

Operational Guidelines for Private Sector Engagement



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Jenny Heap helped with the consultation process, and Stephen D. Turner, assisted by Ted James, carried out the assessment of IUCN experiences in engaging the private sector over the past several years. The Business and Biodiversity Programme Team lead the drafting process coordinated by Nick Bertrand and supported by colleagues from the Conservation Finance and Donor Relations and the Communications Units. Frederik Schutyser integrated the comments from the consultation Bill Jackson and Nadine McCormick reviewed and edited the final draft. Saquib Hanif and Azhar Saeed invested much time and effort in the final layout and editing. We are thankful to all of them for their contributions that enabled the development of these guidelines.

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Preface

In 2004, drawing on its diverse experience, IUCN developed a Strategy for Enhancing IUCN Interaction with the Private Sector, which seeks to provide an overall framework for collaboration with business.

Resolutions 3.060 and 3.061, adopted at the 3rd IUCN World Conservation Congress (Bangkok, November 2004), provided further direction on IUCN's private sector engagement, including a request that guidelines be developed.

The current document is a response to this request. It draws on the findings and recommendations of a survey of existing guidelines for not-for-profit / private sector interaction carried out August-December 2005. It also benefits from the report on IUCN engagement with the private sector over the years 2001-2005 (prepared January-March 2006).

The extensive consultation on the draft Guidelines (February-March 2006) resulted in many improvements in the Guidelines. However, the core structure of the Guidelines has been maintained to ensure conformity with the Private Sector Strategy. This is a living document open to further improvements, and will be updated as lessons are learned through field testing. Comments and suggestions are welcomed and may be addressed to business@iucn.org.

Document map and tools

The Guidelines are divided into 10 modules, as follows:

1	Background and summary of the IUCN Private Sector Strategy (including key principles)
2	Approval and decision-making processes – Who needs to know, when?
3	Setting objectives
4	Identifying, prioritising and selecting private sector entities for engagement
5	Managing risk – Due diligence processes
6	Planning and making an approach – Understanding business drivers
7	Building, formalising, managing and sustaining relationships
8	Use of logo and name
9	Soliciting resources
10	IUCN's own corporate social responsibility – Private sector engagement through the supply chain

Every module describes the intent and context of a number of proposed actions for implementation where appropriate. A section on “key points” provides further guidance to these actions.

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List of tools available online

The ✂ symbol in the text refers to the online tool that provides additional information or assistance.

✂ Policies	List of private sector-related policy documents (including WCC Resolutions and Recommendations, Council Rulings and Guidance, IUCN Policy Statements, and IUCN Position Papers/Statements).
✂ Database	Database of private sector related projects (currently undertaken for 2001-2005). Staff are invited to maintain the database for 2006 onwards with the ‘questionnaire’ tool.
✂ Questionnaire	Questionnaire for managers to provide feedback on specific private sector engagements.
✂ Business case	Presents a generic ‘business case’ for biodiversity, focusing on 6 drivers: Access to financial Capital; Human resources and productivity; Access to markets and revenue generation; Reputation and brand value; Management of risk and license to operate; Savings and resource efficiency (C-H-A-R-M-S).
GRI	The Global Reporting Initiative provides an international standard for sustainability reporting.

Background and summary of the IUCN Private Sector Strategy (including key principles)

A. Intent

To outline the context for IUCN's engagement with the private sector as defined by the Strategy. These guidelines are "operational" in nature and are not a policy framework. The Guidelines complement the Private Sector Strategy, which contains the policy framework endorsed by IUCN's Council.

Except for aspects of private sector engagement dealing with signing of contracts, receipt of funds statements in the name of IUCN, and use of IUCN logo, which need to follow existing policies and delegation of authority (as summarized in Module 2), these Guidelines are not mandatory.

Nevertheless, IUCN staff and Commission members are expected to follow these Guidelines, adapting them to their respective situations, as necessary.

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Contact	Business and Biodiversity Programme business@iucn.org +41 (0)22 999 0104
Supersedes	Executive Summary, Private Sector Strategy (2004)
Key references and procedures	Strategy for Enhancing IUCN's Interaction with the Private Sector (endorsed by Council in March 2004) ⁱ Member Resolutions 1.81, 3.060, 3.061 Council Decisions C/58/41, C/60/58
Tools	✕ Database ✕ Policies

B. Background

The Guidelines have been developed to assist IUCN Secretariat staff and Commission members worldwide with the implementation of IUCN's Private Sector Strategyⁱⁱ. Most of the listed accountabilities and responsibilities, however, are addressed to Secretariat staff. Members are welcome and encouraged to use these Guidelines.

The IUCN Private Sector Strategy envisions "a sustainable global economy in which businesses are committed and effective partners in achieving a just world that values and conserves nature." To this end, its main goals are: (i) a more accountable private sector which contributes to sustainable development

i The *Strategy for Enhancing IUCN's Interaction with the Private Sector* (available online at http://www.iucn.org/themes/business/Docs/PrivateSectorStrategy_31%20March%2004.pdf) was developed in response to Council Decision C/58/41 which "requested the Director General to develop and implement a transparent, measured and thoughtful strategy for engagement with the private sector and other sectors that was guided by standards and criteria that were developed in consultation with the Council and others as appropriate".

ii IUCN, 2004. *A Strategy for Enhancing IUCN Interaction with the Private Sector*. Available online at http://www.iucn.org/themes/business/Docs/PrivateSectorStrategy_31%20March%2004.pdf

including conservation and social equity; (ii) a conservation community that is well-informed about market mechanisms and understands their potential and limitations to achieve biodiversity conservation; and (iii) an effective dialogue and collaboration between IUCN and the private sector which helps to achieve conservation through, and alongside, sustainable development.

The Operational Guidelines for Private Sector Engagement (hereinafter called the Guidelines) build on the findings and recommendations of a surveyⁱⁱⁱ of existing guidelines for not-for-profit / private sector interaction carried out August-December 2005, and the March 2006 Report on IUCN Experiences in Engaging the Private Sector over the past five years. The term 'Guidelines' refers to generic procedures for addressing issues to be managed. Guidelines allow flexibility to take decisions based on the specific situation being handled^{iv}.

The Guidelines respond to a request made by the World Conservation Congress through Resolutions 3.060 and 3.061 (Bangkok, November 2004).

Several online companion tools are also available or are being prepared. This document and other relevant materials are posted online at <http://www.iucn.org/business>.

C. Context

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IUCN, acting on a clear mandate from its membership, is developing links with businesses in order to better deliver its mission. IUCN's Private Sector Strategy is designed to mobilise the private sector and the conservation community to engage with one another to deliver conservation results.

Changes in corporate behaviour have been induced by the growing expectations of consumers, investors, governments, communities and NGOs. Increasing public awareness has prompted leading companies to engage with NGOs and to build relationships with civil society. Conservation organisations engage with the private sector in many ways including activism and advocacy, cooperation on projects and programmes, and establishing partnerships and financial relationships. The changing context also places pressure on NGOs and governments to demonstrate their social and environmental responsibilities (Module 10).

