing countries
Sustainability and sustainable development as concepts originated in western (US) management literature (Du Pisani, 2006). Although sustainable development has been a
priority for developed countries since the 1970s (Du Pisani, 2006), developing countries have only recently started to consider this issue, especially in relation to environmental sustainability (Dögl and Behnam, 2015). From a western, developed country perspective, modernisation and dependency theories inform how developing countries should advance their societies (Du Pisani, 2006). Although modernisation theory posits that the developing countries should adopt the features of economically advanced countries, dependency theory postulates that less advanced countries should follow an autonomous, independent path (ibid.). Given that developing countries have their own social and cultural specifics, this second strategy might be more feasible; however, development should still be at least partly based on ideas developed in more advanced countries.

Furthermore, a certain perceived bias towards developed countries exists in the conceptualisation of sustainable development, as most concepts related to sustainability have been developed in industrialised country contexts and their underlying assumptions either are not applicable to prove a poor fit for the most developing country contexts (Barkemeyer, 2011). The core challenges of adopting sustainable development principles in developing countries are the following: first, a lack of appropriate knowledge and “a need to integrate economic, social and environmental mechanisms” can restrict proper adoption of sustainable development principles (Gunasekaran et al., 2014, p. 196). Second, institutional concerns and challenges related to governance and (re)distribution are more salient in developing countries (Kolk and Van Tulder, 2010). Finally, partnerships with local firms and organisations are considered essential for implementing SDGs in developing countries (Kolk et al., 2017), but differences in the norms and principles of stakeholder interaction in developed vs developing countries can pose certain challenges when establishing and developing such partnerships (Ivanova and Torkkeli, 2013).

Thus, although international companies have the potential to foster sustainable development in less advanced countries (Forcadell and Aracil, 2019), they must consider these countries’ sociocultural and institutional environments. Developing and least-developed countries are frequently characterised by weak institutional norms and regulations, which may be conceptualised as institutional voids (North, 1990). These inefficient market and political regulations may prevent partnerships with international businesses or governmental organisations. Institutional voids also restrict companies’ opportunities to solve sustainability-related challenges with their international formal and informal managerial practices (Doh, et al., 2017; Koch, 2020). Ramirez (2021) emphasised that corruption, lack of efficient governance and inclusive participation of stakeholders in decision-making are among the major drawbacks of sustainable development project implementation and efficient public–private sector partnerships. Furthermore, preventing local communities’ involvement in solving sustainable challenges may cause conflicts of interest and undermine trust in local governments and involved MNEs (Ramirez, 2021). Still, international companies are able to contribute to developing regions through social responsibility actions aimed at social innovations and environmental viability and by influencing institutional context (i.e. filling the voids; Becker-Ritterspach et al., 2019). However, implementing customised solutions in developing regions and facilitating social ties via collaboration with local communities to compensate for a lack of formal regulations are costly and politically risky. International companies can still influence the development of sociocultural institutions by promoting education and new principles of governance that improve market functions and social regulations (Lashitew and van Tulder, 2019). These development processes also demand the cross-cultural adaptation of the expatriate managers, who must possess the cognitive and psychological qualities needed to respond to cultural and social differences (Doh and Lucea, 2013). Although prior research has begun
to explore the institutional and sociocultural aspects of developing countries in relation to sustainability, the aspect of partnerships, as a core facilitator of SDGs implementation in such countries, has received less attention in the international business literature (Kolk et al., 2017). This research aims to fill this gap by focusing on a partnership between a Finnish company and several local organisations in Nepal in the framework of a project focused on sustainable development.

Table 1 summarises key theoretical concepts and sources from the literature review that are further tackled by the empirical research. Section 4 of this article provides an overview of the socioeconomical context of Nepal.

### 4. Socioeconomical context of Nepal

With 21.6% of Nepalis living below the poverty line, Nepal is one of the poorest countries in the world, though it is attempting to graduate from a least-developed country to a developing one by 2022 (UNDP, 2020). Only 65.9% of Nepalis are literate (UNDP, 2018). Following the 1991 revolution, a democratic governmental system was introduced, and the country was opened to tourists (Wells and Sharma, 1998). Since the 1990s, the country has experienced some economic development, but it is still heavily dependent on foreign aid. The population and especially rural communities must rely on the natural economy and on small family-owned businesses supporting tourism infrastructure, agriculture or

<table>
<thead>
<tr>
<th>Theoretical concepts</th>
<th>References</th>
</tr>
</thead>
</table>
| Stakeholders' involvement/Community involvement in decision-making | London and Hart (2004)  
WEF (2005)  
Moog et al. (2015)  
Parsons (2008)  
Savage et al. (2010)  
De Bakker et al. (2019)  
Ramirez (2021) |
| Knowledge development/understanding local needs   | WEF (2005)  
Sinkovics et al. (2016)  
Dentoni et al. (2018) |
| Project adaptation to local contexts              | London and Hart (2004)  
Beamish and Lupton (2016) |
| Trust development in multi-stakeholder networks   | Savage et al. (2010)  
Moog et al. (2015) |
| Partnership to reach shared goals                 | Kolk et al. (2017)  
Ramirez (2021) |
| Cross-cultural communication, cultural context    | Abugre (2018)  
Lashiwel and van Tulder (2019)  
Yu and Lee (2021) |
| Corruption                                        | Ivanova-Gongne and Lång (2019)  
Ahlberg and Romberg (2018)  
North (1990)  
Kolk and van Tulder (2010)  
Doh et al. (2017)  
Becker-Ritterspach et al. (2019)  
Koch (2020) |
| Institution voids and governance                  | Sudarmadi et al. (2001)  
Du Pisani (2006)  
Barkemeyer (2011)  
Matschoss et al. (2019) |
manufacturing, primarily for the Indian and Chinese markets (McMillan et al., 2011; Adhikari, 2012; NDU, 2019). China and India are also competing over political influence in Nepal (Paudel and Billon, 2018).

