

# **A SURVEY OF GUIDELINES FOR NOT-FOR-PROFIT / PRIVATE SECTOR INTERACTION**

*Results and Recommendations for IUCN's forthcoming  
Operational Guidelines for Private Sector Engagement*

Jenny Heap, December 2005



### **Disclaimer**

This report was prepared by an external consultant following a survey of private sector engagement guidelines used by IUCN member and partner organizations. It will be considered, along with other relevant background material, by the IUCN Secretariat when drafting its *Operational Guidelines for Private Sector Engagement*. The conclusions and recommendations presented in this report represent the views of the author and are not necessarily the views of IUCN Secretariat.

The Guidelines *per se* will, in due course, be posted online for public consultation at <http://iucn.org/business>. For more information, contact the IUCN Business and Biodiversity Programme ([business@iucn.org](mailto:business@iucn.org)).

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Many thanks are due to those individuals, from over 50 organizations, who contributed to this review by responding to the IUCN request for information and dialogue on their approach to engagement between environment organizations and the private sector.

## List of acronyms

CR	Corporate Responsibility
EMS	Environmental Management Systems
INGO	International Non-Governmental Organization
IO	Other International Organizations
IUCN	The World Conservation Union
MoU	Memorandum of Understanding
NGO	Non-Governmental Organization
NPO	Not-for-Profit Organisation
ToR	Terms of Reference

## EXECUTIVE SUMMARY

This report presents the findings of a review, undertaken in August/September 2005, of guidelines in use by IUCN's member organizations and main partners (including the private sector), relating to not-for-profit / private sector interactions. The purpose of the review is to contribute to the development of operational guidelines for IUCN Secretariat and Commissions, drawing on the examples provided by IUCN members.

Together with the IUCN Situation Analysis for enhancing IUCN Interaction with the private sector<sup>1</sup>, and the IUCN Strategy<sup>2</sup> which flowed from that, this review forms part of the basis for the development of such operational guidance.

The wider context for IUCN's engagement with the private sector is set by numerous member Resolutions/Recommendations and Council Decisions. The aim of developing IUCN operational guidelines is to further encourage engagement, whilst ensuring a principled approach through adherence to key principles (summarized in the box below), and appropriate due diligence to avoid risk to IUCN's reputation. This process is part of the follow-up to member Resolutions 3.060 and 3.061<sup>3</sup>. Based on the findings in this report, the Guidelines will be developed by IUCN Secretariat and posted online for public disclosure and comment.

### As set out in the IUCN Strategy for Enhancing IUCN's Interaction with the Private Sector, the 9 principles are:-

1. **Relevant** to the IUCN vision and mission. 2. **Consistent** with the official policy of IUCN. 3. **Responsive** to the aspirations of the membership. 4. **Empowering** of IUCN to implement the Global Programme and of IUCN members to conserve nature. 5. **Effective** and results-based with concrete outcomes that can be measured. 6. **Efficient** in the use of IUCN resources as compared to alternative actions. 7. **Transparent** in the sense of ensuring public access to information, while respecting individual privacy and institutional confidentiality, as appropriate. 8. **Participatory** in the sense of creating opportunities for involvement by affected stakeholders, especially vulnerable groups, while respecting legitimate decision-making mechanisms. 9. **Enhancing** the credibility and autonomy of IUCN.

Key aspects of these principles are underlined by the IUCN 3<sup>rd</sup> World Conservation Congress Resolutions 3.060 and 3.061, which, respectively, urge the IUCN Council to **adopt principles and guidelines for such future interactions**.

### The Review Process

Inputs were made by over 50 organizations who responded to IUCN's request for input. Of these, 36 were IUCN members (not-for-profit organizations) comprising 34 non-governmental organizations and two government agencies). 17 were IUCN private sector partners and contacts and, a further two were non-member international organizations with environment and humanitarian remits. Further information was sought from one third of those who responded, ensuring these represented a cross-section of the responses, to provide more detail of current approaches to engagement between not-for-profit organizations (NPOs) and the private sector, and guidance for this.

### Key Findings

Within the 34 non-governmental organizations (NGOs), it was found that 88% currently engage with the private sector. Of those who did not regularly, a number expressed their need to start engaging and, others, to increase levels of engagement. Of those who engaged, over 84% had some form of guidance and over 56% had written guidance. Both of the IUCN government agency members who responded engaged and had written operational guidance, as did the two non-member international organizations. For the private sector, the figures were 100% engaging with NPOs; 59 % with guidance and 47% with written guidance. Similar processes for managing engagement occurred throughout the sectors sampled.

The private sector organizations sampled in this review were at a similar stage to NPOs in formalizing approaches and systems in relation to engagement with NPOs. A major issue for them was also managing risk, and opportunity, through engagement. Humanitarian and environmental other international organizations were facing similar challenges and undertaking similar processes.

<sup>1</sup> A Situation Analysis for Enhancing IUCN's Interaction with the Private Sector. November 2003 ([http://iucn.org/themes/business/Docs/PSS\\_SituationAnalysis\\_26Nov03.pdf](http://iucn.org/themes/business/Docs/PSS_SituationAnalysis_26Nov03.pdf)).

<sup>2</sup> The Strategy for Enhancing IUCN's Interaction with the Private Sector, approved by Council in 2004 ([http://iucn.org/themes/business/Docs/PrivateSectorStrategy\\_31%20March%2004.pdf](http://iucn.org/themes/business/Docs/PrivateSectorStrategy_31%20March%2004.pdf)).

<sup>3</sup> [http://iucn.org/congress/members/Individual\\_Res\\_Rec\\_Eng/WCC3%20RES%20060%20Influencing%20private%20sector%20actions%20in%20favour.pdf](http://iucn.org/congress/members/Individual_Res_Rec_Eng/WCC3%20RES%20060%20Influencing%20private%20sector%20actions%20in%20favour.pdf) and [http://iucn.org/congress/members/Individual\\_Res\\_Rec\\_Eng/WCC3%20RES%20061%20IUCNs%20interaction%20with%20the%20private%20sector.pdf](http://iucn.org/congress/members/Individual_Res_Rec_Eng/WCC3%20RES%20061%20IUCNs%20interaction%20with%20the%20private%20sector.pdf)

In general, current guidance within IUCN member organizations was largely focused on principles. IUCN's Key Principles<sup>4</sup> were consistent with those used by its members. Few guidelines existed at an operational level. Where more operational guidance did occur, it related mostly to funding. The common driving force for guidance was potential risk to reputation. There was a concern about the potential for "green-wash". Some members described such a cautious approach as the focus of their due diligence processes. Some examples of engagement leading to improvements in company environmental and social performance were mentioned.

There was a clear demand for better operational guidance and exchange of experience and lessons. The need for, and value of, formal guidance was more apparent in the larger, and/or more complex and higher profile organizations. Many of the major international NGOs were currently developing or refining internal guidelines. Such internal guidelines were generally held in confidence and some organizations, in both NPOs and the private sector samples, considered internal guidance as commercial in confidence. The existence of internal guidance was considered a competitive advantage over others in their sector.

As observed by a number of interviewees, working substantively with the private sector could be a challenge to current culture and approaches. They saw a need for better understanding of the sector, in terms of the way they work and what they seek from engaging with environmental NGOs.

### **Conclusions**

This review has served to emphasize that it is essential for IUCN to engage with the private sector in order to achieve the IUCN mission. All but a handful of respondents were clear on that point.

Many examples were evident of positive engagement to benefit biodiversity conservation and sustainable development, ranging from provision of advisory services (such as on biodiversity management); technical advice (such as on best practice approaches); joint working to address common issues (such as improving sector environmental performance); innovative approaches (such as developing and implementing certification standards for sustainable coffee production); co-operation for mutual benefit (such as provision of appropriate technology to reduce environmental impacts e.g. water pumps); and, funding contributions and sponsorship.

In relation to the role of guidelines for non-profit/private sector interaction, the main conclusion from the current review is that the use of formal guidance for engaging with the private sector can have both costs and benefits to an organization. How these costs and benefits apply depends on the organization size and complexity and on the national cultures where it operates.

The greater the size, complexity and exposure to public scrutiny, the greater were the perceived benefits of having formal, written guidance. In these situations, such guidance was considered important to demonstrate sound governance processes, to reduce the potential for "greenwash" and to aid synergy across an organization and transparency.

At the other end of the scale, smaller and less complex organizations had less by way of guidelines and saw less to gain from formalizing guidance. This was especially so where they operated in cultures where trust and personal relationships count as much or more than formal agreements, and where the press and general public have little interest in their activities. In many of the smaller sized organizations, internal communications and decision making were more fully inclusive – everyone knows what is going on and principles are well understood, even if not always written down. These guided decisions on engagement on a case by case basis. Other operational aspects were covered by their standard organizational approaches – on financial management and propriety etc.

There are therefore no generally applicable "best practice" approaches because, what is best will depend on the particular circumstances of each organization. The one common element in "best practice" was a well understood set of key principles.

Never-the-less, there was, overall, a desire for more engagement and more guidance on how to go about this. However, few interviewees sought rigorous guidance on all aspects. The suggestion from the majority of interviewees was that additional guidance needs could best be achieved through exchange

of lessons and examples, together with pre-set criteria and a minimal prior approval requirement for only the few, potentially sensitive engagements (e.g. involving controversial issues and/or large sums of money).