Opportunities are growing for IUCN to harness the power of the private sector to help deliver its Programme. IUCN is also increasingly advocating appropriate reforms of public policy and law to ensure that business and markets support nature conservation. Nevertheless, risks remain in engaging with the private sector, as they do in any relationship. These guidelines help assess and address risks.

iii http://www.iucn.org/themes/business/Secretariat/Guidelines/JHeap_Survey_Final_Dec05.pdf

iv Following the terminology used in the forthcoming Global Operations Manual.

Accountabilities and responsibilities

Ensure familiarity with the Private Sector Strategy

Internalise the concepts of these Guidelines and apply to each engagement

C. Key points, definitions and explanations

<i>Private Sector</i>	<p>The private sector is broadly defined to include commercial enterprise of any size, in any country, whether privately held, 'publicly quoted', wholly or majority owned by the state or by local communities. It covers both legally registered (formal) and unregistered (informal) enterprise, the latter including most family farms and a large proportion of small-scale trade and industry in the developing world. For the purpose of these guidelines, engagement with the private sector will also include work with related organisations such as industry associations, consumer and investor groups and labour unions. In these guidelines, the terms business and private sector are used interchangeably.</p>
<i>Engagement</i>	<p>Includes any substantive and significant interaction between IUCN and the private sector which is covered by a formal agreement or MoU, and which seeks to influence the behaviour of business in ways that contribute to the IUCN Mission. Such interaction may take different forms, including, among others, carrying out joint projects, receiving private sector financial support, mutual capacity building, and IUCN providing advice, carrying out scientific assessments, and convening independent scientific reviews.</p>
<i>IUCN's experience and niche</i>	<p>Membership of states, government agencies and non-governmental organisations;</p> <p>Global networks of environmental scientists, policy-makers and practitioners;</p> <p>Capacity to convene and build consensus among diverse stakeholder groups;</p> <p>Scientific credibility in protected areas and ecosystem management, species information and biodiversity assessment, and natural resource policy;</p> <p>Ability to link conservation practice with national and international policy; and</p> <p>Emerging expertise on the economic and social dimensions of conservation.</p>
<i>Capacity and added value of IUCN</i>	<p>Engagement with the private sector should strengthen IUCN capacity in existing areas and help to develop new capacity. Collaboration with business must support both the IUCN Programme, global, regional and local initiatives, and the related work of the membership. IUCN will reinforce its own capacity to engage with business by seeking collaboration with the private sector as well as government and civil society organisations.</p>

Risk to IUCN's credibility

As the credibility of IUCN is one of its key assets and offers a key attraction to business, measures should be put in place to ensure and secure IUCN's credibility in all engagements.

IUCN will assess the potential risks of engagement on a regular basis. The main risks of cooperating with business are damage to reputation, financial loss, and reduction in capacity, compromise of conservation benefits and loss of goodwill at community level. For each initiative, a pro-active approach should be adopted to assessing the level of risk and potential concerns particularly among its membership and where useful engage with relevant key members to build support for IUCN's engagement.

IUCN's priority is to engage business sectors where the potential contribution to IUCN's mission is greatest. These may be sectors that can make a positive contribution or sectors in which change is most important and urgent, due to the scale of their negative impacts on the environment and social equity. To this end, a guiding consideration is how well an engagement contributes to environmental sustainability, based on, for example, concepts in the 1980 World Conservation Strategy, the 1991 Caring for the Earth: A Strategy for Sustainable Living and the 2000 Earth Charter. In making choices for engagement, a balance should be sought between multi-national and large national companies, and Small and Medium Sized Enterprises (SMEs). At global and regional level, most interactions are likely to be with large multinational corporations or business associations, while SMEs would be the more likely partners at local level. Target businesses are likely to fall in one of the following broad categories:

Nature dependent industry	This includes productive sectors that use and entirely depend on products and services from nature. e.g. agriculture, forestry, fisheries, food retailing aquaculture.
Large footprint industries	Businesses with large environmental footprint. e.g. extractive industries (mining, oil and gas, cement), construction, infrastructure, energy.
Finance sector	Entities which finance biodiversity-related projects or whose investment decisions in other sectors affect biodiversity. e.g. commercial banks, development banks, financial services, insurance and reinsurance companies, Socially Responsible Investment Community.
Green enterprise	Businesses whose activities lead to conservation benefits. e.g. renewable energy, sustainable and organic agriculture, nature-based tourism, ethical trade.

The Principles of Engagement^v

The principles of engagement listed below include the nine principles of IUCN's Private Sector Strategy plus several additional principles proposed during the consultation process on the draft guidelines.

Relevant...	to the IUCN vision and mission.
Consistent...	with the official policy of IUCN.
Responsive...	to the aspirations of the membership and needs of the potential partner organisations.
Empowering...	of IUCN to implement the Global Programme and of IUCN members to conserve nature.
Effective...	and results-based with concrete outcomes that can be measured.
Efficient...	in the use of IUCN resources as compared to alternative actions.
Transparent...	in the sense of ensuring public access to information, while respecting individual privacy and institutional confidentiality, as appropriate.
Participatory...	in the sense of creating opportunities for involvement by affected stakeholders, especially vulnerable groups, while respecting legitimate decision-making mechanisms.
Enhancing...	the credibility and autonomy of IUCN.
Promoting...	consideration and further development of the principle of Free Prior and Informed Consent.
Building on...	commitment at the highest level within the company – including to sustainable development and social and environmental best practice.
Ensuring...	independence of IUCN from the company / industry group.

Reference should also be made to the “Guidelines for Applying the Precautionary Principle”^{vi} and to general principles such as respect for human rights, respect for cultures and consideration of equity and gender.

Free Prior Informed Consent (FPIC)

Free Prior Informed Consent is often used in the context of indigenous peoples. However, regardless of a specific context, FPIC can be interpreted as “a right of a party to freely grant authorization to another party, within existing legal frameworks (including customary law), for the execution of certain activity that implies access to, and use of, tangible or intangible properties of the party granting authorization, on conditions of no coercion of any kind and prior supply of sufficient information on the purposes, risks or implications of the proposed activity”. This is not a legal definition, and if it were to be so, each of the terms of this definition would need to be the subject of specific regulations. In the enabling spirit of these guidelines, this explanation is provided to help those using the guidelines.

^v This is a proposed revision of the original list of 9 Principles included in the Private Sector Strategy. For more information, visit <http://www.iucn.org/themes/business/Secretariat/principles.htm>.

^{vi} More details on the project and the outputs can be found at <http://www.pprinciple.net/>

Implementation

The strategy will be reviewed periodically and updated as appropriate, based on further experience of working with business.

Q&A Section

Approval and decision-making processes – Who needs to know, when?

A. Intent

To enable informed, effective and efficient decision-making in engaging the private sector.

