

**The World Conservation Union (IUCN)
OPERATIONAL GUIDELINES FOR PRIVATE
SECTOR ENGAGEMENT**

Draft, January 2006

*** DRAFT FOR PUBLIC CONSULTATION ***
Please send comments and suggestions to
jheap@sunrise.ch by 3 March 2006

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 Organization
NPO	Not-for-Profit Organisation

Note on version 1 of the Guidelines
Consultation open from 1 February to 3rd March 2006

In 2004, drawing on its diverse experience, IUCN developed a Strategy for Enhancing IUCN Interaction with the Private Sector¹ which seeks to provide an overall framework for collaboration with business.

Resolutions 3.060 and 3.061, passed at the IUCN Third World Conservation Congress (Bangkok, November 2004) provided further direction on IUCN's private sector engagement, including a request that guidelines be developed².

The current draft 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 in August-December 2005³.

Suggestions are welcome and should be addressed before 3 March 2006 to jheap@sunrise.ch. A revised version of the Guidelines will be prepared for the 65th meeting of Council (22-24 May).

¹ www.iucn.org/themes/business/Docs/PrivateSectorStrategy_31%20March%2004.pdf

² Paragraph 3 of Resolution 3.060 "URGES the IUCN Council to explore and adopt (...) guidelines for engaging with the private sector (...)" ; Paragraph 1 of Resolution 3.061 "CALLS on the IUCN Director General to initiate an open and participatory process to (...) develop guidelines to guide further dialogue, partnership agreements and other interactions with the private sector" ; Paragraph 3 of Resolution 3.061 "NOTES THAT priority should be given to (...) elaborating guidelines with respect to: (a) transparency through ensuring public access to information; and (b) participation of all stakeholders, especially vulnerable groups, in dialogues with the private sector" ; Paragraph 4 of Resolution 3.061 "RECOMMENDS the IUCN Director General to promote the principle of Free Prior and Informed Consent (...) in all formal dialogues and interactions between the private sector and the IUCN Secretariat, Council, and Commissions". Please visit iucn.org/congress/members/submitted_motions.htm for the full text of the Resolutions.

³ www.iucn.org/themes/business/Secretariat/Guidelines/JHeap_Survey_Final_Dec05.pdf

Background

- The Operational Guidelines for Private Sector Engagement (“the Guidelines”) build on the findings and recommendations of a survey⁴ of existing guidelines for not-for-profit / private sector interaction carried out in August-December 2005.
- 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 handled⁵.
- The Guidelines were developed to assist IUCN Secretariat staff and Commission members worldwide with the implementation of the Private Sector Strategy⁶. Most of the listed accountabilities and responsibilities, however, are addressed at Secretariat staff.
- The Guidelines respond to a request made in World Conservation Congress Resolutions 3.060 and 3.061 (Bangkok, November 2004).
- Several online companion tools are also being prepared (see list below).
- During 2006, the IUCN Secretariat is scheduled to compile a series of products which will have a significant bearing on the present Guidelines. Particular attention will be given to aligning the Guidelines with the forthcoming Global Operations Manual, the Performance Assessment and Reporting Framework, the Visual Identity Manual, and the Fundraising Guidelines⁷.
- This document and other private sector engagement materials are posted online at www.iucn.org/business.
- This is intended as a ‘living’ document. Comments and suggestions are welcome and should be addressed to business@iucn.org [during the February-March 2006 public consultation, please forward comments to jheap@sunrise.ch].

How this document is organised

The Guidelines are divided into 10 modules, as follows⁸:

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 Your Objectives
4	Prioritizing engagement – Identifying companies
5	Managing risk – Due diligence processes
6	Planning and making an approach – Understanding the drivers
7	Building, formalizing, 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

List of tools available online

✂ 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 (C-H-A-R-M-S): 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.
✂ GRI	The Global Reporting Initiative provides an international standard for sustainability reporting.