This latter approach appears to fit with IUCN's situation and an approach is therefore proposed based on **an assumption in favour of engagement**, with higher level prior approval required only in exceptional circumstances, with the understanding that individuals are responsible for ensuring appropriate due diligence, guided by IUCN's existing key principles, Members' Resolutions, Council Decisions and, the forthcoming operational guidelines.

**The key recommendation** from this review is therefore that, rather than attempting to set down comprehensive guidelines for all situations, IUCN should have:

- **a set of key principles** (as now) complemented by :-
- **brief guidelines**, in modular format, giving good practice suggestions for each stage in engagement and specifying,
- **exceptional circumstances where prior approval should be sought**; together with,
- **a clear statement of staff accountabilities and responsibilities**, in particular for ensuring appropriate due diligence and notification;
- **a tool box**; and,
- **brief case studies**, to give staff easy access to a range of model approaches and inspirational cases.

The report recommends that the modules for brief operational guidelines cover the following aspects:

1. Background and Summary of the IUCN Private Sector Strategy (including Key Principles)
2. IUCN Approval and Decision-Making Processes – Who needs to know?
3. Why, When and How To Engage – Setting Your Objectives
4. Prioritizing Engagement – Identifying Target Companies
5. Managing Risk – Due Diligence Processes
6. Planning and Making an Approach – Understanding The Drivers
7. Building, Formalizing, Managing and Sustaining Relationships
8. Accepting Funds
9. Use of Name and Logo
10. Corporate Responsibility and Reporting

The proposed brief operational guidelines should, *inter alia*, make reference to other such guidance, including that identified in this survey, and underline IUCN's responsibilities in dealing with the private sector, in particular, with regard to upholding existing relevant IUCN policies such as those related international human rights, transparency, and indigenous peoples' and local communities'. rights and freedoms.

In addition, the tool kit to accompany the guidelines should include examples of genuine commitment and effort by the private sector to act responsibly and to meet concerns which have been expressed. Such effort needs to be recognized and promulgated as examples of good practice for others to follow,

**This review has served to emphasize that it is essential for IUCN to engage with the private sector in order to achieve the IUCN mission.**

## 1. INTRODUCTION

As underlined by this review, there is a widely held view that environmental organizations are increasingly choosing to engage with the private sector<sup>5</sup> as an essential component in achieving their mission. Engagement takes a variety of forms, ranging through advocacy; day to day dialogue on common issues; working groups; joint projects; programme and financial contributions.

The motivation to engage the private sector in conservation has been paralleled by concern, in parts of the conservation community, about the extent of business commitment to sustainable use and nature conservation. Some have called for caution on the part of conservation organizations, not only in their choice of partners but also in protecting their image and reputation. These attributes are also highly valued by the private sector, both for their own operations and within their partners.

As the extent and scale of engagement increases, so do the opportunities as well as the risks, for both environmental organizations and for the private sector. The opportunities include more focused and synergistic actions and alliances to help deliver biodiversity targets; to help improve sector performance; and, to demonstrate more sustainable approaches.

The risks related to image and reputation include: perceived loss of autonomy, integrity and credibility. Other risks include: strategic; financial; operational and compliance issues. These risks apply for both NPOs and the private sector. Many organizations are therefore resorting to more-detailed guidance to help manage the risks and maximize the opportunities.

The private sector is also looking to engage with environmental organizations for a number of reasons. These include to help identify and address potential issues; to manage risks; to improve sustainability performance in general; to ensure corporate responsibility plans are well focused; and, to obtain/maintain the "licence to operate".

## 2. BACKGROUND

IUCN recently developed a Strategy<sup>6</sup> for engagement with the private sector (approved by IUCN Council in 2004). The approach set out in this Strategy is the result of a Situation Analysis conducted by IUCN which provides a review of external trends and perspectives among IUCN member organizations, the business community and others, as well as experience of interaction with business by the IUCN Secretariat and Commissions. Key findings from the 2003 Situation Analysis remain valid today and provide the context for this review. Resolutions 3.060 and 3.061, approved at the IUCN Third World Conservation Congress, held in Bangkok in November 2004, have reinforced the need for guidance on this topic.

As part of the implementation of its engagement strategy, IUCN is seeking to develop *operational guidelines* for engagement with the private sector. Such operational guidelines could also benefit IUCN members in their respective private sector activities.

The Strategy recognizes that because "relations with business are sensitive, enhanced capacity building, oversight and reporting systems will be needed", whilst giving "sufficient flexibility to allow IUCN managers to engage with business" and "strong management systems that can ensure consistency and reduce risk". To inform the preparation of operational guidelines to meet the needs identified in the Strategy, IUCN commissioned this review of existing approaches and guidelines within its membership and partners, including the private sector.

**This report presents the results of that review and a process, outline and context for the development of IUCN guidance.** The report does not aim to revisit the wider issues which have

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<sup>5</sup> The IUCN Private Sector Strategy broadly defined 'private sector' 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. 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 Strategy is also relevant to work with other related organizations such as industry associations, consumer and investor groups or labour unions.

<sup>6</sup> IUCN, March 2004 *Part of the Solution – Business, Biodiversity and Sustainable Development. A Strategy for Enhancing IUCN's Interaction with the Private Sector*. This and other key documents are available at <http://iucn.org/themes/business/secretariat/guidelines.htm>.

already been well-covered in the Situation Analysis and Strategy. This report focuses, instead, on current practice underway within IUCN member and partner organizations.

### 3. OBJECTIVES AND METHODS

#### 3.1 Objectives

The objective of this review, as outlined in the terms of reference<sup>7</sup> was “to gather and synthesize existing knowledge on operational guidelines, written and/or practiced by various organizations<sup>8</sup>, to support their engagement with the private sector and, from this experience, outline specific guidance that would be useful for IUCN and for the wider conservation community.” The focus of the review was on specific *operational (i.e. day-to-day) guidance* rather than the general principles and challenges of partnerships, which have been extensively studied and described elsewhere.

#### 3.2 Methods

The approach used was a five step process, comprising:-

1. An information request to IUCN members and partners organizations. In order to be as inclusive as possible, the review was initiated by IUCN contacting all their members and main private sector partners and associates with details of the review, including the terms of reference. At the same time, information was requested on whether the organization interacted with the private sector/ environment groups and whether it had guidelines for this process, either written or unwritten norms and established practices.
2. Analysis was undertaken of this larger group of responses to explore the general kinds of approaches according to type of organization.
3. From this analysis, a smaller, sample was selected, representing the full range of approach of IUCN member organizations large and small, north and south, written and unwritten approaches. Further information was elicited from these organizations by electronic means and telephone interviews.
4. More detailed information was drawn on to provide deeper insights and materials, if available.
5. Responses from private sector contacts and other international, non-member organizations were analysed for further insights on operational guidelines and for comparison (“benchmarking”).

From this review, some key elements were identified for the IUCN operational guidelines. The detailed results are presented in the following section.

### 4. RESULTS OF THIS REVIEW

The results of this review are presented below, including answers to specific questions raised by IUCN.

The current practice noted here is only that which was in operation at the time of the review by those who responded to the request for information. A number of those who responded were in the process of developing or revising their guidelines and these were not available to draw on at the time of the review.

Although information for this review was readily forthcoming, a number of those who responded (both private sector and NPO), did not want the information to be directly linked to them. For this reason, information is presented in aggregate form and by type of organization only. Materials in the annex, where the source is named, are presented with the specific permission of the organization concerned, or, are to be found publicly available on the organization’s web site.

#### 4.1 General Observations

##### **Constraints**

As detailed below, it is evident that there was little written operational guidance in place at the time of this review. However, several organizations, across all the sectors sampled, were in the process of drawing up or considering the need for more-detailed guidance, including those who already had relatively detailed guidelines. A wide range of approaches was in evidence, but many organizations (over 40%), had yet to give full consideration to the need for detailed guidance.

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<sup>7</sup> The terms of reference can be seen at [http://www.iucn.org/themes/business/Docs/Guidelines\\_PS\\_ToRs\\_04Aug05.pdf](http://www.iucn.org/themes/business/Docs/Guidelines_PS_ToRs_04Aug05.pdf).

<sup>8</sup> Throughout this report, “organization” is used to refer to IUCN member organizations and, “company” is used to refer to a private sector organization.

The discussion and information provided was therefore wide-ranging and to summarize and quantify succinctly remains a challenge. Hence, the information below is mainly qualitative and supported by more-specific individual examples in the annexes.

In section 5, some key elements which appear most appropriate to IUCN's situation are highlighted, as a basis for developing IUCN's own guidelines.

### Characteristics of Respondents

55 organizations responded to IUCN's request for information about their interactions with the private sector (34 environmental organizations, 2 government agencies, 2 other international organizations and 17 private sector companies).

Of the 34 environment non-governmental organizations (NGOs), 30 (88%), engaged with the private sector on a regular basis.

Box 1 summarises where guidance is in use by those organizations who responded to the request for information, by type of organization.