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Contact	Business and Biodiversity Programme business@iucn.org +41 (0)22 999 0104
Supersedes	/
Key references and procedures	IUCN Statutes and Regulations 2005-2008 Programme IUCN Secretariat, Delegation of Authority from the Director General to reporting managers (2002) IUCN Project Planning and Review procedures (under development) Project Appraisal System (PAS) Annual reporting Policy
Tools	/

B. Context

IUCN's interaction with the private sector may be substantive – i.e. aimed at mainstreaming conservation in businesses – or for raising funds (→ module 9), either for the IUCN Programme or for financing conservation activities or IUCN in general.

The process for approving engagement(s) with business needs to be prompt and empowering, as well as transparent, flexible and accountable.

Information flow and feedback are important to ensure learning from experiences is translated into operations and policies.

Substantive engagement with the private sector may entail receipt of funds. If these funds are for a specific service or project undertaken for or with a business which is different from IUCN general fundraising from the private sector, then also consult → modules 5 and 9 for further guidance.

To be able to manage the approval process effectively, managers will need to remain abreast of changes in relevant IUCN policies and procedures including, among others, the policies related to Corporate Social Responsibility (→ module 10) within the organisation.

Accountabilities and responsibilities

Ensure that the decision to engage, and related information, is publicly available on the IUCN website, and is entered into the database on business and biodiversity (✕ Questionnaire).

Send copies of all the signed agreements and MoUs to IUCN Headquarters (Business and Biodiversity Programme) for the database on private sector engagement.

Appoint a relationship manager.

Prepare and keep on record the due diligence and risk assessment outcome and make available to the members through the membership website.

Where an engagement requires approval of higher authority, the summary of considerations and recommendations for a decision will be submitted to the deciding authority.

C. Key points

As laid down in the IUCN Statutes, the Director General is responsible for the implementation of IUCN Policy and Programme. Thus, authority for IUCN's Secretariat's engagement with the private sector rests with the Director General. The matrix below specifies the Director General's delegation of authority to managers. With approval of the Director General, this delegation of authority may be further delegated as appropriate.

In the context of the Commissions, the authority of engagement with the private sector for issues within that Commission's mandate and in compliance with IUCN's policies and Programme, rests with the relevant Commission Chair. Delegation of this authority is the responsibility of the Chair.

Those initiating a business engagement will establish the nature of engagement. A decision to engage will be guided by conformity to the Principles of Engagement (→ module 1).

For transparency, information about all engagements with the private sector will be made available on the IUCN public website, except confidential information that a partnership agreement requires to hold in confidence (such as trade and commercial interests). Generally, in negotiating confidentiality clauses in agreements with business, err on the side of more public information and encourage greater transparency among private sector entities (✕ Questionnaire).

Any changes related to the approval (such as conditions of approval, withdrawal of an approval or termination of a relationship) will also be communicated.

Summary of delegation of authority for a relationship approval

Where these guidelines do not provide a clear direction or when in doubt, consult your supervisor who may provide you with direction, where necessary at his or her discretion, in consultation with other colleagues and senior managers in IUCN.

Nature of Engagement	Authority	Delegated to	Explanation Comments
Collaboration on developing and testing tools and guidelines, organizing workshops, convening fora and similar activities not involving transfer of funds	Approval of collaboration	Director Global Programme, Director Global Strategies, Director Global Operations and Regional Directors	May be further delegated.
Capacity exchange programmes involving in-kind support but not receipt of funds directly, such as training, skills upgrading and systems development	Approval of collaboration	Director Global Programme, Director Global Strategies, Director Global Operations and Regional Directors	May be further delegated.
Activities involving receipt of funds such as for workshops, convening fora, scientific reviews	Signing of contracts and receipt of funds	Director Global Programme, Director Global Strategies, Director Global Operations and Regional Directors	According to existing delegation of financial authority. Receipt of private sector funds for work entailing definition of an IUCN policy position is not delegated.
Sponsorship of IUCN events and meetings	Approval of collaboration, signing of contracts and receipt of funds	Director Global Programme, Director Global Strategies, Director Global Operations and Regional Directors	According to existing delegation of financial authority.

Nature of Engagement	Authority	Delegated to	Explanation Comments
Establishing, developing or contributing to Standards and Certification	Approval of collaboration, signing of contract, and receipt of funds	Director Global Programme	May be further delegated to Heads of Global Thematic Programme.
Fundraising for overall IUCN work (→ module 9)	Approval of collaboration	Director, Global Strategies	Cannot be further delegated.
Receipt of Funds (→ Module 9)	Signing of contract	Director Global Programme, Director Global Strategies, Director Global Operations and Regional Directors	According to existing delegation of financial authority.
Critical review and public comment on performance of a private sector entity, group or association	Making statement in the name of IUCN	Director Global Programme, Director Global Strategies, Director Global Operations and Regional Directors	May be further delegated.

Setting objectives

A. Intent

To give an overview of when and why the private sector might be engaged to help deliver the IUCN mission and programme.

Last reviewed on	05 April 2006
Contact	Business and Biodiversity Programme business@iucn.org +41 (0)22 999 0104
Supersedes	/
Key references and procedures	IUCN Project Planning and Review procedures (under development)
Tools	✕ Policies

B. Context – Why engage?

To deliver the IUCN Programme and Mission	<p>Recognising that the private sector is a critical force in shaping the world we live in and in determining how biodiversity is used and conserved.</p> <p>Over the last 50 years primarily governments and civil society have been working together. It is possible to achieve more than has been achieved to date by involving the private sector.</p> <p>Engagement should support both the IUCN Programme and the related work of the membership but can also be innovative in exploring breaking new ground.</p>
To build capacity	Developing guidelines and training material, upgrading skills, and strengthening policies, laws and institutions for improved corporate environmental management. This also means building capacity within IUCN, with relevant skills from the private sector.
To develop and share knowledge	Developing case studies, providing technical services such as best management practices or certification, and advice to individual private sector entities on specific environmental issues.
To convene	Debates and discussions around key business and environment issues, and bringing cutting edge scientific knowledge to inform debates and decisions on important or controversial issues.
To fundraise	→ Module 9
To address IUCN's operational impacts	→ Module 10

Accountabilities and responsibilities

Ensure that engagement with business is in the explicit pursuit of IUCN Mission and Programme.

When engaging with business in order to develop new capacity in agreed priority areas, ensure that new commitments do not undermine existing efforts.

Have a clear definition of overall purpose and the specific objectives for an engagement, and have in place a strategy to effectively achieve the agreed objectives.

Match the objectives of engagement to the nature of business.

Agree, at the outset, with the potential business partners, performance milestones in relation to the results and objectives intended to be achieved. Set outcome and output indicators to measure progress and regularly report against performance milestones in a transparent manner.

Seek to complement the efforts of IUCN members and Commissions in a given area of engagement, with a view to draw on their interests experiences, resources and capacity, and to contribute to their objectives as would be consistent with the objectives of the engagement.

Where activities with the private sector may impact on local communities or other vulnerable stakeholders such as indigenous peoples, seek and respect their views. In general, encourage and benefit from broader stakeholder involvement in developing and carrying out engagements with the private sector.

Prepare a note for management on the engagement, how and why it has evolved, its objectives, its relevance to IUCN's mission and Programme, and recommendations for decisions and action.

Make all of the above information available on the IUCN public website.