Nepal’s economic environment is still emerging, mostly because of government corruption and an inability to implement appropriate policies to sustain economic growth. Inefficient investment policies and substantial governmental ownership in the financial sector limit foreign investments (Index of economic freedom [IEF], 2020). The Nepalese business management style is similar to the Indian style because of the countries’ geographic proximity and cultural similarities. In terms of relationship management, Nepalese businesses often lack strategic vision and, in the common case of family-owned companies, experience unfavourable family influences on business practices. Therefore, Nepalese managers are short-term-oriented in their strategies and reactive to changes (Shrestha and Gnyawali, 2013). These issues arise as a consequence of ever-changing governmental regulations, a lack of information for market analysis (NDU, 2019) and internal resource constraints. An additional challenge slowing Nepal’s market relationship development is a ruling communist party imposing restrictions on the market and forcing the country to rely on foreign donorship to support development (Paudel and Billon, 2018).

Nepal experiences major environmental and social challenges. Gender inequalities and other types of social inclusion have impacted certain population groups, especially vulnerable groups of women (UNDP, 2018). Addressing the impact of climate change on water resources and agriculture has become a higher priority in policy-making (Adhikari, 2012). Populations in mountain areas have difficulties accessing drinking water because of mountainous terrain and resource exhaustion, in addition to seismic activities and avalanches that worsen the problem. The quality of the drinking water is also affected by poor sanitation. Nevertheless, the government of Nepal is gradually improving the welfare of its population, thereby attracting international actors to participate in sustainable projects like water supply improvements (Haapala and White, 2018) and the electrification of rural areas based on renewable resource technologies (Bhandari et al., 2017). Apart from having a positive impact on health and well-being, these projects also bring improvements in the spheres of education and social inclusion. In 2010, the Nepalese Government signed the UN Right to Water and Sanitation, which secured access to water and sanitation as human rights (UN, 2010). In addition, Nepal has joined initiatives to achieve SDGs, aiming to become a prosperous middle-income country by 2030 (NDU, 2019).

5. Methodology
The study uses a qualitative approach because of the largely explorative nature of the research. The study focuses on the case of a sustainable development project on water supply and sanitation executed by a Finnish consulting company in Nepal. A qualitative study is appropriate when the study context must be considered and when the aim is to provide in-depth knowledge on the focal research questions (Maxwell, 2009). The study is based on narrative interviews with core managers involved in the project (Table 2) and secondary data either publicly available or provided by the informants, such as via a project website, reports or academic articles and theses written in the framework of the project. Narrative interviewing and analysis are particularly useful for understanding international collaborations from the perspective of individual managers, as they can “capture the richness of meaning” (Gertsen and Soderberg, 2011, p. 788). All available secondary data related to the project were collected and reviewed. The full list of secondary data is provided in Table 3.
Between March and May 2020, four in-depth semi-structured interviews were conducted. Because of the national lockdown as a result of COVID-19, the interviews were conducted online using Zoom. The interviews were recorded with the informants’ permission. They were conducted in English and lasted approximately 1 h. The topics covered during the interviews included challenges involved in interactions with local and international partners, differences in understandings concerning sustainability and sustainable development and changes in sustainability understanding as a consequence of the project. The narratives obtained from the interviews were retrospective interpretations, did not always follow chronological sequences and included flashbacks and flash-forwards (Söderberg, 2006). In the fashion of a narrative interview, the interviewees were encouraged to, themselves, “define what is most relevant and central at a certain point of time and in a specific context” (Söderberg, 2006, p. 413). The questions were open ended and contained expressions designed to trigger the narrator to speak about personal experiences (e.g. “in your opinion”; Riessman, 1993). Similar to Gertsen and Söderberg (2011), we focus on how the interviewees present the processes through which they discover the challenges of international collaboration in relation to sustainable development and learn to bridge differences between themselves and their collaborating parties. The interviews, however, represent a primarily Finnish perspective on the case (i.e. the focal issue). Further research is required to obtain the Nepalese perspective on the issue. In particular, interviewing local communities or the Nepalese Government would enhance the understanding of the case.

### Table 2. Details about the informants

<table>
<thead>
<tr>
<th>Name</th>
<th>Role within the project</th>
</tr>
</thead>
<tbody>
<tr>
<td>Respondent 1</td>
<td>Chief technical adviser</td>
</tr>
<tr>
<td>Respondent 2</td>
<td>Senior manager</td>
</tr>
<tr>
<td>Respondent 3</td>
<td>Field specialist</td>
</tr>
<tr>
<td>Respondent 4</td>
<td>Planning and capacity building specialist</td>
</tr>
</tbody>
</table>

### Table 3. Secondary data outline

<table>
<thead>
<tr>
<th>Data type</th>
<th>Data outline</th>
</tr>
</thead>
</table>
The obtained data were analysed using narrative analysis, which can be conducted on the basis of micro- or macro-narratives. A micro-narrative represents an individual story: an informant reflecting on his/her individual understanding of a phenomenon or a set of events. A macro-narrative is a composite narrative drawn from several micro-narratives, and it forms a story from the perspective of an organisation (Ivanova-Gongne and Törnroos, 2017). Although the interviews allowed us to grasp the micro-narratives of each member of the project, the findings are presented in a macro-narrative form. Thus, we used a holistic-content approach in analysing the narratives by examining the parts of each narrative in relation to the whole story (i.e. a holistic approach) and by trying to determine the implicit content and meaning of the story (i.e. content approach; Lieblich et al., 1998).