#### BOX 1. Guidance in use, by type of organization

	Type of Organization* (by IUCN Classification) / Benchmarked Organizations					
	National NGO/ Affiliate (southern)	National NGO/ Affiliate (northern)	International NGO	Government Agency	Other International Organizations	Private Sector
Number responding	14	8	12	2	2	17
Interact regularly	12 86%	7 88%	11 92%	2 100%	2 100%	17 100%
Of those responding, % with any guidance, written or unwritten	10 out of 14 71%	7 out of 8 88%	11 out of 12 92%	2 out of 2 100%	2 out of 2 100%	10 out of 17 59%
Of those responding, % with guidance in writing	6 43%	4 50%	9 75%	2 100%	2 100%	8 47%
% of all guidance which is in written format	6 out of 10 60%	4 out of 7 57%	9 out of 11 82%	2 out of 2 100%	2 out of 2 100%	8 out of 10 80%

### Benchmarking

Although the focus of this review was on NPO guidelines for 'conservation partnerships', the private sector and humanitarian organizations were contacted to provide a comparison ("benchmarking"), against which to measure good practice. The outcome of this indicated that similar processes are underway in the humanitarian sector, for engaging with the private sector, and, in the private sector for their engagement with NPOs. All were at a similar stage in preparation and use of operational guidelines.

### Forms of engagement

Engagement between the private sector and IUCN members initiated for a variety of reasons (box 2), and takes place at a variety of levels, ranging from the informal, day-to-day contacts, working groups and dialogues, through to joint projects, funding and partnerships. Where organizations apply guidelines, these apply to the latter, deeper types of engagement.

#### BOX 2. Why engage, typical reasons given

NPO quotes - southern	NPO quotes - northern	NPO quotes - international	Private Sector quotes
<i>We need to approach the private sector for their help to address our concerns, using their influence and experience.</i>	<i>We believe that by actively engaging the business community we can promote the understanding and actions necessary for a sustainable environment.</i>	<i>We believe that corporate engagement is the key to transforming markets; to changing domestic and international law and to developing and promoting a sector-wide shift to sustainable development and corporate best practice.</i>	<i>Our business will not be sustainable unless we incorporate social and environmental factors into business strategy and decisions. By the same token, our social and environmental initiatives will not be sustainable unless they are incorporated into the business and taken seriously, both as crucial risks to be managed and as opportunities to be exploited.</i>

### **Types of guidelines**

The majority of guidelines focused on principles, values and broad statements on due diligence, particularly in relation to funding. Very few guidelines addressed operational issues in a comprehensive way.

Sector specific guidance was rare, one organization, specializing in forest issues, had more-detailed, sector-specific guidance (in terms of good practice requirements from the sector; certification standards etc.). Two organizations (one international and one northern NGO), had specific sector guidance. This focused on sector analysis to identify opportunities and impacts in relation to their specific biodiversity targets.

### **Operational Guidance**

Very little guidance existed at an operational level. Many of the major international NGOs were in the process of developing or refining internal guidelines. Where operational guidance did exist, it focused on the acceptance of funds and use of name and logo.

Such operational guidance was also mostly held in confidence as it relates to internal processes including decision making on potentially sensitive cases; consultation processes within the organization; due diligence processes; resolution of disagreements; communication procedures; contractual and financial processes. In both NGO and Private Sector samples it was mentioned that operational guidelines provided them with a competitive advantage which disclosure of these guidelines could undermine. The most comprehensive guidance found in terms of coverage of operationalizing the various steps in engagement was a web-based tool kit, for working with the private sector, with a focus on private sector input to Local Biodiversity Plans (annex 1.6).

Those international organizations without guidance were mostly organizations or networks focusing on technical information/advice provision. National organizations without written guidance tended to be smaller, or more technical or service-provider focused. The majority of respondents approached partnerships on a case-by-case basis. There were parallels here with the private sector -- but the starting point for engagement was risk management based on analysis of issues and identification of key stakeholders. This was often coupled with a desire to work with specific NGOs because of their high standing and the benefits of being associated, whether or not they relate to managing risk around specific current issues. Such benefits, noted by interviewees, included working together to identify and address future issues and opportunities as well as to develop mutual understanding and to better appreciate public opinion.

### **Contents and Purpose of Guidelines Reported**

The elements generally covered by written or unwritten guidance on engaging, for smaller and less complex organizations, had both similarities and differences in emphasis from that of larger, more complex organizations (box 3).. More complex organizations noted greater internal benefits from guidelines relating, in particular, to consistency of approach and message and, managing stakeholder relationships, including internal co-ordination.

#### **BOX 3. Common elements in written and unwritten guidelines**

<b>Smaller, less complex organizations</b>	<b>Larger, more complex organizations</b>	<b>Private Sector</b>
List of Key Principles	List of Key Principles	General "way we work" principles
General fit with mission	Specific fit with mission, programme priorities and targets	Fit with current and future potential issues
Brand /reputation protection	Brand/ reputation protection	CR and stakeholder engagement policy
Screening -exclusion of certain sectors/ companies whose behaviour or record is judged socially and/or ecologically unacceptable	Screening -effective and consistent due diligence processes for all engagements - balancing risks and benefits	Screening/ Risk Management - current issues management - future issues identification
Conditions -Retaining the right to criticize -Clean record of company -Clear commitment of the company at the highest level -Potential for biodiversity benefit	Conditions - Retaining the right to criticize - Clean record of company - Clear commitment of the company at the highest level -Potential for biodiversity benefit	Conditions - potential for mutual benefit

Own Governance Needs – financial proprietary and transparency	Own Governance Needs - increased confidence and Transparency in Governance by third parties (partners; donors) - transparency with stakeholders - efficiency and effectiveness in managing relationships with an enquiring Press - Consistency and synergy in approach across the organization and empowerment of staff	Own Governance Needs - stakeholder needs - transparency
Communications - external - involvement of local stakeholders	Communications - external - consistency of external communications message, branding and marketing	Communications – external - involvement of stakeholders
Communications – internal - informal systems	Communications - internal - systems for enhancing learning and information sharing across organization and members - efficiency and consistency in proactive and reactive approaches with private sector -transparency for staff, membership and stakeholders	Communications – internal - issues tracking systems - stakeholder databases

**Additional Needs Reported for Guidelines**

A number of interviewees identified areas where they considered additional guidance would be helpful and specific approaches which guidelines should take (box 4).

**BOX 4. Additional guidance needs, quotes from interviewees**

Smaller, less complex organizations	Larger, more complex organizations	Private Sector
<b>On the general need for guidance</b>		
<i>Would help to write our guidance down – it empowers others</i>	<i>Need specific guidelines for engaging with particular sectors, depending upon impact on communities</i>	<i>It is important not to let people most directly involved in partnerships get too far from the rest of the organization. Need mechanisms to share this experiences/ knowledge.</i>
<b>On what guidance should look like</b>		
<i>Guidance needed on internal mechanisms like database management and tracking; communications and promotions; writing good proposals; linking donations to finance unit etc..</i>  <i>Specific guidance on some sectors would be helpful (e.g. extractive industries; pharmaceuticals), a step-by-step no-go or go process will be helpful .</i>	<i>Can't have set guidelines.</i>  <i>Need to have broad guidelines – because of the diversity of projects/people/companies. If guidelines are set there will be problems in operationalizing.</i>  <i>Need to be very flexible.</i>  <i>Prior high level approval should be given to empower local decision making.</i>	<i>Need a Supporting Service to Business Units on partnerships – to keep up with the mainstream; pull together corporate relationships (e.g. multi-partner or project).</i>
<b>On co-ordination and information exchange</b>		
<i>NGOs don't have enough examples to follow – need to highlight how companies become greener – as an example for others to follow.</i>	<i>Exchange of knowledge and experience on understanding different sectors would be helpful – including workshops.</i>	<i>Would help to keep track of stakeholder contacts and initiatives it they came through Public Affairs Department – to be logged on the issues-management tracking system.</i>
<b>What needs to be in guidance</b>		
<i>Draft guidance in preparation to ensure the integrity and independence and enhances the effectiveness of partnership activities with the business community....will cover choosing a partner; general principles; use of name and emblem; modalities (financial, agreements etc), future review.</i>	<i>Guidance needs to cover cultivation; moves (relationship) management; research; filters; strategic planning; recognition benefits; working in decentralized organizations with decentralized companies; getting to yes; managing resources of developing and maintaining partnerships, reputation and risk etc.</i>	<i>Need support for companies trying to implement biodiversity strategies – getting out on the ground – a change of emphasis.</i>  <i>Business has the potential to change practice – in the sector and in governments. General business processes guidance can promote principles, for example, through</i>

		<i>compliance training.</i>
<p><i>For NGOs seeking to market sustainable products through the private sector - need capacity building first on:-</i></p> <ul style="list-style-type: none"> <li>• <i>How to communicate</i></li> <li>• <i>How to write a business letter</i></li> <li>• <i>How to write an offer</i></li> <li>• <i>How to present your organization</i></li> <li>• <i>How to present your product</i></li> <li>• <i>How to write a business plan.</i></li> </ul>	<p><i>All need rigorous guidelines - pull out of an engagement and go public on pulling out if bad practice becomes apparent; underline the importance of engagement to address problems/poor performers through industry bodies etc; community should have a say if likely to be impacted on – company should consult with communities where impacted (via local NGOs – participatory planning process/prior informed consent).</i></p>	<p><i>Business is a player. We can make things happen. Engagement often starts by information sharing with NPOs – then, exploring overlapping agendas. Where objectives and needs overlap, it leads to partnerships.</i></p>

### **Areas of Application of Guidelines**

A distinction is often made according to the type of engagement proposed. Those engagements involving funding were subject to more rigorous due diligence and some organizations categorized the acceptability of a company for engagement differently for different purposes. Taking money from a “neutral” company, whose activity has little perceived direct social or environmental impact was seen as less problematic than for one whose activities have higher impacts. In the latter case an accompanying “challenge” was required by some organizations - setting and monitoring targets for improving sustainability. For high profile partnerships, this may include independent external verification of progress towards these targets.