C. Key points

Setting objectives

- Setting clear objectives and time-bound deliverables (i.e. expected outputs) is essential to ensuring a smooth interaction with the private sector and for retaining the support of the IUCN constituency.
- The definition of overall purpose and specific objectives should be guided by the prospects of achieving IUCN Programme results, and depend on the scope of an engagement as well as the expressed interest of a potential business partner.
- It is important to agree on a set of milestones that will be periodically assessed to measure and report on progress as well as to inform the engagement itself and IUCN generally.

Developing a plan

- When developing a plan for the engagement it is important to consider
 - The capacity required to deliver the outcomes, the efficacy of the effort, and the likelihood of realizing results under the given conditions.
 - Risk for IUCN's image and credibility. This is increased where IUCN receives funds or is engaging with a sector that has a problem of public image. Engagements which are likely to be risky warrant greater diligence and risk assessment and management (→ module 5).
- The IUCN Private Sector Strategy is inclusive in that it does not specifically exclude engagement with any business or sector. Each potential engagement should be assessed on its relative risks and benefits.
- Addressing environmental impacts is increasingly becoming essential for a private sector entity to be able to stay in business (✗ Business case), and an engagement is more likely to succeed when it addresses a business driver (a factor that influences business decisions).
- A relationship manager / focal point should be appointed and adequately supported with appropriate human and financial resources and necessary time allocation.
- Ensure funds do not lead to greenwash.

Module 4

Identifying, prioritising and selecting private sector entities for engagement

A. Intent

To set out processes to prioritise engagement with the private sector and to identify and select appropriate private sector entities for IUCN to engage with.

Last reviewed on	05 April 2006
Contact	Business and Biodiversity Programme business@iucn.org +41 (0)22 999 0104
Supersedes	/
Key references and procedures	/
Tools	✕ Database

B. Context

IUCN's objective is to work with private sector entities on issues that will deliver IUCN's mission and Programme. Accordingly, potential private sector engagements should be screened against IUCN's Principles for Engagement (→ module 1) and a due diligence process (→ module 5).

To identify firms that are serious about improving their performance the following can be used: compliance with existing standards, best management practices and processes of Corporate Social Responsibility (CSR) and/or commitment to third party certified supplies of key business inputs, annual sustainable development reports. Company membership of local, regional or global sustainable development focused organisations or trade associations with sustainable performance criteria are also important selection indicators.

Another indicator of a firm's seriousness is their demonstrated engagement with other conservation and development organisations and initiatives.

However, the selection process should not result in IUCN only talking to those firms that are demonstrating environmental leadership, but also with those that we want to see change their business practices. Companies lacking environmental leadership, but having an impact on the environment, should not escape effort and attention. The nature of engagement with such businesses may, however, vary depending on their current practices and commitment.

Accountabilities and responsibilities

Select private sector entities through whom IUCN can enhance delivery of the IUCN mission and Programme.

Ensure choice of private sector entity is guided by IUCN priorities, the company needs, potential commonality of objectives, principles and due diligence, as well as the opportunity and ability to deliver.

Document the prioritisation process.

C. Key points

Give priority to:

- those industry groupings, business sectors within groupings, and businesses within sectors where change is important and / or likely, due to the scale of their impacts on the environment and people.
- those industry groupings, business sectors within groupings, and businesses within sectors with an internal willingness or an external perceived need to effect change.
- industry representative groups that can be encouraged to establish industry-wide standards and benchmarks and to raise the performance bar.
- 'green' enterprise, 'socially-responsible' investors and 'ethical' traders where objectives focus on sustainable industry.

Prioritisation needs to be:

1. Strategic	although space should also be created for opportunistic/ad hoc engagements where appropriate.
2. Innovative	developing and testing new approaches or new partners.
3. Replicable	to multiply the successes/lessons/experiences within and across the business sectors and across IUCN.

To recap, the choice of a private sector entity will often involve a trade-off between risks and benefits. The Principles for Engagement (→ module 1) should be used to assess the risks and benefits of potential business partnerships and to prioritise engagement, together with basic due diligence (→ module 5).

Module**5****Managing risk – Due diligence processes****A. Intent**

To introduce key elements in risk management processes and requirements, including transparency and communications.

Last reviewed on	05 April 2006
Contact	Business and Biodiversity Programme business@iucn.org +41 (0)22 999 0104
Supersedes	/
Key references and procedures	Funding and communications policies Finance and project management
Tools	/

B. Context

This module is designed to equip IUCN staff with essential tools that will enable them to engage with businesses while minimising risks and costs. Depending on the nature and size of the private sector engagement, due diligence can take as little as a few hours, or as much as several days or weeks.

All potential engagements should be subjected to risk assessment and due diligence^{vii} in order to determine the appropriateness of engagement with a private sector entity, as well as the form that any engagement should take.

Risk assessment helps identify threats, problems or abnormal circumstances before engagement and enables IUCN to take appropriate measures for managing these risks, which may range from not engaging to establishing specific conditions for engagement. It follows a 3 step approach:

Step 1	Step 2	Step 3
Identify types of risks associated with a particular engagement (this is not meant as a means of screening out specific types of engagement).	Assess the risks of an engagement, identify means of managing those risks.	Take informed decision about whether or not to pursue the engagement.

vii Due diligence is a tool commonly used for assessing the risks associated with business decisions such as mergers, acquisitions, or partnerships. It is a structured, but not laborious or prohibitive, way of identifying the risks associated with a particular engagement.

The more risks associated with a particular engagement, the more management time and effort is needed to ensure risks are mitigated – ‘high risk’ engagement activities (assessed at the overall IUCN level and at the level of the component programme) should have correspondingly higher levels of opportunities associated with them.

The main risks of engaging with business are damage to the reputation of IUCN, financial loss, loss of integrity by compromising on IUCN’s principles, values, and staff independence, and the potential drain on management resources if things go wrong.

Documenting this process is important to assist decision-making and for subsequent review and updating.

Accountabilities and responsibilities	
Notification	Seek prior approval and report all transactions that involve a transfer of resources and signing of an agreement or MoU between IUCN and its partners, whether in cash or in-kind (→ module 2).
Transparency, Public Disclosure and Consultation	Ensure public disclosure of the existence and nature of relations with the private sector, and with other organisations, on activities related to the IUCN Private Sector Strategy (✕ Questionnaire).
Due Diligence	Undertake preliminary due diligence prior to any substantial direct engagement ^{viii} . Include, as a minimum, web search and internal consultation. Full due diligence includes consultation with relevant members and other key organisations, and buying in services from specialised due diligence research companies. Document these processes and/or findings.
Risk Management	Ensure transparency, inclusiveness, open communication, ongoing monitoring of stakeholder views, and independent verification of achievements are built into relationship management processes.

viii Staff are responsible for ensuring adequate due diligence is undertaken prior to engagement. Support for this is available through the Business and Biodiversity Team and from Senior Management.