⁴ www.iucn.org/themes/business/Secretariat/Guidelines/JHeap_Survey_Final_Dec05.pdf

⁵ Following the terminology used in the forthcoming Global Operations Manual.

⁶ IUCN, 2004. *A Strategy for Enhancing IUCN Interaction with the Private Sector*. Available online at www.iucn.org/themes/business/Docs/PrivateSectorStrategy_31%20March%2004.pdf

⁷ Note: check references.



⁸ Note: represent in stepwise / flow diagram.

MODULE 1

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.

Last reviewed on	19 Jan 2006
Contact	Business and Biodiversity Programme business@iucn.org +41 (0)22 999 104
Supersedes	Executive Summary, Private Sector Strategy (2004)
Key references and procedures ⁹	Strategy for Enhancing IUCN's Interaction with the Private Sector (approved by Council in March 2004) ¹⁰ Member Resolutions 1.81, 3.060, 3.061 Council Decisions C/58/41, C/60/58
Tools	 Database  Policies

B. Context

- IUCN, acting on a clear mandate from its membership, is developing links with businesses in order to better deliver its mission. The Strategy is to mobilise the private sector and the conservation community to engage with one another to deliver conservation results.
- There are growing opportunities for IUCN to harness the power of the private sector to help deliver its Programme. IUCN also needs to understand and advocate appropriate reforms of public policy and law to ensure that business and markets further support nature conservation.
- Changes in corporate behaviour have been induced by the growing expectations of consumers, investors, governments and NGOs. Increasing public awareness has prompted leading companies to engage with NGOs and to build relationships with civil society.
- There are many ways for conservation organizations to engage with the private sector ranging from activism and advocacy, to cooperation on projects and programmes, to establishing partnerships and financial relationships.
- The changing context also places pressure on NGOs and governments to demonstrate their social and environmental responsibilities (→ module 10).

Accountabilities and responsibilities

Ensure familiarity with the Private Sector Strategy

Internalise the concepts of these Guidelines and apply to each engagement

C. Key points

<i>Private Sector</i>	any commercial enterprise, formal or informal, and related organisations such as industry associations, consumer and investor groups.
<i>Engagement</i>	includes any substantive interaction between IUCN and the private sector which seeks to influence the behaviour of business in ways that contribute to the IUCN Mission. There are many ways for conservation organizations to engage with the private sector ranging from activism and advocacy, to cooperation on projects and programmes, to establishing partnerships and financial relationships.
<i>IUCN's experience and niche</i>	<ul style="list-style-type: none"> • Membership of states, government agencies and non-governmental organizations; • Global networks of environmental scientists, policy-makers and practitioners; • Capacity to convene and build consensus among diverse stakeholder groups; • Scientific credibility in protected areas and ecosystem management, species in-

⁹ Note: throughout, check references.

¹⁰ The Strategy for Enhancing IUCN's Interaction with the Private Sector (available online at 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".

	<ul style="list-style-type: none"> • formation and biodiversity assessment, and natural resource policy; • Ability to link conservation practice with national and international policy; and • Emerging expertise on the economic and social dimensions of conservation.
<i>Vision statement</i>	"A sustainable global economy in which businesses are committed and effective partners in achieving a just world that values and conserves nature."
<i>Goals of the Strategy</i>	<p>A conservation community that is well informed about market mechanisms and understands their potential and limitations to achieve biodiversity conservation -- IUCN will build capacity of its global networks to influence markets so that they support biodiversity, through economic policy reform, new business development, consumer and investor information campaigns, and other means, many of which remain under-developed.</p> <p>A more accountable private sector which contributes to sustainable development including conservation and social equity -- IUCN will reinforce work of governments and civil society to improve business performance on social and environmental grounds. IUCN can help develop guidelines and standards for socially-responsible investment and corporate biodiversity management.</p> <p>Effective dialogue and collaboration between IUCN and the private sector which helps to achieve conservation through, and alongside, sustainable development -- IUCN has an established record as a convener and facilitator of platforms for dialogue; IUCN can help bridge the communication gap between business and the conservation community by convening multi-stakeholder processes where industry and other groups can come together.</p>
<i>Capacity and added value of IUCN</i>	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 Global Programme and the related work of the membership. IUCN will reinforce its own capacity to engage with business by seeking input from and joining forces with other informed stakeholders.
<i>Risk to IUCN's credibility</i>	<p>As the credibility of IUCN is one of the main attractions to business, measures will be put in place to ensure that IUCN's credibility is not lost or tarnished through engagement.</p> <p>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. For each initiative, IUCN should adopt a pro-active approach 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.</p>