### **Systems in the absence of Guidelines**

Where no guidelines exist; for issues not covered by guidance; and, for sensitive situations, many organizations had a system involving high level committees. In general, the system involved reference up to Board level or a subcommittee of the Board. More complex organizations had a special support team; committee and/or network steering group. In addition, many set “kerb stones”, wherein staff could operate without referring decisions up to a higher level.

Network organizations in particular applied different processes and levels of authority according to the scope, scale and sensitivity of the proposed engagement. For example, proposed engagement might only be referred-up for sectors or companies or issues pre-classified as potentially sensitive, or where a proposed funding contribution exceeded a certain amount; or, where use of the logo may be involved through licensing, marketing and/or communications; or where the engagement is likely to have such a high public profile such that external communication becomes a key issue.

### **Costs and Benefits of Guidelines**

Where IUCN members engage with the private sector, the smaller and less complex and single focus organizations, had less need for guidelines especially where they had a clear, specific purpose and a single team approach or short reporting lines. In such organizations the scope for increased efficiency and effectiveness from guidelines appears to be much less than for larger, more complex ones. In these cases, one suggestion was that detailed guidelines might only serve to stifle innovation and inhibit the timely take-up of opportunities, without bringing the benefits of the clearer accountability they bring to more complex organizations. A few core statements of value and principles were considered sufficient to set the direction for engagement. Internal processes to manage these engagements were individually tailored based on that, or specified within Memoranda of Understanding or Letters of Intent, and fit within the general organizational processes and procedures.

In contrast, the larger, more complex organizations, especially those with a membership to serve, or where more rigorous governance and clear accountability is required (such as in government agencies and other international organizations), noted benefits from having more detailed guidelines for engagement with the private sector (box 5)

#### **BOX 5. Costs and benefits of guidelines for engaging with the private sector**

POTENTIAL BENEFITS	POTENTIAL COSTS
Greater transparency and accountability	Stifling Innovation
Increased efficiency and effectiveness	Longer decision making process
Enabling environment	Greater transaction costs
Clarity of decision making processes	Disempowering approval processes
Strategic focus and organizational synergy	Slows response in terms of business decision timescales
Competitive advantage	Constraining options

### **Developing Guidelines**

The process for developing guidelines is a key issue for a number of organizations, in particular, those with member organizations and/or active and diverse stakeholders. Gaining buy-in across the organization and its stakeholders and, high-level sign off, appears fundamental to effective implementation of guidelines. The importance of drawing on existing experience in the organization from those already engaging in partnerships was also by private sector and NPO organizations, as well as ensuring mechanisms were in place to share that knowledge and experience on a regular basis.

### **Culture and Capacity Building**

Cultural challenges in engaging with the private sector were noted by a number of interviewees. Guidelines were seen to help identify appropriate approaches to the private sector. Some identified drivers for engagement by the private sector; differences in culture and ways of working. Similarly, some addressed capacity building needs both within their own organization and the partner organization. Such capacity building needs included increasing mutual understanding of issues and of engagement opportunities, as well as, for NGOs, fundraising techniques, risk management, and improved understanding of the private sector's methods.

There were also a range of capacity building issues for the private sector, including recognition of the business case for engaging with NPOs, and the need for support to local offices in identifying potential issues, needs, and opportunities and in initiating and managing dialogue. In one multi-national company, the development of guidelines was being used to raise awareness of the need to engage with NPOs and stakeholders generally, and to trigger internal acknowledgement of engagement as a business case.

When questioned on how the NPO sector might change their approach in order to facilitate engaging with the private sector, the private sector interviewees were, in general, reluctant to comment. As one of them said, *"I am in no position to ask them to do anything differently. NPO workers gave up potentially high earning careers to do their work. They deserve respect – some (Protected Area Guards), risk and loose their lives in the process"*.

Interviewees were less hesitant in identifying, when asked, a range of challenges and advice for those starting to engage (box 6).

#### **BOX 6. Challenges and general advice, quotes from interviewees**

<b>Challenges</b>	<b>Advice</b>
<b>The perspective of National NGOs (southern)</b>	
<i>Brand building – to attract Corporate Sponsorship. Brand building activities include increased press releases; advertising in publications; attending business events to get business contacts – following up with letters; information on projects; lessons learnt etc.</i>	<i>Need to identify what is in it for the company – there are bottom line (financial) benefits for companies from involvement. For instance: (1) publicity i.e. for their equipment (such as water pumps) – they want to be seen to be socially and environmentally responsible (by shareholders/public/business population); (2) Marketing benefits (which bring financial returns (e.g. by offering 15% discount (hotel chain) to the NGO members they increases their profile and therefore their clientele..)</i>
<i>ideally, find a person with experience in doing business to make a first approach. Someone who understands the private sector work – what it needs.</i>	
<i>There is always the perception that partnerships may turn out to be "green-washing" for the corporation, particularly from companies whose products derive from natural resources. There is no "perfectly environment- friendly" co-operation – in engaging, both parties should be aware of existing realities.</i>	<i>Go for it, but exercise prudence and always consider your organization's mission</i>
<i>Need people to bridge the gap who can speak business language and culture (business makes fast decisions; IUCN x10 slower). Totally different culture. Need to recruit suitable people, Secondments of staff; need business with environment skills (you don't get environment people with business skills)</i>	
<b>The perspective of National/Regional NGOs (northern)</b>	
<i>Communication and willingness to change – from both sides</i>	<i>Listen to each other.</i>
	<i>Once NGOs have decided where their efforts are best placed for approaching business, the rules of engagement must be set out in the early stages in order to retain independence and build trust between parties. NGOs should also develop their engagement policy to advise when they can promote supportive business associations or where there may be a conflict of interest.</i>
<b>The perspective of International NGOs</b>	
<i>There is a big gulf between the northern NGOs and the southern</i>	<i>If you take Private Sector money, you are responsible for their</i>

NGOs. For instance, in the Philippines, NGOs refuse to work with the mining sector. Instead they are working to influence the mining sector through the financial sector. Increasingly, there are articles against International NGOs such as IUCN and WWF – and CI	activities, so, you need rigorous guidelines
	Develop the structure of a policy/procedure framework for people to follow, to address: due diligence, what engagement is, what engagement needs, your niche (e.g. environment; labour etc). Ensure a general understanding in dealing with business, that, business needs to make money for shareholders. Note that Corporate Foundations are increasingly becoming more like a Department within that Corporation
Measuring Progress and Implementation; Scaling up.	Take time to build relationships; set expectations clearly; recognize you have different as well as mutual objectives.
Must get more involved with the private sector – many are too focused on funding from them. Green-wash is not an issue unless there is no way of setting targets and principles (the NPO's bottom line), for them.	Empower staff and players with freedom to make a decision over a period of time, subject to them being accountable and to learn from it – open/ honest – take risk. Be prepared to give up.
Generally, in the environment field, corporate donations pale in comparison to private wealth. So, it is important to engage with the private sector in the right circumstances e.g. where the donation will make it worth the effort or there are more influential outcomes such as impacts on a large scale. There are also reputation issues to consider and resources to deliver on the partnership.	Consider your mission and to what extent the private sector will help you achieve mission success and over what timeframe. How will you measure your success working with corporations? Make a strategic decision about resource allocation and what you can realistically accomplish – focus and stay true to your mission
The challenge to engagement on social and environmental business issues is to stay the course for the long term. To survive changes in management; downturns in profitability; and, differing opinions and philosophies, the relationship must be firmly anchored in the DNA of both partners.	Recognize that your expertise gives you a comparative but not an absolute advantage. Enter then into the relationship respectful of but never silenced by your partner's experience. For successful engagement is not about achieving prime position on the company's list of outsourced services, it is about forging a joint venture of equal partners.
<b>The perspective of Other International Organizations</b>	
Internally, information and communication on “why it is useful/ necessary/ beneficial to engage with the private sector”; internally, co-ordination and exchange of information on contacts with the private sector	understand organizational differences between for-profit and not-for-profit and identify areas of mutual interest, understanding and exchange (different concerns, limits, organization culture etc.
<b>The perspective of the Private Sector</b>	
Getting to the grass-roots in both sides of the partnership, in order to recognize the role, locals need to be informed	Research the company – catch them on a wave of culture change.  (to NPOs) Even in the worst companies, someone goes out to you. Internal people have to deliver something of benefit to the company. They need to be able to show where engagement has helped companies (for instance, by shortening project timelines – by increasing efficiency by partners/ stakeholders inputs in the design phase and by better issues identification and management)  (to Private Sector) Remember that NPO workers gave up potentially high earning careers to do their work. They deserve respect – some (Protected Area Guards), risk and lose their lives in the process.
Rooting engagement in the business.	Take a structured approach – look at the objectives of the company – risks – what controls needed – key performance indicators to monitor – get engagement into that process – what can trip that up – what to avoid in the newspapers – critical players – awareness of relationship potential – issues/ stakeholder person – develop process – engagement and resourcing (time and money)
Finding the win-win – operational benefits/ real benefits – not just PR More than just a project – how to help the company.	NPOs need to be prepared to take more risk – and give more benefit of the doubt. It is obvious you need to work together on different issues. Companies can have a big impact. But companies do not have experience in these issues. Need to show mutual interest. Need to engage to do that.  Build trust and respect – work with integrity – need to respect the NGO's work – respect different peoples views – look for areas of serious mutual advantage – be ready to take some risks – embedding the relationship.
Address issues with stakeholders in a timely way – there is long-term value in doing that.	For southern NGOs in particular, working with multinationals is a value added  Private sector should approach engagement from risk management/issues management perspective – don't wait for issues to come up. Issues are different in each country.