C. Key points

Preliminary Due Diligence	Full Due Diligence
<p>Preliminary due diligence involves gathering information and intelligence, from a variety of sources including web searches and IUCN staff and members, on company impacts on IUCN's mission, and other social, economic, commercial and ethical considerations. This is to give a general overview of appropriateness of the engagement and to endeavour to highlight any specific areas that require further detailed examination and to generate a list of areas of potential risks.</p>	<p>A full due diligence is part of the trust building process and is one where a private sector entity should be encouraged to provide whatever information IUCN requires to satisfy itself of the integrity of the organisation. It also includes checking out the proposed engagement with relevant IUCN members, other relevant NGOs, including those in the humanitarian field, and other stakeholders. It can be carried out by Secretariat staff or with the help of specialist due diligence companies. It includes an assessment of real and perceived implications for IUCN's Programme priorities and specific objectives and the generation of a detailed list of potential risks that may need to be managed.</p>

Gathering information for risk assessment:

Step 1 - Risk identification

- Basic information about the private sector entity (e.g. the sector in which it works, its role in the sector, its subsidiaries and their activities);
- Information about environmental, social and sustainable development policies and standards (of the private sector entity and subsidiaries);
- Information about public commitments on environment and sustainable development;
- Assessment of the seriousness with which environmental issues are taken in the private sector entity (e.g. the level of responsibility for environmental performance and biodiversity in particular), including:
 - Information on the business entity's actual on-the-ground environmental performance, including elimination of on-site and off-site air, water, and soil pollution, implementation of biodiversity protection and/or ecological restoration, etc;
 - Commitment to external processes and standards (e.g. involvement in recognised processes aimed at raising corporate standards);
 - Track record on local community involvement. Local community views and involvement should be sought (either directly or through IUCN members, where in a position to represent them), on any IUCN-Private Sector Engagement which might impact them directly;

- Reputation and presence in the media (e.g. the private sector entity's media coverage, as well as coverage of its subsidiaries and of the sector as a whole; other criteria might include: does the private sector entity report publicly? is it prominent in sector trade associations?; media searches; has it been the subject of shareholder resolutions? Also see whether a company or sector is not being seen to try and undermine or avoid environmental and other legislation);
- Documented sensitivity among the IUCN's membership (e.g. sectors or companies which members have expressed concerns or issues about in the past or are likely to have issue with).

Step 2 – Managing Risk

Once risks have been identified and assessed they can be managed. Such management may range from deciding not to engage to defining pre-conditions for engagement through to putting in place specific safeguards during implementation of the engagement. Measures that contribute to effective risk management include transparency, inclusiveness, open communications, ongoing monitoring and external verification.

Transparency	IUCN is committed to the principle of transparency in process and decision-making. Transparency (1) is essential for open communications with stakeholders; (2) helps to manage risk by ensuring all are aware of the purpose and terms of a relationship and that the private sector entity is in public view regarding its commitments and actions.
Inclusiveness	IUCN will work with its partners in business and other organisations to ensure that the partnerships are inclusive and address a range of stakeholder concerns in order to involve weak or vulnerable stakeholders, such as impoverished communities, indigenous peoples, or small NGOs that lack the resources to engage on their own.
Clear Communications	In the interest of transparency, IUCN ensures public disclosure of the existence and nature of its relations with the private sector (and with other organisations) on activities related to the IUCN Private Sector Strategy and the IUCN Programme.
Ongoing Monitoring and Independent Verification	IUCN will assess the potential risks of engagement (and continuing engagement) on a regular basis. Where deemed necessary by the Director General, particularly in high profile and high-risk engagements, independent verification may be used.
Reserving right of independent opinion	IUCN also reserves the right to publicly communicate any opinion or concerns about any issues that may or may not involve private sector entities it engages with. In case such an expression of opinion involves a partner private sector entity or organisation, IUCN may give them a prior notice and, when appropriate, discuss with the company / party concerned.

Module 6

Planning and making an approach – Understanding business drivers

A. Intent

To provide a framework for structuring an approach to a private sector entity or industry group which IUCN wishes to engage.

Last reviewed on	05 April 2006
Contact	Business and Biodiversity Programme business@iucn.org +41 (0)22 999 0104
Supersedes	/
Key references and procedures	Fundraising strategy (under development) Guidelines for an improved fundraising system
Tools	✗ Business case

B. Context

An approach to a private sector entity is usually most effective through an established contact or on the basis of a recommendation. Thus the level of person to be contacted may range from technical advisors through to senior managers.

In large private sector entities the easiest point of entry may be with social and environmental specialists who are familiar with conservation organisations. Further contacts and meetings should include senior management or occur with their knowledge.

Attitudes and approaches are different between cultures therefore in making an approach, it is helpful to involve colleagues or members from the same culture as the business entity.

Accountabilities and responsibilities

Research the company/industry group to understand them and their work and identify links to what can be undertaken.

Define, understand and articulate the drivers and IUCN's unique selling proposition.

Communicate with relevant component programmes and members about an approach.

Develop the message using IUCN communications tools and processes.

Be innovative and consistent.

Follow-up.

C. Key points

<p>Look at the proposal from the private sector perspective</p>	<p>Identify what it is that motivates the individual within the private sector entity or industry group to engage with IUCN. Consider who makes the moves: Board, Trustees, CEO, other corporate professionals. How will the private sector entity or industry group benefit from engaging with IUCN? What are their main drivers for being concerned about the issues you bring to them (biodiversity, poverty alleviation, water conservation, etc.)? Examples of business drivers include: license to operate (both formal and informal), access to capital, managing reputational risks, reducing costs, increasing shareholder value, and building staff morale.</p>
<p>Be able to explain what is unique about IUCN's involvement in the activity</p>	<p>Differentiate IUCN from other organisations that may have approached the private sector entity or industry group you are talking to. Focus on IUCN's strengths such as: convening power, scientific and technical expertise, access to international and national policy-makers.</p>
<p>Identify the needs of the private sector entity and how best IUCN may address such needs</p>	<p>What is your unique selling proposition? Recognize the company has choices and articulate why the company should choose IUCN. Explain how IUCN can help address expressed or assumed company needs, and explore the shared objectives in the engagement.</p>
<p>Determine how best to communicate your message</p>	<p>Identify your audience and objective and target your communications to them. Consider various communications tools as options such as: field trips, training sessions, individual meetings, phone calls, or small meetings. Have other communications tools on-hand (e.g. newsletter, CD ROMs, brochures, journals, etc.) that you can leave with your contact to remind them of your discussion, to use themselves in follow-up discussions with their colleagues, and to provide more detailed information on specific issues.</p>
<p>Be succinct, listen carefully, and get your message across clearly</p>	<p>Generally first-approach meetings should not last more than an hour. Be sure to be clear on your message – why you are approaching the private sector entity, what you think is the benefit to them of working with you, and what specifically you are proposing. Listen carefully to understand their drivers (they may be different from what you had identified), their values, their reception of your proposal, and their suggestions. Look for areas of overlap and identify significant gaps which should be the basis for taking a decision about moving ahead and for the nature of future discussions.</p>

Be consistent but innovative	Know what IUCN does (in the country and region as well as globally), how we do it, what our core values are, what we promise to deliver, and what we offer. Know what you <i>need</i> to get from the private sector entity and what you <i>would like</i> to get from them. Work within these parameters to design an engagement that works for conservation and works for the company/industry group as well.
Follow-up	Send thank you letters. Follow-up with telephone calls / e-mails on any action items agreed in meetings. Make courtesy telephone calls from time to time (→ module 7).