The narrative analysis process for this particular research was as follows. First, we revisited each interview and read the secondary data on the project. Although the secondary data represented the project’s “official” story, the interviews gave us insight into the project members’ personal experiences and thoughts about the project (Söderberg, 2006). Though secondary data cannot be generalised to other contexts (e.g. other projects in emerging countries), such data provide a solid contextual base for this particular study. In terms of the scientific articles used as secondary data (Table 3), we focused solely on parts related to the project description, not considering the articles’ conclusions, as these may have offered other case interpretation irrelevant to this particular study. Second, we pinpointed the major events within the project to create a timeline. Our focus was on how the issues related to sustainable development and project stakeholder collaboration were handled. Thus, we particularly looked at the narrative’s “complicating action” (i.e. what happened?) and the “evaluation” (i.e. the action’s meaning), where the “evaluation” is embedded in the “complicating action” (Labov, 2006 and Makkonen et al., 2012 citing Labov and Waletzky, 1967). The respondents’ views concerning how the events unfolded were complementary, allowed us to “construct a case synthesis from individual stories” (Makkonen et al., p. 295) about how the project progressed and its specifics in terms of sustainable development. Finally, the study’s empirical findings were systematically matched with relevant theoretical patterns (Table 1) to depict their alignments and controversies. We refer to the flexible pattern-matching method to align and enrich existing conceptual patterns with empirically emerged ones during the data analysis (Bouncken et al., 2021). The reflection of the theoretical concepts and how they are embedded in empirical evidence are further represented in Section 6 (Table 4), along with major challenges that managers encounter during project implementation and their solutions.

To ensure the credibility of our findings, we have conducted member checks and triangulated the data (Thurmond, 2001; Noble and Smith, 2015). Member checks included validating data interpretations with the respondents, which provided us additional information on the case and, thus, increased research rigor (Lincoln and Guba, 1985). Data triangulation was done by the following:

- using various sources of data (i.e. interviews and secondary data in the form of reports, doctoral thesis and project-related articles);
- considering and discussing the interpretations of the data by among three researchers participating in the study; and
- using multiple theories when conducting the study.

5.1 Case description

Finnish development policy and development cooperation are part of the country’s foreign and security policy designed to support developing and least-developed countries. This
The policy aims to secure countries’ democracy, ensure citizens’ well-being and human rights, eradicate poverty, reduce inequalities and support sustainable development (Ulkoministeriö, 2021). Implementation of these policy goals is based on the 2030 Agenda for Sustainable Development (SDGs, 2015) and involves multilateral collaboration with developing countries’ governments and both international and non-governmental organisations. It is under this umbrella that Finland has been supporting the development of Nepal, among other least-developed countries. Diplomatic relations between Finland and Nepal were established in September 1974, and Finland has been working on development projects with Nepal since 1983. Finnish support to the water and sanitation sector began in 1989. Most Finnish projects are launched in rural areas, which house the poorest populations. The development areas in which Finland cooperates with Nepal include access to clean drinking water and sanitation, developing education and the inclusion of women and other vulnerable groups (Ulkoministeriö, 2019). From 2016 to 2019, Finnish support in Nepal was worth approximately EUR 50m.

The consulting company examined in this case study was chosen by the Finnish Ministry of Foreign Affairs following a tendering process to facilitate and conduct the Phase II of the Rural Water Supply and Sanitation Project in Western Nepal (RWSSP-WN), securing bilateral collaboration between Finnish and Nepalese stakeholders and funded by the governments of these countries. The consulting company is a Finnish-originating multinational that operates worldwide. The company specialises in public services.

<table>
<thead>
<tr>
<th>Sustainable project managerial activities</th>
<th>Challenges</th>
<th>Solutions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project monitoring</td>
<td>• Understanding local needs and sustainable development issues</td>
<td>• Personal involvement in field work</td>
</tr>
<tr>
<td></td>
<td>• Approaching local communities</td>
<td>• Hiring local project facilitators</td>
</tr>
<tr>
<td></td>
<td>• Technological adaptation</td>
<td>• Developing</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Constantly adapting technology to geographic specifics</td>
</tr>
<tr>
<td>Governance and regulations</td>
<td>• Institutional voids</td>
<td>• Intolerance for corruption</td>
</tr>
<tr>
<td></td>
<td>• Imbalance in national and regional regulations for managing projects</td>
<td>• Company regulations</td>
</tr>
<tr>
<td></td>
<td>• Focused on sustainable development</td>
<td>• Managerial and technological support for local municipalities as project beneficiaries</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• More involvement of local governments in decision-making for regional development</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Improved managerial skills and knowledge of local municipalities among Water Users’ Committees</td>
</tr>
<tr>
<td>Approaching sociocultural environment</td>
<td>• Sociocultural specifics as hierarchy of power, caste system, attitude to sanitation, etc.</td>
<td>• Inclusion of all stakeholders in decision-making and involvement in the Water Users’ Committees</td>
</tr>
<tr>
<td>Communication and interaction</td>
<td>• Approaching government and local communities</td>
<td>• Educational programmes empowering women</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Openness in the discussion of work-related issues</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Efficient formal and informal communication (e.g. participation in community meetings/cultural events); moral support of workers and other project facilitators</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Company's/managers’ Finnish origin and Finland’s role in sustainability projects around the world, which facilitated trust development</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Managers’ personal qualities (e.g. patience, listening, respect to culture)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Flexibility and adaptability</td>
</tr>
</tbody>
</table>
development, community planning, digital businesses and more, as well as projects related to improving social well-being and communities’ environmental and economic sustainability. The case company joined the project during its Phase II in 2013 (with an inception phase from 2013 to 2014). Phase II was expected to end in 2018, the project was extended for another year because of excellent implementation results and was ultimately completed in 2019. Figure 1 depicts the project timeline. This study concerns the interaction among stakeholders in Phase II of the RWSSP-WN project, during which the consulting company provided technical assistance and expertise.