### **Why the Private Sector Forms Strategic Alliances**

A good understanding of private sector approaches and motivation was noted to be essential for effective engagement. In particular, knowing how the private sector operates including typical management and decision processes; timescales; obligations to shareholders; etc, as well as issues for their sector. Although written guidance seen rarely touched on these issues, they were often raised in response to questions soliciting views on the main challenges and key advice for those about to initiate engagement (box 6).

Private sector responses noted the benefits of engagement for them as relating to access to technical expertise and gaining information on current thinking from those who are in touch with, and influence, public opinion; fulfilment of general corporate responsibility policies and, overall, improved risk management. As one CEO expressed it: *“our stakeholders give us insights into their future priorities, while the identification of emerging social and environmental issues and trends informs our planning”*. Employer and shareholder satisfaction was also noted and one southern-based NGOs reported a wish by companies to work jointly on projects with potential for their employees to be directly involved.

### **“Walking the talk”**

A number of organizations, across all types, noted the need to “walk the talk”, both within NPOs and the private sector. For NPOs, the need was seen to ensure they had similar standards for environmental management systems, (EMS) and corporate responsibility (CR), as they were demanding from the private sector. For the private sector, “walking the talk” was more about ensuring stakeholder engagement and partnership philosophies and commitments were understood at the grass-roots level.

## **4.2 Specific Questions Addressed by the Review**

The above section gives a general overview of the current situation on guidelines at the time of the review. In addition, the review was tasked to address a number of specific questions. The findings on each are summarized below in more detail.

These findings record current practice by those organizations who responded to the IUCN request for input to this review. This information serves as a benchmark and inspiration for developing IUCN’s own operational guidance.

Examples of specific measures and a summary of individual, overall approaches by different types of organization, national organization - north and south, international, government agencies, other international organizations and the private sector, are tabulated in annex 2

### **a. What forms of engagement are used, when and why? (e.g. formal dialogues, project partnerships, services to business, networks including business)**

Within national organizations, the most common form of engagement appeared to be on support for specific projects and events, and on philanthropic giving, to support the core work of the organization. There was also involvement in networks and formal dialogues/working groups around a specific issue (e.g. marketing of medicinal plants; certification initiatives – such as for local coffee farmers).

Most international organizations, and some national organizations, tend to have a greater involvement in a few high profile partnerships, involving joint work on common issues; developing sector best-practice; helping companies to set targets for continuous improvements, and informal dialogue/working groups aimed at improving sector environmental and social performance where necessary, (box 7).

### **BOX 7. Some examples of engagement and initiation of engagement**

<b>NGOs southern-based</b>
Latin America – working with an international NGO and local coffee farmers, has successfully introduced sustainable production standards and marketed sustainably produced coffee globally
East Africa – identified and developed a partnership with a water pump company and implemented a project which met villagers’ water requirements and reduced their impact on wildlife habitat.
Sri Lanka - NGO was approached by the Chamber of Commerce to help implement projects identified by its Environment Group
Seychelles – engaged with business to help manage key biodiversity areas
Botswana – working with other NGOs, government and the private sector, has successfully marketed sustainable products in Europe, through multinationals
<b>NGOs northern-based</b>
Europe – working with a range of land-use sectors to mainstream biodiversity into their policy and practice.
Spain – partnerships to building capacity in social responsibility within companies in the field.
<b>International NGOs</b>

US – a centre for business environmental leadership, which provides a platform for discussion and collaboration between businesses and the environmental community.
US – has established an International Leadership Council which provides a forum for private sector and NPO senior executives
Europe – has raised sector standards through its partnership with industry leader, setting challenging targets together and jointly working to meet them
<b>Private Sector</b>
Agriculture sector – is working with a broad range of partners including local communities, farmers, international and government institutions, environment and community-based institutions etc. to address issues of common concern
Mining sector – is working in partnership with an international NGO at a range of levels, including to develop the corporate biodiversity strategy.
Agriculture Sector – working informally with a range of NPOs to address issues around agricultural chemicals and water management

Overall, the ways in which the organizations in the sample engaged with the private sector included one or more of the following:-

- i) **day-to-day contacts** – on technical aspects, opportunities and issues. Contacts are developed from social or professional encounters.
- ii) **services from business** – suppliers of standard office equipment and services, to whom a procurement policy may apply in line with the organization's own Environmental Management Systems.
- iii) **services to business** – such as informal advice; paid-for consultancy services; training etc.
- iv) **participating in networks**, including business – for example, informal networks arising from stakeholder dialogues and conferences; local business and biodiversity groups; local and regional planning fora.
- v) **formal dialogues and working groups around a specific issues** – such as initiatives from industry bodies on best practice guidelines; working groups on sustainable natural resource harvesting; flood/fire prevention working groups; stakeholder dialogue around a development proposal.
- vi) **joint projects on common interests** (with or without funding) – for instance, sustainable forestry initiatives; certification and standard setting schemes; protected area management; water resource management, etc.
- vii) **funding of publications; events; projects; programmes** – often with marketing/communications benefits for both parties.
- viii) **unconditional funding** – such as philanthropic donations with no communication demands, other than noting in annual reports
- ix) **advocacy campaigns** – including to promulgate good practice through industry associations and/or to highlight areas for improvement

Specific examples of engagement for different purposes identified in the review are given in box 8.

**BOX 8. Examples of engagement for specific purposes**

Why	What Forms of Engagement								
	Day to day Contact	Services from Business (procurement, etc)	Services to Business (advice; training etc)	Networks including business	Formal Dialogues/ Working Groups	Joint Project	Funding publications, events, projects etc	Un-conditional Funding	Advocacy Campaigns
To challenge where improvements are perceived necessary	x	x			x		x	x	x
To facilitate changes in policy and practice	x		x	x	x	x	x	x	x
To enhance capacity	x		x	x	x	x	x	x	x
To improve company/sector/ gov't performance	x	x	x	x	x	x	x	x	x
To market products and approaches		x	x		x		x	x	
To raise funds			x	x	x	x	x	x	x
To increase membership income and reach	x			x	x		x	x	x

**b. Designing partnerships, dialogues, services and networks** (the process from first contact to establishing the projects to terminating the relationships - dos, don'ts, cost recovery, others)

Few IUCN members had specific processes for this and the design of partnerships, dialogues, services and networks was done on a case by case basis according to the perceived need by the individual responsible. Common steps in the engagement process leading up to potential partnerships apparent in written guidance and implicit in much of the unwritten guidance are listed below. They applied equally to funding only relationships through to conservation only relationships, and all spectra in-between.

- i) **targeting a sector/company** – this is based on organization priorities, for programme delivery, (including funding and assistance in meeting biodiversity targets and promulgating sector best practice); identification of the company's interests and needs; screening the company for performance, commitment and ability to deliver. In some cases, a list of selected "approved" companies is drawn up on an annual basis and engagement efforts focus only on these.
- ii) **objective setting for an engagement** – having decided on the company to be approached, and the possibly types of relationship, more specific objectives are set in advance and/or in discussion with the company. These may be in terms of or in terms of inputs of expertise to a project ; funding proposals or other contributions; performance standards and "challenge targets" for a company or sector.
- iii) **notification/ reporting**– where a staff member or network member identifies a specific engagement need or opportunity, they may be required to notify a central point (an individual or a committee), in order to allow a due diligence/risk assessment process to take place. This might be triggered by pre-set guidelines on sensitive sectors/ companies; or by potential funding levels involved or proposals on logo use which could also affect the organizations' image.
- iv) **due diligence** – this involves gathering information (external) and intelligence (internal to the organization and related NGOs etc), on the company's impacts on the organization's mission and other social, environmental, economic, ethical and commercial considerations.
- v) **proactive engagement – initiating an approach** - if the company passes the environmental organization's risk assessment then a formal approach is made. This may be at the Chief Executive Officer level in smaller companies. In larger companies, and approach will usually be made through a

	Public Affairs/ Relations Department or an existing technical contact. Often, there will already have been an informal sounding out through mutual contacts or staff exchanges at a lower level, or by “cold-calling” the Public Affairs/Relations Department .
vi)	<b>reactive engagement - responding to an approach</b> – if an approach has been initiated by the private sector, steps i) and iv) above are again followed to check that the private sectors suggestion fits within the organizations priorities and on what type of engagement might be appropriate.
vii)	<b>negotiating</b> – this stage may include agreement on specific targets; communications; use of logo and name, as well as mutual responsibilities; resourcing; monitoring and evaluation and review processes
viii)	<b>formalizing</b> -the engagement may be formalized by an exchange of letters; a memorandum of understanding; or, a formal agreement or contract. Examples of these are given in annex 1.7. In general, the larger companies (who are generally concerned about managing their own risk exposure), require a more rigorous contractual agreement where a partnership is based on significant inputs of time and money. However, some relationships may never be formalized, or will run for a number of years as a “get-to-know-you” phase, based on growing trust and goodwill.
ix)	<b>relationship/account management</b> – for high profile, wide-ranging and/or time consuming partnerships, one individual within the organization will be given the role of focal point person, or “gate keeper”, to manage the relationship including co-ordinating any inputs from others; capacity building, reporting and information provision to all parties etc. In some cases, a company will fund a relationship manager, who may be appointed and managed by the NGO or jointly with the company through a steering committee. Formal partnerships do not always involve a fundraising element, and where they do not, cost recovery is usually sought. Formal agreements often have a defined end point and both launch and closure events. Many also have a break clause to end the partnership if either organization considers it to be no-longer appropriate.
x)	<b>communications</b> – careful attention is given to internal and external communications. Internal communication is especially important to larger and network organizations, including in the run up to an engagement and, in particular, during any screening processes. The extent to which external stakeholders are involved depends upon the nature and reach of the engagement. For high profile engagements press briefings are normal. In some cases, a launch event is held with local communities to help build their involvement in projects which may affect them. In these situations they will also have been involved in the planning stages.