The priority is to engage business sectors in which change is most important and urgent, due to the scale of their negative impacts on the environment and social equity. Target businesses are likely to fall in one of the following broad categories:

Biodiversity dependent industries	e.g. agriculture, forestry, fisheries, aquaculture etc
Large footprint industries	e.g. extractive industries (mining, oil and gas, cement), construction, infrastructure, energy etc.
Biodiversity finance	e.g. commercial banks, development banks, financial services, insurance and reinsurance companies, SRI community etc
Green enterprise	e.g. renewable energy, organic agriculture, low impact logging, nature based tourism, ethical trade, etc

*The Principles of Engagement*¹¹

Relevant...	to the IUCN vision and mission.
Consistent...	with the official policy of IUCN.
Responsive...	to the aspirations of the membership and other stakeholders.
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...	the principle of Free Prior and Informed Consent ¹²
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.

Implementation

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

Q&A Section

¹¹ This is a proposed revision of the original list of 9 Principles included in the Private Sector Strategy. For more information, visit www.iucn.org/themes/business/Secretariat/principles.htm.

¹² This proposed additional principle, is based on Paragraph 4 of Resolution 3.061 which "RECOMMENDS the IUCN Director General to promote the principle of Free Prior and Informed Consent (...) in all formal dialogues and interactions between the private sector and the IUCN Secretariat, Council, and Commissions".

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MODULE 2

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.

Last reviewed on	16 Jan 2006
Contact	Business and Biodiversity Programme business@iucn.org +41 (0)22 999 104
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 (currently under development) Project Appraisal System (PAS) Annual reporting Policy
Tools	

B. Context

- IUCN interaction with the private sector may be substantive – *i.e.* aimed at mainstreaming conservation in businesses -- or it may be for raising funds (→ module 9), either for the IUCN Programme or for financing nature conservation in general.
- The process for approval of engagement(s) with business needs to be prompt and empowering, as well as transparent 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 often entails 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 organization.

Accountabilities and responsibilities

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

Appoint a relationship manager.

Prepare and keep on record the summary of the due diligence and risk assessment outcome.

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

- In the context of the Secretariat, the authority for engagement with the private sector rests with the Director General. The matrix below specifies the Director General's delegation of authority to the line 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 rests with the 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 website (✕ 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

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 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 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 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.
Sponsorships of IUCN events and meetings	Approval of collaboration, signing of contracts and receipt of funds	Director Global Programme, Director Global Strategies and Regional Directors	According to existing delegation of financial authority.
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 IUCN 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 and Regional Directors	According to existing delegation of financial authority.

MODULE 3

Setting your objectives

A. INTENT

To give an overview of when and how the private sector might be engaged to help deliver the IUCN's priorities.