The RWSSP-WN is rooted in local government planning and management systems and is carried out through establishing, training and developing the capacity of local communities and organisations (e.g. Water Users’ Committees for community-managed water schemes; Haapala and White, 2018). RWSSP-WN Phase I sought to increase well-being in the poorest parts of the Nepali population, and Phase II continued this objective. The focus of Phase II was to ensure that the poorest and most remotely located households obtained equal access to safe and sustainable water and a high standard of hygiene. This was implemented through a decentralised governance system that facilitated the effectiveness of rural water supply and sanitation services. Figure 2 depicts the network of key stakeholders involved in the project. The Finnish side included the Ministry for Foreign Affairs and the Finnish Embassy, which fostered international collaboration; the Ministry of Finance and the Ministry of Federal Affairs and General Administration; audit organisations; in-house staff from the consulting company; and independent consultants. The Nepalese side, in addition to its government and ministry representatives, engaged local communities, local governments and water user committees (beneficiaries of the project) and international and local teams of project facilitators (small companies and individuals supplying construction materials). The total budget of Phase II was EUR 28.2m, of which EUR 21m was distributed through accounts operated by the local government (RWSSPWN, 2019).

6. Results
6.1 Managing stakeholder–network interaction
Networking for project implementation in developing countries is a complex process of stakeholder interaction that involves challenges at different levels (Neville and Menguc, 2006; Romestant, 2020). In the following, we analyse multiple interactions between the focal company (Sciarelli and Tani, 2013) and its stakeholders and consider the impact of the Nepal context on these interactions.

The case-consulting company assigned its Finnish employees to Nepal to supervise project implementation, but also hired local project facilitators. Water access and governance are fundamentally local issues that are frequently regarded as the responsibility of regional governments, which must tackle challenges of water scarcity (White and Haapala, 2018). Thus, the main task of the managers was to establish productive interactions between national and local governmental organisations and local communities. The project directly responded to SDG 6 Clean Water and Sanitation and other goals. The aim was not only to ensure rural households’ access to the water supply, but also to provide equal access to water and sanitation to all ethnical groups and minorities (White et al., 2017).
The project was initially supported by both national and local governments. Establishing relationships with local communities in Nepal required the assistance of local project facilitators hired by the case company. In general, interactions involving the project targets included internal project interaction (e.g. developing technical solutions, documents and guidelines), interaction with communities (e.g. supervision of water infrastructure construction, training of locals and learning local specifics of the environment), cooperation with the government and donors (i.e. managing relationships with governments at different levels) and personal interaction based on motivation, values and personal learning (Haapala and White, 2018).

The consulting company chose its project managers from among those with experience leading similar projects in developing countries (e.g. in Africa). Thus, the company personnel were ready for unexpected changes, unfamiliar cultures and ineffective governance of local institutions. The roles of the individuals embedded in the interactions were crucial, as it was evident that the cultural environs, power relations, skills and knowledge, past experiences, different world views, and individual concerns shaped the interactions and individuals’ choices in practice, rather than only rational choice, norms, or regulations (Haapala and White, 2018, p. 992). Managers’ personal qualities, such as patience, respect for local culture and willingness to improve the lives of locals not only fostered the project’s goals, but also established informal interaction with local communities. Considering that Nepal, as a developing region, suffers a poorly regulated institutional environment, informal interaction in this context became the main driver behind stakeholders’ collaboration.

Project managers also interacted with small local businesses and individual entrepreneurs, who supplied construction materials but did not actively participate in the project management. According to the respondents, local businesses lack interest in sustainability projects because they do not see financial benefits. Local poverty and instability force them to search for short-term profit instead of long-term strategic benefits (Shrestha and Gnyawali, 2013). According to Respondent 3, most business organisations are also concentrated around capital and tourism, largely omitting rural and hard-to-reach areas. Only few small, family-owned businesses, frequently run by women, tend to operate in rural areas of Nepal (McMillan et al., 2011).
6.1.1 Monitoring The respondents emphasised that constant monitoring of project management processes is important to ensure work completion and proper usage of funds. The company paid to local subcontractors only when they completed their work to make sure the work is done. Managers' personal monitoring of processes and presence at construction sites supported plan realisation and technological adaptation. To ensure that the work was carried out according to the plans, international and local managers and staff personally visited water scheme construction sites. The respondents stressed that the lack of personal involvement in rural field work may jeopardise successful project implementation if companies:

[... atempt to manage the processes without leaving the capital. (Respondent 2).

Personal presence is crucial not only to control processes and monitor resource allocation, but also to foster an understanding of communities’ local realities, environments and real needs, especially with respect to sustainability. Distant management in developing countries seems to be among the core drawbacks of involvement by foreign companies and international non-profit organisations.

Local Nepalese employees of both the company and the project mediated processes between the company and local communities. In addition to providing technical expertise, they were assigned to build locals’ trust in the Finnish project managers, as stated by one interviewed Nepalese employee (Respondent 4): *Once they realize they can trust us, it becomes easy to work with locals.* However, in the context of Nepal, employing a local person does not guarantee effective interaction with local municipalities, as a large portion of Nepal’s population is illiterate or speaks only local dialects (UNDP, 2018). According to the respondents, local employees also tend to experience more pressure when, for instance, hiring other human resources onto the project. The consulting company responded to this by releasing strict project management regulations.

6.1.2 Regulations Corruption is flourishing worldwide, including in Nepal. Project managerial staff has been standing against corruption activities, as reflected in the documented regulations for employees and collaborating organisations (Haapala and White, 2018). Research by Yu and Lee (2021) confirmed that companies with strong managerial
practices in their home countries are less disposed to engage in corruption in foreign markets. Predefined regulations regarding managing relationships with stakeholders can safeguard companies from potential conflicts of interests, as, for instance, in cases of non-traditional partnerships (Dahan et al., 2010). Thus, the Finnish consulting company entered Nepal prepared for risks of institutional voids, though the respondents admitted that corruption was not a systematic phenomenon and instead related only to certain individuals. Project managers’ intolerance of corruption had slowed some collaborative processes, as partners prone to corruption became passive in their decision-making. In contrast, regional governments attempted to assist and contribute to the project as best as possible, as they were also major project beneficiaries.