Further information	<p>IUCN, 2005. Communications Toolkit http://www.iucn.org/kb/app/item/document/record.cfm?UID=CFC84B2B-2FC5-40A6-BA68-A3100F2F4C76.</p> <p>IUCN, 2006. Positioning IUCN – the Octagon http://app.iucn.org/kb/app/item/document/record.cfm?UID=39767BA3-9A75-4A71-82F4-8CA64F786EB3.</p> <p>IUCN, 2004. The IUCN Programme 2005-2008 http://www.iucn.org/kb/app/item/document/record.cfm?UID=9EA59E2B-FECC-4646-A2D5-3E33E77C5952.</p>
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Building, formalising, managing and sustaining relationships

A. Intent

To provide an outline of the key elements for building, formalising and managing sustainable relationships with private sector entities.

Last reviewed on	05 April 2006
Contact	Business and Biodiversity Programme business@iucn.org +41 (0)22 999 0104
Supersedes	/
Key references and procedures	IUCN Relationship Management Guidelines Standard IUCN project management system Standard IUCN target setting Standard IUCN monitoring and evaluation guidance Standard IUCN TOR; contract; MoU; letter of intent and financial procedures IUCN's own Environmental Management Systems /CR Policy IUCN Reporting Procedures
Tools	/

B. Context

Following initial contact, there is often a “getting to know you” period which can take weeks or months, but should be focused on establishing a mutual understanding of what can be done through the engagement and a clear path ahead, including a time frame. If no mutual understanding and clear path emerges, it may be decided to maintain an informal relationship which does not entail any binding commitments or agreements.

A more formalized relationship may emerge where there is a clear area for working together. Formalised arrangements will be necessary particularly where a transfer of resources is involved.

It is important for IUCN to consciously take a decision about what is being pursued, how and why. It will be necessary to clarify IUCN’s objectives, expectations, desired outcomes and interests – and timelines to achieve these.

Accountabilities and responsibilities

Ensure consistency with the IUCN mission, the Private Sector Strategy and importantly the principles of engagement when formalising the relationship (→ module 1).

Follow sign-off procedures for agreements and funding arrangements (→ module 2)

Ensure that any use of the IUCN logo follows IUCN rules and procedures (→ module 8)

Appoint a relationship manager

Follow IUCN contracting and project approval procedures

C. Key points

- Determine whether you are entering into a legally binding agreement (i.e. a contract) or a non-legally binding agreement (i.e. an MoU).
- Clearly define your mutual understanding with the company representative(s) through detailed discussions and written exchanges. Make sure you establish the objectives, background facts, appropriate rules for engagement, clear roles and responsibilities, indicators (performance, results and impact), arrangements for independent monitoring and evaluation, a clear timeline with milestones, and a termination clause.
- Take relevant IUCN member and partner issues and concerns into account when negotiating with the company or industry sector. Where relevant or needed, establish more formalized consultative networks to bring IUCN member and partner views into the engagement (for example through advisory bodies that are kept informed and consulted on a regular and frequent schedule).
- Pay attention to the Principles of Engagement (→ module 1) and ensure that the agreement is consistent with the values set out in these principles.
- With respect to transparency, in particular, define what, how and when information related to the engagement will be made public – including M&E results, products from the engagement, information about the relationship, etc.
- Formalize your understanding through an appropriate mechanism such as a Memorandum of Understanding, a Memorandum of Cooperation, a Contract, an Agreement or a Terms of Reference.
- Follow established IUCN procedures for a legal review and approval of the drafts of written agreements, contracts and MoUs before they are signed. Note that agreements for the provision of IUCN services of value to a company may be subject to tax and should be considered for how they could affect IUCN's charitable status.

- Appoint a relationship manager within IUCN. This is someone who has the responsibility and accountability for managing the ongoing relationship, overseeing work outlined in the agreement, ensuring quality of deliverables, arranging for independent monitoring and evaluation processes, reporting regularly to management, raising issues with management where relevant or needed, and proposing appropriate actions and responses to such issues. Provide him or her with adequate support including appropriate human and financial resources and necessary time allocation.
- Document best practices and lessons learned from the past to enhance knowledge management and minimize uncertainty for future engagements.

Further information	<p>IUCN, 2006. Using the IUCN logo http://www.iucn.org/kb/app/item/document/record.cfm?UID=4b7f02c6-5949-421d-a29f-1a76b69ed124).</p> <p>IUCN, 2003. IUCN Operational Guidelines for Projects and Donor Contracts http://www.iucn.org/kb/app/item/document/record.cfm?UID=43E7BAED-E319-4409-8D1A-2E54DBB20EC1).</p> <p>IUCN, 2003. IUCN Project Review Guidelines http://www.iucn.org/kb/app/item/document/record.cfm?UID=E0A2937C-54D4-4998-8D3B-3B7EF6893FAE).</p> <p>Giuseppe Zaccagnini, 2005. "Is it a contract or an MOU?" http://www.iucn.org/webfiles/doc/Legal/IS_IT_AN_MOU_OR_A_CONTRACT_LOW_QUALITY.ppt#4).</p> <p>Giuseppe Zaccagnini, 2005. <i>Model MOU</i> http://www.iucn.org/kb/app/item/document/record.cfm?UID=6A5EBE02-EC7F-4BED-B107-74A94EB22F9A).</p>
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Module**8****Use of logo and name****A. Intent**

To set out when and under what conditions the IUCN logo and name can be used, and the process for seeking authority for its use.

Last reviewed on	05 April 2006
Contact	Business and Biodiversity Programme business@iucn.org +41 (0)22 999 0104
Supersedes	/
Key references and procedures	Statutes (Articles 20, 46, 71, 75, 78, 79) Regulations (Articles 65, 67, 78) Resolution 2.12 (Amman) IUCN Global Human Resource Policy (Articles 15.1, 15.5) IUCN Visual Identity Manual IUCN Logo Usage Manual (under development)
Tools	/

B. Context

The IUCN logo and name represent the credibility, trust and goodwill built up over almost 60 years of the Union's existence. Use of the IUCN logo/name is governed by a variety of Union statutes, regulations and resolutions, as well as operational policies in the form of the IUCN Visual Identity Manual. Use of the IUCN logo/name by entities outside the Union (i.e. Secretariat, members, Commissions, and Council) can sometimes be a sensitive issue inside the Union.

Private sector entities may wish to use the IUCN logo/name in communication activities, materials or products to publicise their association with IUCN. Where such use occurs, and the private sector entity itself does not have a good reputation or where their activities or products are associated with environmental and social concerns, IUCN's reputation could be damaged.

As long as logo use by a private sector entity relates to their activities with IUCN, and is carefully managed and monitored by IUCN, increased exposure of the logo and name through use by private sector entities can strengthen IUCN brand awareness. It is important to consider the issues of implied endorsement of products or services and the wider perspective of stakeholders.