Last reviewed on	16 Jan 2006
Contact	Business and Biodiversity Programme business@iucn.org +41 (0)22 999 104
Supersedes	/
Key references and procedures	IUCN Project Planning and Review procedures (currently under development)
Tools	✳ Policies

B. Context – why engage?

To deliver the IUCN Programme and Mission.	<ul style="list-style-type: none"> • Recognition that the private sector is a critical force in shaping the world we live in and how biodiversity is used and conserved. • The lack of sufficient progress over the last 50 years of primarily of governments and civil society working together calls for involving the productive sector. • Engagement should support both the IUCN Programme and the related work of the membership but can also be innovative in exploring breaking new ground.
To build capacity	Developing guidelines and training material, upgrading skills, and strengthening policies, laws and institutions for improved corporate environmental management.
To develop and share knowledge	Developing case studies, and providing technical services and advice to individual companies 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 collaboration 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.
Agree, at the outset, with the potential business partners, a set of performance milestones in relation to the results and objectives intended to be achieved.
Ensure that progress against the performance milestones is regularly assessed and reported in a transparent manner.
Seek complementarity with the efforts of IUCN members and Commissions in a given area of engagement, with a view to draw on their interest, 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, seek and respect their views. Recognize that IUCN state members also have stakes in the organization and its work.
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

C. Key points

Setting of objectives

- Setting clear objectives and time bound deliverables is crucial to ensuring a smooth collaboration and retaining the support of broader IUCN constituency.
- The definition of overall purpose and specific objectives will be guided by the prospects of achieving IUCN Programme objectives and results depending on the scope of an engagement as well 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 progress to inform the engagement itself and the IUCN constituency.

Developing a plan

- Additional factors of the specific objective(s) of an engagement are: the capacity required for it, the prospects for success, the efficacy of the effort, and the realization of results under the given conditions of needs, resources and time.
- Risk for IUCN image and credibility is magnified 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 environment is increasingly becoming an imperative of staying in business (~~✗~~ Business case), and an engagement is more likely to succeed when it addresses a business driver.
- A relationship manager / focal point should be appointed.

MODULE 4

Prioritising - Identifying companies for engagement

A. Intent

To set out processes to prioritise engagement with the private sector and identify appropriate companies to engage with.

Last reviewed on	16 Jan 2006
Contact	Business and Biodiversity Programme business@iucn.org +41 (0)22 999 104
Supersedes	/
Key references and procedures	/
Tools	✳ Database

B. Context

- The requirement is to work with companies on issues that will deliver IUCN's mission and Programme. Potential private sector engagements must be screened against IUCN's Principles for Engagement (→ module 1) and a due diligence processes (→ module 5).
- Existing standards and processes of Corporate Social Responsibility or a commitment to certified supplies of key business inputs can be used to identify firms that are serious about improving their performance.

Accountabilities and responsibilities

Select companies through whom IUCN can enhance delivery of the IUCN mission and Programme.

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

Document the prioritisation process.

C. Key points

- Give priority to...
- 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 where there is 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 cases where appropriate
(2) Innovative	developing and testing new approaches or new partners
(3) Replicable	to others to multiply the successes across the business sectors and other parts of IUCN

- The choice of a company 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	16 Jan 2006
Contact	Business and Biodiversity Programme business@iucn.org +41 (0)22 999 104
Supersedes	/
Key references and procedures	Funding and communications policies Finance and project management
Tools	/

B. Context

- All potential engagements should be subjected to risk assessment and due diligence¹³ in order to determine a company's appropriateness for engagement and the form any engagement should take.
- This helps identify threats, problems or abnormal circumstances before engagement and 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:

<i>Step 1</i>	<i>Step 2</i>	<i>Step 3</i>
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.

- The more risks associated with a particular engagement, the more management time and effort is needed -- 'high risk' engagement activities should have higher levels of opportunities associated with them.
- The main risks of engaging with business are financial loss, damage to the reputation of IUCN, and the potential drain on management resources if things go wrong.
- Documenting this process is important to assist management decision making and for subsequent review and updating.

Accountabilities and responsibilities	
Notification	Seek prior approval and report all transactions that involve a transfer of significant resources 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 ¹⁴ . Include, as a minimum, web search and internal consultation. Full due diligence includes consultation with members and other key organisations, and buying in services from specialised due diligence research companies. Document these processes / findings.
Risk Management	Ensure transparency, inclusivity, open communication, ongoing monitoring of stakeholder views, and independent verification of achievements are built into relationship management processes.