A lack of national regulations and adequate legislative processes, especially with respect to sustainable development, were among other major challenges relating to local stakeholder network management. Nepal’s national and local governance remain imbalanced, and integration of development goals is lacking for several reasons. Nepal’s federalisation imposed decentralised governance power, beginning in 2015 with the introduction of the federal constitution and continuing in 2017 with regional federalisation and elections. This decentralisation has granted local municipalities more power in terms of decision-making concerning their regional development (Allison-Reumann and He, 2016; Acharya and Zafarullah, 2020), thereby potentially benefiting implementation of the RWSSP-WN project. These practices enhanced the regional population’s quality of life (Dhungel, 2017), but still left local government units without effective institutional frameworks, skilled human resources, motivated leadership or adept financial administration (Acharya and Zafarullah, 2020). Thus, Nepal is still on its way to establishing efficient local governance institutions.

As stated by the respondents, compared to the national level, local municipalities are more interested in small-scale sustainable development projects that solve specific local issues, such as water supply problems. Compared to the federal government, these local beneficiaries are more ready to contribute with funding and human resources. Despite the capital’s good intentions regarding policy issuance and support for international collaboration surrounding sustainable development, national government support for small projects is far from tangible.

6.1.3 Local governance and culture Some of the challenges faced by international project managers in Nepal were related to the country’s sociocultural structure. For instance, the hierarchy of power (i.e. the caste system) prevented some society members (e.g. ethnic minorities and women) from participating in the discussion and planning of the water supply schemas in the mountain regions. Finnish managers’ communications with locals and in conducting their managerial activities demonstrated more egalitarian behaviour (Respondent 2). Despite the predominant cultural norms, Finnish managers demanded that women and representatives of all castes and other ethnic groups had to be included in committees and actively participate in decision-making concerning the construction and exploitation of water schemas. Participation of women was especially crucial, as Involvement in water resource management projects gives an opportunity for women participants to build their self-confidence and self-esteem and provides opportunities for them to pursue their livelihoods (White and Haapala, 2018, p. 654). More importantly, it is women’s responsibility to carry water from distant regions, a practice that often negatively affected their health. Women are also more aware of households’ needs. In such a conventionally masculine society as Nepal, women experience significant gender-based violence, suffer cultural and social boundaries and face large inequalities in access to education, health services and political representation (Shrestha, 2018; Human Development Report [HDP], 2019).
Respondent 2 emphasised that women’s participation in public meetings was also sometimes problematic because of societal attitudes towards women’s periods, which made them less socially active. In some locations of rural Nepal, girls cannot attend school and women cannot participate in public gatherings while menstruating. Moreover, menstruating women are not allowed to touch water sources, as the Nepalese see this as outrageous from a hygiene perspective. In some villages, women had to spend nights outside their homes or in specially designated houses where women gathered during their periods. In addition, the respondents stressed that, in addition, to a lack of fresh water, rural areas also suffered from open defecation and a lack of toilets. Access to fresh water helped to solve these issues and influence these culturally embedded practices, thereby improving the situation through sanitation.

By changing certain cultural norms, the project contributed to SDG 5 by ensuring opportunities for female leadership and participation in community decision-making (White et al., 2017). Project managers also attempted to improve the situation by empowering women, allowing them to participate in the Water Users’ Committees (explained later), to contribute with their knowledge and work to water supply schemas development. Although the country’s federalisation allowed for the election of women into local governments, their activities were less visible than those of men. Therefore, it was important to promote inclusion in community decision-making. Interestingly, Finnish female managers were treated as men who have power (Respondent 2) by local communities, even being addressed as “madam-sir.”

As regional governmental institutions lacked proper governance frameworks (Acharya and Zafarullah, 2020), the project managers also contributed to regional governance development. They formed Water Users’ Committees to encourage representatives from local communities to monitor and sustain the work of water schemas. Running committees demanded technical and managerial skills from the participants to ensure that the water schemas could be operated and serviced even after the project managers withdraw their activities. During the committee meetings, project managers introduced the local municipalities to best practices for accounting, financial management, work mobilisation and public auditing. Importantly, they influenced locals’ fear to discuss problems concerning their work tasks. Respondent 3 emphasised that, in Finland, it is normal to ask for help on work projects from your colleagues or supervisors. In Nepal, the workers were sometimes afraid to ask for such help or to confess that they did not know how to perform certain tasks. This negatively affected project implementation activities.

6.1.4 Communication in the stakeholder network International managers were not without challenges, but still managed to establish efficient communication processes among all stakeholders. Informal communication was significant because of ineffective formal governance, especially in Nepal’s rural communities. To develop trust and establish communication channels with locals, these managers often engaged in culture-specific events, such as community meetings and celebrations. They also made speeches and became personally involved in construction fieldwork, not only for the purpose of monitoring, but also to express support for locals. The company’s Finnish origin played a positive role in the development of trusting communication with locals and the national government, as, according to the respondents, Finland has a good global reputation because of its extensive participation in sustainability projects. On the Finnish side, stakeholders faced no communication issues because the consulting company already had significant experience managing relationships with Finnish governmental and business organisations. However, informal interactions typical to Finns, such as visiting saunas, were introduced to and appreciated by representatives of the Nepalese Government.
The respondents emphasised that personal qualities can be important in managing projects in developing countries, as such work involves patience, listening to people and respecting others’ cultures. Successful communication during fieldwork frequently depends on the quality and trustworthiness of translators. Fieldwork also suffers minor cultural misunderstandings because of differences in communication attitudes between colleagues of opposite genders (with respect to, e.g. carrying out decisions during meetings and expecting certain behaviours from foreign representatives); however, the sides always reached a productive decision. The most successful strategy proved to be flexibility, rather than a dogged expectation that things will go a certain way.