Accountabilities and responsibilities

Any private sector entity wishing to use the IUCN logo and name must be referred to Global Communications at HQ by contacting logo@iucn.org.

Authority to use the logo and the category of use will be determined by Global Communications in consultation with the Business and Biodiversity Programme or other relevant Secretariat units.

Where use is deemed appropriate, a short agreement for the private sector entity to sign will then be provided to the main IUCN staff member managing the relationship.

A copy of the signed agreement must be returned to Global Communications at logo@iucn.org or by fax to +41 (0) 22 999 0020.

Each individual use of the name/logo (including the specific design layout that includes the logo), must thereafter be approved in writing by Global Communications prior to publication.

The private sector entity must send the layout to logo@iucn.org or the relationship manager.

C. Key points

Longer term partnerships

- Longer term partnerships mean a joint venture, initiative or partnership between the IUCN Secretariat and the private sector entity (with a signed legal contract or MoU) including one or more activities over a long period.
- Partners are recognized with the text “Partner of” above the IUCN logo.
- The IUCN logo can generally be used on all materials related to the domain of the partnership, as well as on corporate materials such as annual reports.
- The style and use of the logo must follow the rules in the IUCN Logo Usage Manual.
- Any joint or partner publication carrying an IUCN logo or other identification must contain a statement that indicates the content does not necessarily reflect the opinions or positions of IUCN - unless, of course, IUCN is a co-publisher, in which case there needs to be a statement about which organisation is responsible for which content.

Joint publications and short term projects

- Cases arise where there is an agreement between the IUCN Secretariat and the private sector entity for a short term project or to produce a specific publication (with a signed legal contract or MoU).
- These relationships are recognized with the text “In partnership with” above the IUCN logo.
- The IUCN logo can only be used on materials relating directly to the project or publication.
- The style and use of the logo must follow the rules in the IUCN Logo Usage Manual for this category.
- Any joint or partner publication carrying an IUCN logo or other identification must contain a statement that indicates the content does not necessarily reflect the opinions or positions of IUCN - unless, of course, IUCN is a co-publisher, in which case there needs to be a statement about which organisation is responsible for which content.

A. Intent

To provide guidelines for soliciting resources (i.e. cash or in-kind support) from private sector entities in ways which promote mutually beneficial relationships and protect the IUCN name and image.

Last reviewed on	05 April 2006
Contact	Conservation Finance and Donor Relations email@iucn.org +41 (0) 22 999 0206
Supersedes	/
Key references and procedures	1974 Guidelines for funding of IUCN activities by commercial interests 1993 Corporate donations guidelines comment 902:the 1974 and 1993
Tools	/

B. Context

IUCN welcomes corporate support for its work, but must also protect its image and name (→ module 8).

Conservation organisations that collaborate with business can sometimes be viewed as having compromised their principles in exchange for cash or in-kind contributions. IUCN assesses risks and undertakes due diligence when a transfer of resources is concerned (→ module 5).

Conservation organisations are sometimes viewed as being inexperienced and self-serving when discussing possible cooperation with the private sector. Therefore, a more informed and skilful approach is needed.

Accountabilities and responsibilities

Perform the necessary due diligence before approaching a private sector entity (→ module 5).

Develop a private sector sponsorship proposal.

Follow established IUCN procedures for a legal review and approval of the drafts of written agreements, contracts and MoUs before they are signed.

Retain the right to publicly comment on a private sector entity’s policies and performance when engaging in a financial or gift-in-kind transaction.

When agreeing to use the IUCN name and logo, follow the name and logo usage guidelines (→ module 8).

C. Key points

Support from the private sector typically comes as cash or in-kind donations, or fees for services rendered. Any exchange of resources, especially those involving cash support, should be approached with caution.

In case of fee for service, funds should be received on cost recovery basis with a commitment to return any unspent funds to the private sector entity providing the funds. For unrestricted corporate givings, conditions of grants may be determined on a case-by-case basis, in consultation with IUCN's Conservation Finance and Donor Relations Unit.

Cash transactions	are typically structured as licensing, restricted or unrestricted donations, sponsorship, or fees for services rendered.
Licensing	involves an exchange of cash in the form of a royalty paid for each unit of a product sold in exchange for the right to use the IUCN name and logo on the product.
Sponsorship	traditionally has been focused around specific events, often sporting, but a similar model can be used to solicit funds for IUCN programme work.
In-kind support	is a donation that does not involve a direct exchange of cash. Such support can include products (e.g. office equipment) or services (e.g. staff time and expertise).

Steps to help solicit resources for IUCN's work from the private sector

A. Common to all relationships

1. Due diligence	Perform in advance the necessary due diligence to ensure target sponsor would be an appropriate entity from which to receive funding or in-kind support (→ module 5).
2. Research	Perform the necessary research to develop a well-targeted sponsorship proposal (→ module 6). Consider balance of resources offered with the workload of maintaining the MoU partnership. Will it require extensive use of science and technical staff and/or fundraising staff? Ensure full cost recovery. Avoid underselling and subsidising.
3. IUCN's niche and value added	What does IUCN have to "sell" or offer to the potential sponsor? (→ module 1 and module 6).

B. Sponsorships and donations

4. Take inventory	<p>Access to an event or project site (e.g. tickets, tours, speaking slots or booths at an event).</p> <p>Publicity – private sector entity’s name and logo on collateral material such as posters, flyers, brochures, table tents, banners, or websites.</p> <p>Media exposure (i.e. TV, radio, print, billboards).</p> <p>Exposure at retail outlets.</p>
5. Develop your media and retail partner	<p>Approach media and retail partners to solidify the sponsorship offering. Treat them as any other potential sponsor. Be sure to have a good ‘business case’ developed and clearly articulate the benefits of the proposed collaboration.</p> <p>Potential benefits to a media or retail partner include: enhanced brand image, strengthened customer and supplier relationships, higher employee satisfaction and retention.</p>
6. Develop the sponsorship proposal	<p>Once the elements of the sponsorship package are secured, develop the marketing materials to communicate the needs from and the benefits to potential sponsors.</p> <p>Have several communication tools prepared and on-hand (e.g. a fast facts sheet of 1-2 pages, a more in-depth proposal outlining the offering, a general IUCN corporate communications brochure to help educate your potential sponsor).</p>
7. Meet	<p>Contact the potential sponsor to arrange a face-to-face meeting (→ module 6). Consider conducting site visits (field visits, expeditions, or tours).</p>
8. Be creative	<p>Share with the potential sponsor IUCN’s understanding of their business and their current concerns.</p> <p>Present unique ways to help the private sector entity reach their goals/solve their business challenges.</p> <p>Listen well and be prepared to adapt your offering to meet their needs.</p>
9. Close the deal	<p>Once common-ground has been found and a relationship has been established, suggest that the discussions be formalized through commitment on both sides to a mutually beneficial partnership.</p> <p>Work with the Finance, Legal, Communications, and Conservation Finance and Donor Relations departments to develop and sign the necessary documents to secure the sponsorship.</p>