In one government agency member, a relationship management approach was used to prioritize day to day contacts with the private sector: *“The purpose of relationship management is to work constructively with key players and shapers, whether their activities are beneficial or not, building relationships through which nature conservation can benefit. Managing and coordinating our interactions with key players and shapers through dedicated contact and two-way understanding is fundamental to this approach. Effective relationships are based on mutual understanding, what we have in common, how we complement each other, what we add by working together and importantly, how we differ. It goes without saying that each Relationship Management Plan will relate to an individual key player/shaper and will be a unique statement of objectives that will change over time as both the relationship and circumstances alter”.*

Dialogues, services and network activities were developed less rigorously than partnerships.

Many NPOs and the private sector were involved in a range of issues focused dialogues and networks, (e.g. on markets for sustainable products; on pesticide use; on corporate responsibility etc.) Such dialogues are initiated by NPOs and by the private sector. A common message from both was that it is important to put the issues at the centre of the debate, not the organization, in order to keep the focus solution orientated.

Where services were provided by NPOs to the private sector, most sought to recover direct costs and there was a concern by some not to be used as “cheap consultants”. Where NPOs sought commercial services from the private sector, they frequently had procurement policies which favoured sustainably produced goods.

**c. Proactively choosing business partners** (priority setting, which sectors, which companies, where and why?)

Of the NGOs responding, all international NGOs and most national NGOs had at least a broad statement of criteria for choosing private sector partners. Operational approaches to proactively

choosing business partners include:-

- prioritizing engagement to fit mission/targets
- assessing company past performance and commitment
- categories for engagement based on risk levels
- screening against criteria and company past performance and commitment
- full due diligence and risk assessment research, including stakeholder opinions and screening against set criteria, and web search for any additional information on companies. For bigger companies, assessment of annual and sustainability reports; Dow Jones Sustainability Index, FTSE4 Good, Ibex35 Index or similar lists;
- a central group to co-ordinate views across the organization/network and to decide on whether or not to engage.
- maintaining credibility, independence and transparency

The private sector approached partner selection in a similar way, with the starting point being an assessment of likely issues which may impinge on business aims and, identification of stakeholders who could help the company to identify and address these issues. Some companies also identify desirable NGO partners in terms of the NGOs high standing and awareness of issues and a wish to be associated with them to gain a better mutual understanding and, in particular, to identify and address any potential future issues.

A number of organizations also categorized companies/sectors for different types of engagement against agreed criteria and priorities. Some of these criteria included examples of acceptable and of unacceptable company behaviour. Time limits on any "black-listing", and "green-listing"<sup>9</sup> were also noted, recognizing that companies and their management change. In general, the international NGOs did not operate exclusion lists but worked on more of a case by case basis. There was wide recognition of the need for termination clauses, for all parties, to allow withdrawal from a partnership at short notice, upon evidence that the partner no longer meets key criteria, especially those on ethics.

Few organizations actually had written guidelines for staff on all of these operational aspects but all used general committee structures as a source of clarification and approval. Few had special committees focused only on engagement with the private sector.

In general, the private sector contacts had less specific guidance on choosing partners. There engagement arose from day to day issues identification and management and general stakeholder dialogue processes. Some of these did go into greater detail on stakeholder engagement.

One example included an 8-step cyclical process, with formal needs assessment undertaken through a participatory approach. Each step is underlain by operational guidance for the Group companies worldwide (for internal use only). This is a strategic process focused on capacity-building for the company as much as for their partners. A specific partner may be identified based on the company's needs for support on a particular issue. For example, developing guidelines on biodiversity in terms of land management. Partner may also be identified based on a community/stakeholders' particular needs in an area where a company operates. For example, when infant/child malnutrition/mortality is highlighted in certain communities, then a partnership with an NGO focused on such is a clear preference. In these examples, engagement is needs-driven - by either the company or the host community i.e. or by the NGO/NPO or impacted/affected stakeholders.

**d. Responding to an approach from a business** (evaluating a business request for collaboration)

Companies often approached organizations directly, requesting some form of engagement. This could be simply for philanthropic giving, with little requested in return by way of public relations opportunities;

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<sup>9</sup> "blacklisting" – where sectors, companies or NPOs have been identified as inappropriate to engage with, usually because they are considered not to show high enough standards of corporate responsibility. Conversely, "green-listing" is of those with whom it is considered desirable to engage and which represent little if any risk in doing so. Others would require various degrees of due diligence and risk management when engaging.

for technical advice/inputs, or for a more fundamental partnership to identify and address common issues of concern.

For such approaches the same principles applied as for proactive choice of engagement partner by NPOs, as outlined above.

Two of the NPOs interviewed (one southern and one international), noted that companies may be viewed as being in search of “green-wash”. Standard due diligence approaches and requirements for evidence of commitment and good intent (sometimes by way of agreed targets), were used by many organizations to counter this.

**e. *Funding from the private sector (accepting or not, and under what conditions)***

None of those respondents who engaged with the private sector indicated they would not accept funds from them, but all had criteria for accepting funds, and under what conditions. Where specific guidelines existed, funding was the one element which was always included. Sometimes, the criteria were set down within the organization’s constitution and often spelled out on organizations’ web sites as fundamental principles. Examples can be found in annex 2.2.

Straight donations were rarely an issue. Funding associated with communications/marketing benefits and use of name or logo, was seen as a potentially high reputational risk. This would only be allowed through a written agreement.

Otherwise, the criteria and conditions for accepting private sector funding were essentially the same as for engaging them in a high profile partnership. However, some had a policy of not engaging in a purely fundraising or marketing relationship with companies whose negative impacts on the environment are substantial.

**f. *Mechanisms for additional guidance (where to go when guidelines are not clear or silent)***

Both national and international organizations had mechanisms for providing additional guidance. The extent of these arrangements reflected the size and the complexity of the organization. The bigger and more complex would have more-elaborate arrangements.

At the simplest level, the Board of an organization would provide additional ad hoc guidance. In some organizations, the Board would see all proposals, in others there would be trigger mechanisms, such as high sensitivity of sector or issue and, substantial funding proposals, legal, ethical or other reputational risks and, where projects or activities represented a high profile “first instance” for the organization, or otherwise fell outside existing policies.

In general, the larger, more complex organizations had a special group or a Board sub-committee set up specifically to address sensitive issues in engagement. Some of these bigger organizations also had special units to focus on due diligence and risk assessment, guidance and capacity building support to their colleagues. Some also had a steering group drawn from across their network to advise and comment on members’ proposals and ensure consensus across the network on the way forward. Some of these also included private sector contacts in an advisory role.

**g. *Assessment, evaluation, and reporting***

Monitoring, evaluation and reporting was considered to aid transparency in external communications, as well as to be good partner-relationship management. This was frequently applied to the larger and higher profile partnerships.

Both private sector and NPOs often required specific, regular reporting. This was facilitated by clear, measurable objectives and targets. Two NGOs, one northern and one international, specifically referred to ongoing monitoring also of different stakeholders views of their relationships in order to measure accumulated risk to their reputation.

Where companies were funders of environmental organization’s projects or programmes, they sometimes require detailed achievement reports. Where NPOs set standards and/or targets for partner companies then as, a minimum, a regular review of progress was undertaken. These reviews often involved detailed discussion on progress towards specific targets. The higher profile engagements

based on performance or on conservation targets could also involve independent monitoring and external verification of achievements as well as public presentations.

For less formal types of engagement, assessment, evaluation and reporting was generally done through the established project and programme reporting processes, and issues management reports.

***h. Dos and don'ts of communications at various levels: locally and globally, separately and jointly, internally and externally***

Careful management of external and internal communications was a key issue for many organizations and was often written into formal agreements. See annex 2.2 examples.

***External communications and use of logo*** was considered most sensitive by all parties. For NPOs, this was especially so where a company was seeking to benefit from being seen to be associated with them. Due diligence and risk assessment processes were more stringent for engagement where the organizations logo and/or name might be used and where the partnership would have high visibility, for instance through marketing activity. The majority of international NGOs and several national NGOs had or were developing Brand Manuals – to ensure clear recognition of their image and standing.