6.2 Developing environmental and social sustainability via interactions with local stakeholders

In developed countries, sustainability usually concerns ecological aspects of sustainable development (Matschoss et al., 2019). This is not the case in all countries. In Finland, for instance, the dominant conceptualisation of sustainability integrates environmental protection with the population’s social well-being and economic quality of life. None of these three pillars of sustainability is prioritised over another; rather, according to the Finnish Government’s development agenda, they are interdependent (see kestavakehitys.fi). Still, the preservation of natural resources and the protection of biodiversity are frequently emphasised. In addition, the Finnish Government actively promotes international collaboration to address sustainability challenges (Commission on Sustainable Development (CSD), 2016).

Here in Finland, people think more about environment issues when they think about sustainability. In Nepal, economic and social sustainability are more on people’s minds. (Respondent 1).

Developing countries like Nepal have other sustainability priorities associated with their basic needs and general survival; therefore, these nations focus more on the social side of sustainability (Fifka and Pobizhan, 2014). The results of the project illustrate that environmental sustainability (e.g. water supply and preservation and disaster risk reduction in capacity-building) is directly interrelated with social sustainability. This process was prominent in interactions with local communities to establish the Water Users’ Committees, during which the project team demanded that half of the members be represented by women and ethnic minorities (Doty, 2016). This corresponds to the issue of inclusion and social sustainability. In terms of economic sustainability, establishing water supply systems also created job opportunities, which are related to regional economic sustainability.

Access to water in the rural villages not only improved community sanitation conditions, but also gave villagers – especially women – more free time. As a result, they could dedicate themselves more to their households, education or micro-entrepreneurship ventures. Villages of ethnic minorities also received water supply access, which is important in terms of their social inclusion and which corresponds to the UN’s Agenda for Sustainable Development. Social inclusion refers to members of society having equal access to resources, opportunities and participation in social networking despite their ethnic origin, physical abilities or other individual properties (Dugarova, 2015). In addition to reflecting social sustainability, water usage also raised a question of access fairness:

If there is not enough water, how to decide what are the rules to make sure that everybody receives enough and how to use that fairly? (Respondent 2)

Rural villages under the project umbrella received equal rights to use water sources. Fairness of water access, particularly among the underserved, was one of the main purposes
of the project. Water used for drinking and sanitation was also prioritised higher than water used for other purposes, such as farming or agriculture. According to the respondents, this is typical of Finnish national social policies and is embedded in Finnish international strategies for supporting least-developing countries (Toivanen, 2014). Finland has significant sustainability knowledge to offer to Nepal in terms of infrastructure, technology, design, criteria for sustainability and work ethic.

Nevertheless, Nepal still faces environmental challenges. The project team’s survey of natural water sources conducted at the end of the project indicated that three quarters of all water sources were producing much less water than they were 10 years ago. The drying up of water resources is largely affected by climate change:

> It is due to climate change, and it always been like that in Nepal: landslides and heavy rains. It’s a matter of surviving. Nepalese understanding of sustainability is more down to the earth, really practical because it is about their surviving. So, in our program, it was about disaster risks preparedness that went together with climate adaptation. (Respondent 1).

Other research has also observed the effects of climate change on water resources. For instance, the melting of glaciers in Nepal has negatively impacted agriculture, biodiversity and population health (Shrestha and Aryal, 2011; Khadka et al., 2018). In recent years, Nepal’s rapid climate change has caused more severe rains during rain seasons, resulting in landslides and affecting crops. Therefore, water schemas had to be adapted to the area’s specific terrain and new climate realities. As noted by Respondent 4, sustainability projects have to be adapted to local specifics, and it is crucial that local municipalities understand these challenges. Thus, for the rural population, effective environmental adaptation in Nepal also means surviving. This adaptation process corresponds to SDGs 13 Climate Action and 3 Health and Well-being.

### 7. Conclusion, discussion and implications

This research illustrates how interactions in developing countries’ stakeholder networks can be managed to implement projects aimed at sustainable development and SDGs achievement. It shows that environmental sustainability is interconnected with the social and economic spheres. In the case of Nepal, sustainable development is critical to a population that has had to adapt to the harsh effects of climate change, poverty and social issues.

In addition to improving the sanitation, health and well-being of local communities, construction of the water supply schemas in rural western Nepal has improved the area’s gender equality and inclusion of ethnic minorities by engaging them in the decision-making processes concerning community development. Thus, Phase II of the RWSSP-WN project primarily sought to contribute to SDG 6 Clean Water and Sanitation, via interactions and networking among stakeholders from developed and developing countries that enabled project completion. This case illustrates that Goal 17 Partnership for the Goals is crucial to meet project targets, a finding that is in line with previous research and embraces the premises of multi-stakeholder interaction (van Zanten and van Tulder, 2018; Eweje et al., 2020). In addition, implementation of water supply, in addition to providing clean water access, impacted local communities by promoting Goal 3 Good Health and Well-being and Goal 5 Gender Equality. The project results also pointed to the challenges and effects of climate change in rural Nepal: an issue that requires special attention in the future and a further focus on addressing Goal 13 Climate Action.

Although the developing world’s regions usually prioritise economic and social sustainability (Running, 2012), Nepal’s communities face environmental issues related to climate change negatively affecting water sources and, consequently, agriculture and
general well-being (Khadka et al., 2018). Project managers emphasised to the local Nepalese communities the importance of using and protecting drinking water sources and supply. In summary, the interconnections among these SDGs and the interactions of the stakeholder network enabled the SDGs’ implementation within the project framework, as depicted in Figure 3. Thus, the bilateral, multi-stakeholder (i.e. Goal 17) interactions between Finland and Nepal have directly targeted implementation of Goal 6, thereby indirectly activating Goals 3, 5 and 13 and affecting local communities in Nepal.