10. Keep sponsors informed	<p>Work closely with the sponsor to implement the agreed-upon sponsorship benefits. Inquire whether the sponsor’s public relations department would like to work with IUCN’s communication team to develop a joint press release or media relations event to launch the partnership.</p> <p>Be sure to know how involved your sponsor wants to be in the development of the various promotional and communication materials. Some sponsors will want to be much more involved than others and will want sign-off authority on any and all documents where their corporate logo will appear. Know their internal guidelines and procedures for logo and name usage, time needed for approvals, etc. Work this into plans so there are no missed deadlines or misunderstandings from either side.</p>
11. Post-event sponsorship maintenance and renewal	<p>To keep a current donor satisfied is easier than to bring in new donors. A satisfied donor can be renewed or upgraded quicker than a new prospect can be developed into an actual donor.</p> <p>Balance resources offered with workload of maintaining the MoU partnership.</p> <p>Send updates to the sponsor to let them know the progress of a project or the outcome of a particular event. Consider conducting site visits. Recap the results of the work and the benefits they have received from the sponsorship.</p>
12. Thanks	Thank the private sector entity for its support.

Module
10

IUCN’s own corporate social responsibility – Private sector engagement through the supply chain

A. Intent

To outline the concept of corporate social responsibility and how it relates to IUCN’s engagement with the private sector.

Last reviewed on	05 April 2006
Contact	Global Strategies csr@iucn.org +41 (0) 22 999 0250
Supersedes	/
Key references and procedures	Performance Assessment and Reporting Framework (2006) Publishing Guidelines (2005) Resolution 19.10 – The use of “Environmentally Appropriate” Paper by IUCN (1994) Report of the Director General on the Work of the Union since the 2nd IUCN World Conservation Congress, Amman, 2000 (2004)
Tools	✘ GRI ✘ Policies

B. Context

Corporate Social Responsibility (CSR)^{ix} expectations are increasingly including the not-for-profit sector. For IUCN, this implies aligning policy discourse with the way it carries its own day to day operations (“walking the talk”). Like any other organisation, IUCN interacts with numerous private sector companies through its own supply chain (e.g. through procurement, financial services including pension funds, outsourcing, travel, and logistics). This engagement can be actively managed so as to align with the Private Sector Strategy and address the Secretariat’s own ecological impacts. It also helps develop IUCN’s technical capacity (e.g. in terms of sustainability reporting and Environmental Management Systems) which, in turn, helps IUCN to better influence the private sector.

^{ix} Corporate Social Responsibility (CSR), also known as corporate responsibility, is a term which “generally refers to a collection of policies and practices linked to relationship with key stakeholders, values, compliance with legal requirements, and respect for people, communities and the environment. It is the commitment of business to contribute to sustainable development to improve quality of life of stakeholders” (World Bank Institute, 2003).

Ultimately, substantive project engagement (as outlined in the Private Sector Strategy), philanthropic engagement (→ module 9) and engagement through the supply chain (this module) should be aligned.

IUCN has begun addressing its environmental impacts through a series of initiatives. By adhering to the Global Reporting Initiative (GRI) ‘Organisational Stakeholder’ in 2004, IUCN has committed itself to “in principle, prepare a publicly-available sustainability report informed by the GRI Guidelines”^x.

Accountabilities and responsibilities

For each office, map supply chain and determine priority engagements.

Develop, implement and maintain procurement policies. Inform Global Strategies.

Raise staff awareness.

Report progress on CSR in IUCN’s annual report.

C. Key points

- IUCN staff engage ‘passively’ with private sector companies on a daily basis. Such engagements present some of the same opportunities and risks associated with ‘active’ private sector engagements. As CSR expectations gradually shift onto the non-profit sector, organisations such as IUCN are increasingly expected to explicitly manage these engagements.
- Failing to align project, philanthropic and procurement procedures opens the door to accusations of double standards – this creates operational risks for the organisation. It is also a missed opportunity to show leadership and further develop staff technical competencies.
- In order to assess risks and opportunities, offices can perform a basic ‘mapping’ of existing suppliers (e.g. general office supplies; printing; travel; financial services, including pension fund provision, other service providers).
- Identify risks (→ module 5) with main suppliers and identify possibilities for improving environmental practice of a given supplier (e.g. encouraging a printer to switch to FSC paper) or for switching supplier, or purchase sustainable certified food products for cafeteria consumption and during events.
- Learn from members’ supply chain work and from companies who have already done this.

x See <http://www.globalreporting.org/governance/OS/ben&com.asp>. IUCN 2004 Annual Report: “The World Conservation Union is tackling its own ecological footprint and corporate responsibility. It has joined the Global Reporting Initiative (GRI) – which develops sustainability reporting guidelines – and has started collecting data on current practices from paper use to carbon dioxide emissions. This will lead to the implementation of best environmental and social practices in all of our operations” (IUCN, 2005. Forging Linkages, An Assessment of Progress 2004 http://www.iucn.org/en/about/annual_report/iucn_report_2004.pdf)

- Depending on markets and other practical issues, the ability to influence behaviour will vary.
- Staff can learn from the experience and lessons learned of other non profits, including members.
- Consider developing a 'green office' manual to help colleagues select appropriate suppliers adapted to local circumstances.

Feed this information to Global Strategies.

At the global level, IUCN will report on CSR progress in its annual sustainability report (✕ GRI) and will highlight efforts undertaken throughout the Secretariat.

Glossary and Acronyms

Component programmes: includes national, regional and global thematic programmes and Commissions.

Formal engagement: an arrangement which includes some form of written agreement.

Large Footprint Industries: industries whose core business has a significant negative environmental impact on biodiversity conservation.

Licensing: a commercial operation where in exchange for a fee, permission is given for use of name, logo or copyright for commercial purposes.

Marketing: the management process responsible for identifying, anticipating and satisfying customer requirements profitably.

Neutral Company/Sector: one whose core business has no significant impact on biodiversity conservation.

Philanthropy: financial donations with minimal conditions attached.

Private Sector: In the Private Sector Strategy, the private sector is broadly defined to include commercial enterprise of any size, in any country, whether privately held, 'publicly quoted', wholly or majority owned by the state or by local communities. It covers both legally registered (formal) and unregistered (informal) enterprise, the latter including most family farms and a large proportion of small-scale trade and industry in the developing world. For the purpose of these guidelines, engagement with the private sector will also include work with related organisations such as industry associations, consumer and investor groups or labour unions. In these guidelines, the terms business and private sector are used interchangeably.

Sensitive Issue: an issue or a company/sector which is subject to an advocacy campaign; is high profile; controversial; or otherwise likely to attract attention.

Significant Engagement: an engagement with a high profile company; or a high profile issue; and involving significant exchange of resources that make up more than 10% of the annual budget of the relevant IUCN component programme.

Acronyms

CSR	Corporate Social Responsibility
EMS	Environmental Management System
GRI	Global Reporting Initiative
IUCN	The World Conservation Union
MoU	Memorandum of Understanding
NGO	Non-Governmental Organisation

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