Key elements in external communications included:-

- joint communications on launch – including local communities where involved
- publicly available information on terms and objectives of engagement
- prior agreement on individual communications concerning the engagement
- retaining right to criticise publicly, after due warning

Use of logo rules included allowing a company to use the organization's name and logo in four ways:-

- when the business has donated money to support the work, and where the company has passed screening processes
- when a company's products generate income from licenced royalties, subject to screening of company and product
- when the product directly supports the organization's work by being at the leading edge of sustainable design
- when a full partnership is entered into, promoting a product which meets many different organizational goals and objectives

For the private sector, external communications exposure provided both an opportunity for building a positive image, but also a risk to shareholder value.

The mechanisms and principles of ***communications between the partners*** also received detailed consideration and would often be written formally into agreements. Key elements included:-

- a nominated account/relationship/moves manager on each side
- prior agreement on how to manage potential disagreements
- retaining freedom to publicly criticize – but within a “no surprises” understanding
- prior discussion with local communities where potentially affected.

A number of NPO interviewees noted that expectations towards communications were higher in the private sector on speed; response time and directness. It was also considered important that there was a feeling of mutual understanding – talking the same language.

On ***internal communications***, the larger and the network organizations went to some lengths to ensure their staff and members were well informed on the rationale and aims of partnerships, to ensure that subsequent external messages are aligned. Mechanisms for this included:

- pre-briefing of staff on high profile engagements – and regular updates
- a communications plan
- question and answer sheets

Attention was also paid to assessing the learning from engagements and feeding this back into the organization through briefing reports, programme meetings and events.

The most extensive effort on internal communications noted was by an international NGO: *“In general, communication tends to be informal. There are daily conference calls with field staff to coordinate specific corporate requests. There is a bi-annual philanthropy meeting. The last one was attended by 300 staff. We have an intranet site to provide information on corporate partnership strategies, power-points, tools etc. We have an e-newsletter for corporate supporters”.*

**i. Management systems/procedures: contracts, MoU, ToR, financial/accounting procedure. Are different instruments used in different conditions? When and why?**

For most respondents, management systems and procedures used in private sector engagement fitted within the standard organizational systems and procedures. However, larger and more complex organizations have developed specific systems and procedures for the more substantial forms of engagement, including standard paragraphs. The potential application of these in different circumstances is outlined in box 9 (one or more may apply), and specific examples are given in annex 1.7.

Cause-related marketing agreements tended to be the most complex, with lengthy, legally binding contracts. Philanthropic donations had shorter non-binding letters or MoUs.

In general, the private sector contacts did not have specific systems or procedures set up specifically for NPO engagement. Instead, they were accommodated through general stakeholder management systems.

**BOX 9. Application of management systems by type of engagement**

Forms of Engagement	Management System/ Procedure					
	Informal Agreement based on Trust	Exchange of letters	Memoranda of Under-standing	Terms of Reference	Contracts and Legal Agreements	Finance & Accounting Procedures
Services to Business	x			x	x	standard
Services from Business	x			x	x	standard
Networks including Business	x	x	x	x	If exchange of funds involved	standard
Formal Dialogues / Working Groups	x	x				standard
Joint Projects	x	x	x	x	x	Standard & donor needs
Funding publications; events, projects etc		x	x	x	x	Standard & donor needs
Unconditional Funding	x	x	x	x	x	Standard and donor needs

**j. Principles of private sector engagement: what and how of various principles e.g. transparency, participation, accountability, and others.**

All organizations had a set of basic principles they adhered to, although not all were written down. The companies they sought proactively to engage with would generally have similar principles in place. Having principles in common with potential partners was noted as a good starting point for any engagement.

Principles frequently noted were:

- Commitment at the highest level within the company – including to sustainable development and social and environmental best practice;
- Participatory - to be inclusive of local stakeholders needs;
- Transparency – through monitoring and evaluation (and sometimes external verification);
- Independence – retaining freedom to criticize;
- Significant benefit - outweighing any reputational risk in engagement.

For NPOs, such principles were part of their statements of key principles in any engagement guidelines. For the private sector, such principles were embraced within “the way we work” statements and corporate responsibility statements, which were posted on the web site.

Some mechanisms used by NPOs to implement these principles are summarized in box 10.

**BOX 10. Mechanisms in use by NPOs to implement key principles**

<b>Ensuring Company Commitment and credibility</b>	<b>Participation</b>	<b>Transparency and Accountability</b>	<b>Maintaining Independence</b>
Assess company strategy and management processes and commitment i.e. to standards; CSR; sector best practice etc.	Consultation with staff, member organization and other NGOs	Publicizing Guidelines used and Recording and Communicating reasons for agreeing to an engagement, including how risks and benefits are determined	Retain freedom to criticize the company publicly
Due diligence/risk assessment on company past performance and record on social, environmental and ethical issues etc.	Involvement of relevant local communities in planning and implementation of relevant projects and programmes	Publication of aims and targets	External verification
Ensure company sign up at the highest level, including to objectives and targets	Involvement of stakeholders in steering groups	External Independent verification of achievements against objectives and targets	Freedom to withdraw from engagement if negative aspects emerge.

A summary table of mechanisms and approaches to questions a-j above is given in annex 2.3, together with detailed examples of current approaches and a summary of the overall approach taken by a cross section of the organizations which provided input to this review.

## 5. GUIDELINES FOR IUCN SECRETARIAT AND COMMISSIONS

This section presents a proposed outline for IUCN Guidelines which is based on the IUCN Strategy for Enhancing IUCN's Interaction with the Private Sector, informed by the IUCN Situation Analysis, and, through this review, inspired and enriched by IUCN member organization and partners' approaches to engagement and guidelines. Observations are also made on the organizational setting for effective implementation.

### 5.1 Summary of Good Practice Relevant to IUCN's Circumstances and Needs

This review has demonstrated that there are many different approaches to engagement between NPOs and the private sector. There is no “right way” of doing it. As noted in the above section, a variety of guidance is in use, both written and unwritten, by both NPO's and the private sector.

The perceived need for guidance, and the nature of this guidance depend upon the nature of the organization concerned, including its size and complexity and, its public profile and degree of exposure.

What constitutes “good practice” differs for different organization characteristics and contexts. Since IUCN falls into the larger, more complex, high profile category, **it is most appropriate that the Secretariat draws on the experience of similar organizations, bearing in mind also, the needs of IUCN's partners from the private sector.**

The good practice amongst members which appears most appropriate to IUCN's situation and needs should form the basis of IUCN guidance. This is summarized in the box 11

**BOX 11. Table of current practice most relevant to IUCN's needs**

<p><b>Overall</b></p> <ul style="list-style-type: none"> <li>• The aim of guidelines is to be empowering and not to constrain interaction with the private sector for the purpose of achieving the organization's mission.</li> <li>• Exceptional circumstances are set out where prior approval should be sought. These circumstances relate to engagement involving sensitive issues; acceptance of significant funding and to marketing and communications requirements. In these circumstances, risks and benefits are assessed on a case-by-case basis</li> <li>• High profile engagements have a nominated relationship manager, joint steering groups and</li> </ul>
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independent assessment of achievements

- In general, decisions on day to day interactions rest with individual staff who are responsible for ensuring appropriate due diligence in order to ensure no damage to the organization's reputation.
- Staff are supported through a range of tools and case study examples available on the web
- Regular communications/ lessons/ experience exchange occurs, through workshops, web site, reporting processes and data bases
- All interactions are guided by a set of key principles.

**a. forms of engagement – what, when and why:**

- engagement of any type is appropriate to meet the mission objectives embodied by the global programme objectives and targets, subject to ensuring appropriate due diligence to assess any risks and to ensure these are outweighed by benefits to biodiversity

**b. designing partnerships, dialogues, services and networks:**

- more formal types of engagement can develop from day-to-day contacts, or be sought out by the NPO or the private sector
- common steps in designing these include:- prioritizing; objective setting; notification (for potentially sensitive cases); due diligence; engagement (initiating/responding); negotiating; formalizing; relationship management; communications; database management.

**c. proactively choosing business partners:**

- choice of partners in line with the mission, as set out in global programme priorities and targets.
- sectors and companies assessed on a case by case basis and chosen where biodiversity benefits outweigh any risk, identified through appropriate due diligence processes.

**d. responding to an approach from a business:**

- approaches from business assessed for priority and risk in the same way as for proactive choices- those which are accepted fit with programme priorities.

**e. funding from the private sector:**

- funding engagements with the private sector subjected to due diligence, since they represent potential risk to reputation (the NPO's bottom line), especially if they have associated marketing and communications benefits to the company.

**f. mechanisms for additional guidance:**

- a special unit to respond to questions on engagement; co-ordinate information exchange and inputs and oversee engagement generally.
- steering groups involving key staff, and/or advisory groups drawn from membership and from business partners.
- in exceptional cases, where sensitive issues are involved, referring proposed engagements, up the line through the special unit and, via Programme Director to the executive management committee, or higher.
- regular reports back on engagements, through the general programme planning and reporting system

**g. assessment, evaluation and reporting:**

- day to day engagement with the private sector assessed in the standard way for any programme activity.
- high profile partnerships and for funding, transparent, public (through the web), processes with independent evaluation of targets and outcomes

**h. dos and don'ts of communications – locally, globally, separately, jointly, internally, externally:**

- prior discussion with local communities where potentially affected
- pre-briefing of staff on high profile engagements – and regular updates
- joint communications on launch – including local communities where involved
- publicly available information on terms and objectives of engagement
- prior agreement on individual communications concerning the engagement
- retaining right to criticise publicly, after due warning

***i. management systems/ procedures: contracts; MoU, ToR, financial/accounting***

- No special systems for day to day dialogue, networks etc - relationships based on trust and mutual understanding.
- Where services are provided, standard contracts may be applied.
- Where more complex partnership with specified objectives and targets and/or projects involved, ToR and MoUs help ensure common understanding of what has been agreed.