Multi-stakeholder interactions enable an exchange of knowledge, expertise, technologies and more (Roloff, 2008a; Bendell et al., 2010; Airike et al., 2016). This process involves various stakeholders engaged in different roles, whose interactions are important for facilitating sustainable development projects, especially in the context of developing countries (London and Hart, 2004; van Zanten and van Tulder, 2018; Forcadell and Aracil, 2019). Thus, without an understanding of local processes and the help provided by local project facilitators (i.e. individual consultants and company employees of Nepalese origin), the project may not have achieved such successful results. This study highlights the critical role of project managers in interacting with local communities and the ability of these managers to adapt to the local culture and specifics of governance. In addition to skills and expertise, foreign managers’ involvement in the societal contexts of developing countries demands personal psychological and cognitive qualities capable of tackling sociocultural differences (Doh and Lucea, 2013).

From the company perspective, managers have learned to adapt water supply technologies to Nepal’s difficult mountain terrains. In addition, they have learned that local culture and governance specifics may affect project implementation. Flexibility is necessary to deal with conflicting situations and adaptation to these contextual challenges (Beamish and Lupton, 2016). This is especially true for projects involving multi-stakeholder interactions that should begin with collecting knowledge about the stakeholders and the local environment. Managerial decisions in the implementation stage may need to be constantly adapted to new knowledge and conditions (Dentoni et al., 2018). International managers’ personal participation in fieldwork is also significant, not only for supervision, but also for understanding local needs and establishing trust with communities. Trust can be undermined if multi-stakeholder interactions are dominated by MNEs that make decisions based solely on their interests and understanding of the situation (Moog et al., 2015; Ramirez, 2021). In our case, local communities are both the project beneficiaries and active stakeholders. A failure by companies to understand the local context may have unfavourable consequences for communities and MNEs (Oetzel and Doh, 2009; Sinkovics et al., 2016). Therefore, managers must learn and consider their needs and contextual specifics to address environmental and social issues.

In sum, RWSSP-WN Phase II was implemented successfully, as the international and local managers constantly learned and adapted to the region’s environmental and social specifics. Managers employed local project facilitators who responded only to the company eliminating social pressure on those facilitators. The project team had pre-developed strict regulations for managing stakeholders’ interactions to tackle the corruption occasionally emerging because of institutional voids. As Yu and Lee (2021) stressed, strong corporate regulations may safeguard MNEs from corruption in the foreign markets. Thus, considering the uncertainties faced by stakeholders from developed countries in developing-country contexts, interaction with local stakeholders demands constant process monitoring, supervision, public audits and moral involvement on the part of managers. A lack of efficient nationwide regulations and institutional voids can slow a country’s economic development and the implementation of sustainability projects (Doh, et al., 2017; Koch, 2020;
Acharya and Zafarullah, 2020). These practices are also reflected in the management of sustainable development in such regions. For instance, the case project’s reporting and managerial regulations had to be constantly adapted to ever-changing national and sometimes controversial government regulations that only increased bureaucracy. Managers also launched educational initiatives teaching best managerial practices to the local municipalities and stakeholders involved in the Water Users’ Committees. Inclusive participation of all the communities’ representatives in the committees had a tangible social impact on minorities and empowered women. However, the insufficiency of national regulations was not favourable for international business development in Nepal (Shrestha and Gnyawali, 2013; Paudel and Billon, 2018). Finally, local businesses were not interested in sustainable development in Nepal, especially in rural areas, because they saw neither monetary opportunities nor benefits.

Table 4 presents a summary of the project’s major managerial activities, the challenges faced by the project managers during interaction and project implementation and how these challenges were solved. This summary also illustrates how the theoretical concepts discussed in the literature review (Table 1) are embedded in the multi-stakeholder interaction activities represented in this empirical study.

Although developing countries struggle to adopt their own approaches to social and economic development, they are still influenced by western concepts and ideas of sustainability (Du Pisani, 2006). Interaction between Nepal rural communities and Finnish project leaders affected these communities’ understanding of social and environmental sustainability, leading them to gradually change their common behaviours and even cultures with respect to hygiene and fairness in treating members of society. The interactions with project managers supported the empowerment of women of the communities and brought social inclusion to ethnic minorities by granting them access to the clean water supply and engaging them in the planning and construction of water schemas. Trainings conducted by the local project beneficiaries not only aided in mastering the operation of the water schemas, but also introduced such other practicalities as the principles of sanitation, fair treatment of water access and importance of all community members, regardless of gender or ethnicity, participating in decision-making.