C. Key points

Preliminary Due Diligence	Full Due Diligence
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	A full due diligence is part of the trust building process and is one where a company should be encouraged to provide whatever information IUCN requires to satisfy itself of the

¹³ 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.

¹⁴ 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.

<p>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>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>
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Gathering information for Step 1

- Basic information about the company (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 company and subsidiaries);
- Information about public commitments on the environment and sustainable development;
- Assessment of the seriousness with which environmental issues are taken in the company (e.g. the level of responsibility for environmental performance and biodiversity in particular);
- Commitment to external processes and standards (e.g. involvement in recognised processes aimed at raising corporate standards);
- Reputation and presence in the media (e.g. the company's media coverage, as well as coverage of its subsidiaries and of the sector as a whole);
- Sensitivity among the membership (e.g. sectors or companies which members have expressed concerns or issues about in the past or are likely to have issue with).
- Track record on local community involvement. Local community views 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.

Step 2 -- Managing Risk

Once risks have been identified they can be managed. Such management may range from deciding not to engage through to defining pre-conditions for engagement. Measures that contribute to effective risk management include transparency, inclusivity, open communications, and ongoing monitoring and external verification.


<p>Transparency</p>	<p>IUCN is strongly 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 company is in public view regarding their commitments and actions.</p> <p>IUCN will publicly disclose the existence and nature of, and lessons learnt from, its relations with the private sector (and with other organisations) on activities related to the IUCN Programme.</p>
<p>Inclusiveness</p>	<p>A common criticism is that collaboration with business often excludes weak or vulnerable stakeholders, such as impoverished communities, indigenous peoples, or small NGOs that lack the resources to engage on their own. Therefore: IUCN and its partners (including business as well as other organisations) will work to ensure that their partnerships are inclusive and address a range of stakeholder concerns.</p>
<p>Clear Communications</p>	<p>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. IUCN also reserves the right to publicly communicate any concerns about any issues with those companies it engages with, subject to prior notice and discussion with the company / party concerned.</p>
<p>Ongoing Monitoring and Independent Verification</p>	<p>IUCN will assess the potential risks of engagement (and continuing engagement) on a regular basis. Where deemed necessary, but particularly in high profile and high-risk engagements, independent verification will be used.</p>

MODULE 6

Planning and making an approach – Understanding the drivers

A. INTENT

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

Last reviewed on	11 Jan 06
Contact	Business and Biodiversity Programme business@iucn.org +41 (0)22 999 104
Supersedes	/
Key references and procedures	Fundraising strategy (under development) Guidelines for an improved fundraising system
Tools	 Business case

B. CONTEXT

- An approach to a company 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 companies the easiest point of entry may be with social and environmental specialists who are familiar with conservation organizations such as IUCN.
- 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 a company.

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

Look at the proposal from the private sector perspective	Identify what it is that motivates the individual within the company or industry group to engage with IUCN. How will the company 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.
Be able to explain what is unique about IUCN	Differentiate IUCN from other organizations that may have approached the company 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.
Identify the needs of the company and how best IUCN may address such needs	What is your unique selling proposition? Why should the company choose IUCN rather than some other organisation?
Determine how best to communicate your message	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.
Be succinct, listen carefully, and get your	Generally first approach meetings should not last more than an hour. Be sure to be clear on your message – why you are approaching the company, what you think is the benefit to them of working with you, and what specifically you are proposing. Listen

message across clearly	carefully to understand their drivers (they may be different from what you had identified), their values, and their reception of your proposal, and 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.
Be consistent but innovative	Know what it is that 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 company 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, xx. Communications Toolkit (www.iucn.org/kb/app/item/document/record.cfm?UID=CFC84B2B-2FC5-40A6-BA68-A3100F2F4C76).</p> <p>IUCN, 2005. Positioning IUCN – the Octagon (XXX).</p> <p>IUCN, 2004. The IUCN Programme 2005-2008 (www.iucn.org/kb/app/item/document/record.cfm?UID=9EA59E2B-FECC-4646-A2D5-3E33E77C5952).</p>

MODULE 7

Building, formalizing, managing and sustaining relationships

A. INTENT

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

Last reviewed on	16 Jan 2006
Contact	Business and Biodiversity Programme business@iucn.org +41 (0)22 999 104
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 “get to know you” period which can take weeks or months, but should be focused on established a mutual understanding of what can be done through the engagement and a clear path ahead. 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 in instances where there is a transfer of resources.
- Whether a formal or informal relationship is established, 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 formalizing the relationship (→ module 1).
Follow sign-off procedures for agreements and funding arrangements
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 with consequences (*i.e.* a contract) or a non-legally binding agreement without consequences (*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, arrangements for independent monitoring and evaluation, a clear timeline with milestones, and a termination clause.
- Take IUCN member and partner issues/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).
- 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.
- Have the IUCN Legal Adviser (or a local lawyer with the IUCN Legal Adviser approval to do so) review written agreements, contracts and MoUs.
- 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.

<p>Further information</p>	<p>IUCN, xx. <i>How We Communicate</i> manual on use of the IUCN logo (www.iucn.org/kb/app/item/document/record.cfm?UID=4BA3D9EF-F340-498D-8227-62F012D07274).</p> <p>IUCN, xx. IUCN Operational Guidelines for Projects and Donor Contracts (www.iucn.org/kb/app/item/document/record.cfm?UID=43E7BAED-E319-4409-8D1A-2E54DBB20EC1).</p> <p>IUCN, xx. IUCN Project Review Guidelines (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?" (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> (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 that.

Last reviewed on	19 Jan 2006
Contact	IUCN Logo Helpdesk logo@iucn.org +41 (0)22 999 0201
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 (currently 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.
- Companies may wish to use the IUCN logo/name in communication activities, materials or products to publicize their association with IUCN. Where such use occurs, and the company 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 company relates to their activities with IUCN, and is carefully controlled and monitored by IUCN, increased exposure of the logo and name through use by companies can strengthen IUCN brand awareness.

Accountabilities and responsibilities
Any company 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.
A short agreement for the company 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 +41-22-999 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 company must send the layout to logo@iucn.org or the relationship manager.

C. Key points

<p>Partners</p>	<ul style="list-style-type: none"> • For cases where there is a long term joint venture, initiative or partnership between the IUCN Secretariat and the company (with a signed legal contract or MOU). • 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.
<p>Joint Publications and Projects</p>	<ul style="list-style-type: none"> • For cases where there is an agreement between the IUCN Secretariat and the company for a short term project or to produce a specific publication (with a signed legal contract or MoU). • 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.

MODULE 9

Soliciting resources

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	27 Jan 2006
Contact	Conservation Finance and Donor Relations email@iucn.org +41(0) 22 999 0XXX
Supersedes	1974 Guidelines for funding of IUCN activities by commercial interests 1993 Corporate donations guidelines
Key references and procedures	/
Tools	/

B. Context

- IUCN welcomes corporate support for its work, but must also protect its image and name (→ module 8).
- Conservation organizations 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 thorough due diligence processes when a transfer of resources is concerned (→ module 5).
- Conservation organizations are sometimes viewed as being inexperienced and self-serving when discussing possible cooperation with the private sector.-- guidelines are needed to approach companies such that mutually beneficial relationships are developed.

Accountabilities and responsibilities

Perform the necessary due diligence before approaching a company (→ module 5).

Develop a private sector sponsorship proposal.

Have the IUCN Legal Adviser (or a local lawyer with the IUCN Legal Adviser's approval to do so) review written agreements, contracts and MoUs.