7.1 Conceptual and managerial implications

Conceptually, this study contributes to the literature on stakeholder–network interaction (Roloff, 2008a, 2008b; Sciarelli and Tani, 2013) involving partners of developed and developing countries during the implementation of sustainable development projects leading to SDGs. In particular, the study responds to a call for more research on how contextual conditions affect multi-stakeholder collaboration in relation to SDG implementation (Eweje et al., 2020). The study adds to the literature on the conceptualisation of sustainability and SDGs in an international business context (Parsons, 2008; van Zanten and van Tulder, 2018). In particular, this study shows how both sides of the bilateral interaction process within the framework of a sustainable development project extended their understanding and meaning of sustainability in both developing and developed regions. We also respond to the recent call in the international business literature to examine “corporate impacts on multiple goals simultaneously, as the SDGs are deeply intertwined” (Kourula et al., 2017, p. 16). Thus, our results illustrate the interconnections among the goals and how focusing on the implementation of one goal (in our case, SDG 6) could lead to the implementation of other vital SDGs. Furthermore, the empirical case discussed in this study covers SDGs that have received relatively little attention in the international business literature: Goal 6 Clean Water and Sanitation, Goal 3 Good Health and Well-being and Goal 5 Gender Equality (Kourula et al., 2017).
This study also adds to the international business research by responding to the call for more empirical research into the role of MNEs in legitimising SDGs on a global scale (van Tulder, et al., 2021). In particular, the study shows how governance policies, managerial practices and international business can be strategically directed to achieve SDGs. Our case emphasises the role of a multinational business organisation in implementation and engagement in a multi-stakeholder interaction to achieve the targets of a sustainability project. Thus, the study also contributes to the literature on multi-stakeholder–network interaction and how various stakeholders are represented in the decision-making process (Moog et al., 2015). The project illustrates that successful interaction demands the active involvement of all stakeholders (especially beneficiaries) at all stages of project implementation. Contributions are also made to the limited literature on the country-specific context of Nepal and its unique sociocultural conditions, managerial practices and international interaction capability. Finally, the Nepalese context presented in this study adds empirically to the literature on institutional voids (North, 1990; Lashitew and van Tulder, 2019), thereby illustrating the imperfection of governmental systems in developing countries.

As a managerial contribution, this study highlights the challenges international companies attempting to enter developing countries or conduct sustainable development projects there. Such companies must first investigate the context and sociocultural and operational environments of the target country. Implementation of projects or the establishment of business activities in developing countries may require some adaptation to the local culture. In the case of Nepal, the project managers attempted to influence the cultural habits to contribute to the rural area’s environmental and social sustainability. Before beginning to implement a project related to sustainability, it is crucial to learn the real needs of the target community by personally participating in the fieldwork. In addition, personal supervision of processes in the “field” ensures their efficiency and supports resource adaptation. Project leaders should expect constant changes and be prepared to adapt the project to local circumstances and environmental specifics. Specifically, within the scope of Nepal, technological adaptation was constantly needed to adjust the water supply schemas to the mountain regions. More personal involvement and informal interaction were also needed to conduct the project, as local institutions were lacking a sufficient governmental framework. As project beneficiaries, community members should be involved in decision-making as early as the planning phase and should continue to contribute their input and work as the projects develops and adapts. Further, partnerships with business organisations that have experience working in the country, hiring local employees and working with foreigners may help international companies establish positive communication with local communities and institutions.

Finally, international business organisations should be prepared to face many uncertainties in developing regions. In the case of Nepal, there was a need for stricter rules and regulations managing stakeholders’ relationships. In addition, managerial practices in developing countries may demand flexibility in agreements and interaction with local governmental institutions. Despite its orientation on sustainable development, Nepal remains unattractive for international businesses because of its undeveloped infrastructure, poverty and institutional voids. However, the country is open to sustainability projects and international collaboration, pointing to an opportunity to enter the country’s rural regions and learn how to adapt business operations to the unique Nepalese context.

7.2 Limitations and future research avenues
This study has certain limitations. First, the research concerns one specific project in Nepal aimed at sustainable development involving bilateral interaction among governments. Therefore, researchers should consider to study other sustainability projects in Nepal and
similar projects in other developing countries with comparable issues. This would deepen the understanding of the path to achieve SDGs in the context of least-developed and developing countries. Second, only one of the interviewed respondents represented the Nepalese-origin project employees; thus, the study has primarily introduced the Finnish (i.e. developed country) perspective on the project implementation. Further, although the present research focused on the case company in this multi-stakeholder interaction network, future studies should further research the understanding of Nepalese representatives (government, local communities and project facilitators). This insight would extend the understanding of country specifics for international business and sustainable development. In addition, the personal interviews in this study were limited to the key project managers. Interviews with other stakeholders engaged in the project would extend the knowledge of stakeholder network interaction within the scope of international sustainable development projects. Finally, as its focus was on managerial practices leading to SDG achievement, this study only partially explored certain cultural issues that affected interaction during the project. Thus, further research should focus on the cultural aspects of stakeholder interaction during the implementation of sustainable development projects and examine how culture affects their outcomes. Finally, this study has raised questions concerning the cultural changes needed to achieve SDGs. More specifically, should the culture of local communities be changed, and to what extent, to lead a developing region towards the path of sustainable development?

References


Ramirez, J. (2021), “Governance in energy democracy for sustainable development goals: challenges and
opportunities for partnerships at the isthmus of tehuantepec”, Journal of International Business


Running, K. (2012), “Examining environmental concern in developed, transitioning and developing


Savage, G.T., Bunn, M.D., Gray, B., Xiao, Q., Wang, S., Wilson, E.J. and Williams, E.S. (2010),
“Stakeholder collaboration: implications for stakeholder theory and practice”, Journal of


Regional Environmental Change, Vol. 11 No. 1, pp. 65-77.

management practices, South Asian Journal of Global Business Research, Vol. 2 No. 2,

Sinkovics, N., Hoque, S.F. and Sinkovics, R.R. (2016), “Rana plaza collapse aftermath: are CSR
compliance and auditing pressures effective?”, Accounting, Auditing and Accountability Journal,
Vol. 29 No. 4, pp. 617-649.

and sustainable development: in the shadows of large lead firms in global value chains”, Journal

merger”, Management International Review, Vol. 46 No. 4, pp. 397-416.

perception, knowledge, awareness, and attitude in regard to environmental problems in a
sample of two different social groups in Jakarta, Indonesia”, Environment, Development and

available at: https://sdgs.un.org/goals


pp. 253-258.


Corresponding author
Olga Dziubaniuk can be contacted at: odziuban@abo.fi

For instructions on how to order reprints of this article, please visit our website: www.emeraldgrouppublishing.com/licensing/reprints.htm
Or contact us for further details: permissions@emeraldinsight.com