Be sure to retain the right to publicly comment on a company's policies and performance when engaging in a financial or gift-in-kind transaction.

When granting the IUCN name and logo be sure to 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.
- Any exchange of resources, especially those involving cash support, should be approached with caution.

Cash transactions	are typically structured as licensing or sponsorship.
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).

11 steps to help secure private sector support

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).
3. Take inventory	What does IUCN have to "sell" or offer to the potential sponsor? -- Consider: <ul style="list-style-type: none"> • Knowledge and expertise to help them solve their business challenges. • Access to an event or project site. (e.g. tickets, tours, speaking slots or booths at an event). • Publicity – company's name and logo on collateral material such as posters, flyers,

	<p>brochures, table tents, banners, or websites.</p> <ul style="list-style-type: none"> • Media exposure (<i>i.e.</i> TV, radio, print, billboards). • Exposure at retail outlets.
4. Develop your media and retail partners	<ul style="list-style-type: none"> • 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. • Potential benefits to a media or retail partner include: enhanced brand image, strengthened customer and supplier relationships, higher employee satisfaction and retention.
5. Develop the sponsorship proposal	<ul style="list-style-type: none"> • Once the elements of the sponsorship package are secured, develop the marketing materials to communicate the needs from and the benefits to potential sponsors. • Have several communication tools prepared and on-hand (<i>e.g.</i> 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).
6. Meet	<ul style="list-style-type: none"> • Contact the potential sponsor to arrange a face-to-face meeting (→ module 6).
7. Be creative	<ul style="list-style-type: none"> • Share with the potential sponsor IUCN's understanding of their business and their current concerns. • Present unique ways to help the company reach their goals/solve their business challenges. • Listen well and be prepared to adapt your offering to meet their needs.
8. Close the deal	<ul style="list-style-type: none"> • 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. • Work with the Finance, Legal, Communications, and Conservation Finance and Donor Relations departments to develop and sign the necessary documents to secure the sponsorship.
9. Keep sponsors informed	<ul style="list-style-type: none"> • 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. • 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.
10. Post-event sponsorship maintenance and renewal	<ul style="list-style-type: none"> • 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. • Send updates to the sponsor to let them know the progress of a project or the outcome of a particular event. Recap the results of the work and the benefits they have received from the sponsorship.
11. Thanks	<ul style="list-style-type: none"> • Thank the company 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	16 Jan 2006
Contact	Global Strategies csr@iucn.org +41 (0)22 999 2xx
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)¹⁵ expectations are increasingly shifting to 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 to better influence the private sector.
- 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 ad hoc initiatives.
- By adhering to the Global Reporting Initiative (GRI) 'Organizational Stakeholder' in 2004, IUCN has committed itself to "in principle, prepare a publicly-available sustainability report informed by the GRI Guidelines"¹⁶.
- This module will be regularly updated as IUCN develops its Corporate Social Responsibility activities – in particular, it will be aligned with the Performance Assessment and Reporting Framework currently under development.

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.

¹⁵ 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).

¹⁶ See 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 www.iucn.org/en/about/annual_report/iucn_report_2004.pdf).

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 (e.g. encouraging a printer to switch to FSC paper) of a given supplier or for switching supplier.
- 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 References (draft!)

Component programmes – include Commissions; national, regional and global thematic programmes

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

High Impact Company/Sector one whose core business has a significant impact on biodiversity conservation.

Licensing a commercial operation where in exchange for a fee a 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 *i.e.* funding only arrangements - financial donations with minimal conditions attaches

Private Sector: broadly defined as including commercial enterprise of any size, in any country, whether privately held, 'publicly quoted', wholly or majority owned by the state or by local communities.² 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. The IUCN strategy is also relevant to work with other related organizations such as industry associations, consumer and investor groups or labour unions.

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; on a high profile issue; involving significant exchange of resources.