***j. principles of private sector engagement: what and how of various principles e.g. transparency, participation, accountability, and others***

- All interactions are guided by a set of key principles, as outlined in the Strategy, including ensuring company commitment (to sustainable development/ corporate responsibility); participation (inclusive of local stakeholder needs through participative approaches); transparency (through publicizing details of engagement, including monitoring and evaluation results, and external verification); independence (retaining freedom to criticize); significant benefit to biodiversity (outweighing reputational risk to engagement)
- Interactions seek to demonstrate good practice by all parties and ensure relevance to mission (by focusing on identified priorities, such as addressing root causes of biodiversity loss).

**5.2 Suggested Outline for IUCN Operational Guidelines and Associated Tools**

Common elements in all engagement are the need for a basic set of principles which relate to ethical issues; demonstration of commitment and, guarding of reputation. Beyond this, the approach is on a case by case basis and so rigid guidelines could well hinder progress. Nether the less, there was a common desire for more engagement and more guidance on how to go about this.

A suggestion from interviewees was that this could best be achieved through exchange of lessons and examples, with a minimum of preset criteria and a prior approval requirement only for the few, potentially sensitive engagements (e.g. involving controversial issues and/or large sums of money).

This approach appears to fit with IUCN's situation. An approach is therefore proposed based on **an assumption in favour of engagement**. Higher level approval would be required only in exceptional circumstances. **Individuals would be responsible** for undertaking **due diligence**, guided by IUCN's existing **key principles and the proposed brief guidelines** and supported by the Business and Biodiversity Programme.

Rather than attempting **to set down comprehensive guidelines for all situations, IUCN should complement its proposed brief guidelines with a "tool box" and brief "case studies"**, to give easy access to a range on **model approaches and inspirational cases**.

The following is therefore proposed:-

A MODULAR APPROACH -- This report recommends grouping the guidance in ten 'stand-alone' modules – these are listed in the box below. The Guidance document would also include an introduction to the modules and a summary of IUCN staff responsibilities and accountabilities.

The modules would detail mechanisms, building on members' approaches (box 10), for applying IUCN's Key Principles within general questions on approach (why when and how to engage), and specific questions on particular issues (such as use of logo) The modules aim to be brief and therefore act as "pointers" to fuller details and examples covered elsewhere.

Summary	A Summary of IUCN Operational Guidance for Private Sector Engagement – including Staff Responsibilities and Accountabilities
Module 1	Background and Summary of The Strategy
Module 2	IUCN Approval and Decision-Making Processes – Who needs to know?
Module 3	Why, When and How To Engage – Setting Your Objectives
Module 4	Prioritizing Engagement – Identifying Target Companies
Module 5	Managing Risk – Due Diligence Processes
Module 6	Planning and Making an Approach – Understanding The Drivers
Module 7	Building, Formalizing, Managing and Sustaining Relationships
Module 8	Accepting Funds
Module 9	Use of Name and Logo

Module 10 Corporate Responsibility and Reporting Comment: Accountability  
Glossary and References

CROSS REFERENCING -- Within each module, cross-reference is made to closely-related elements covered in other modules.

CASE STUDIES -- Brief “sound-bite” case studies of a few sentences are proposed to inspire and motivate engagement with the private sector. A sentence under each of the following headings should suffice:

COUNTRY:  
INITIATOR(S):  
PARTNER(S):  
OBJECTIVE OF THE PARTNERSHIP:  
OUTCOMES:  
KEY LESSONS : (do again/do differently)  
RESOURCES DEPLOYED:  
FOLLOW-UP CONTACT

EXTRA WEB TOOLS -- In addition, a set of associated tools is proposed to provide further detail and example material. The purpose of an accompanying web-based “tool kit” is to help keep the guidelines short by providing easily accessible tools and key information, signposted from the guidance modules. Content would include model approaches; specimen MoUs, agreements, contracts, planning and monitoring models etc., as well as case studies and key documents. IUCN staff would be encouraged to add to this tool kit and to provide feedback on additional needs.

A SIMPLE TEMPLATE -- The following is proposed as a template for Guidance Modules:-

TITLE:  
LAST REVIEWED ON:  
INTENT:  
PROCEDURE:  
KEY POLICY REF (COUNCIL.RESOLUTION, POLICY STATEMENTS):  
THIS DOCUMENT SUPERCEDES THE FOLLOWING:  
LINKAGES:  
  
CONTEXT  
KEY POINTS  
SUMMARY OF STAFF RESPONSIBILITIES AND ACCOUNTABILITIES  
FURTHER INFORMATION/ SOURCES

UPDATES -- The guidelines should be revisited and updated as needed, in the light of feedback and experience. Feedback -- including additional modules required, modifications, relevant lessons, experience and good-practice examples – should be collected and integrated into new versions.

**BOX 12. LINKING MODULES, TOOLS & SYSTEMS**

The table below outlines the engagement process and the fit with these modules and existing general IUCN guidance.

<b>Overview of the modules:</b>			
<b>Tools &amp; Sources of Information/ Examples</b>	<b>STEPS IN ENGAGEMENT</b>	<b>MODULES</b>	<b>General IUCN Procedure, Guidance, Decision and Approvals Processes</b>
IUCN Global Programme  The "Situation Analysis" 2003 and the "Strategy for Enhancing IUCN Engagement with the Private Sector" 2004	ALIGNING WITH IUCN PRIORITIES	Module 1 Background and Summary of the Strategy	Priorities are set out in the Mission; Global Programme and the Council approved "Strategy For Enhancing IUCN's Interaction With The Private Sector" March 2004
Sector Analysis Root Cause Analysis Case Studies	IDENTIFYING PRIVATE SECTOR +/- IMPACTS	Module 1 Background and Summary of the Strategy	Action needs will flow from the Global Programme and work plan priorities
"Strategy For Enhancing IUCN's Interaction with The Private Sector", March 2004	DETERMINING PRIORITIES FOR ENGAGEMENT	Module 2 - Approval and Reporting Processes Module 3 – Why, when and how to engage Module 4 – Prioritizing Engagement Module 5 – Managing Risk	Action need will flow from the Global Programme and work plan priorities
"Strategy For Enhancing IUCN's Interaction With The Private Sector"  Standard References/ IUCN tools on negotiating	PLANNING AND MAKING AN APPROACH	Module 5 – Risk Management Module 6 -Planning and Making an Approach Module 7 -Building, Formalizing, Managing & Sustaining Relationships	IUCN Reporting Procedures IUCN Relationship Management Guidelines
Standard References/ tools on negotiating  Project Management Tools  Examples: Relationship Management; MoUs etc (see annex)	BUILDING, FORMALIZING AND MANAGING RELATIONSHIPS	Module 2 - Approval and Reporting Processes Module 7-Building, Formalizing and Managing Relationships Module 8 – Accepting Funds Module 9 - Use of Logo. Module 10- Corporate Responsibility	Standard IUCN project management system; target setting and, monitoring and evaluation guidance. Standard IUCN t.o.r; contract; MoU; letter of intent and financial procedures IUCN's own Environmental Management Systems /CR Policy

**5.3 Guidance Context**

Development and implementation of operational guidelines and disseminating associated tools represent a necessary but, possibly not a sufficient measure for IUCN's effective engagement with the private sector. To ensure the optimum use of these guidelines and tools, IUCN may need to assess organizational aspects, which, as noted by a number of respondents (see section 4.1 Box 6), can also be key to effective engagement.

A comprehensive guidance framework to empower and enable an NPO to engage with the private sector may be considered to comprise three strands: (1) production of succinct operational guidelines, (2) provision of supporting materials (e.g. tool box; case studies), and (3) enabling processes and culture. The first two are addressed by the proposed guidelines and an accompanying "tool box". The third may require more-enabling organizational processes for engaging with the private sector.

Processes which were mentioned by interviewees to be useful in developing a greater culture of engagement included training; job swaps between NPOs and the private sector; shadowing / brief secondments to and from; embedding of processes. Some standard approaches used by a number of organizations contributing to the review include:

- (a). An "audit of restrictions"<sup>10</sup> of internal practices, planning and management processes, to identify potential procedural and cultural opportunities and blockages to empowering action on engagement of the private sector.
- (b). Identifying ways of embedding a culture of engagement, through revised procedures and practices,

<sup>10</sup> An "audit of restrictions" generally involves a confidential questionnaire to staff which asks what established practice and procedure gets in the way of them delivering in certain areas. The "restrictions" identified are then fed back to the section responsible for them to reassess the need and approach taken.

for instance, within the IUCN work-planning, resourcing and reporting system by including identification of key sectors relating to biodiversity issues and opportunities.

(c). Workshops and issue-focused dialogue; two-way training events (on how business/biodiversity operates); short (days not weeks), job swops/shadowing exchanges with member organizations and the private sector to improve understanding of differing skills, cultures, language and approaches.

(d). Benchmark (visit/shadow/discuss) other organizations to see how they have addressed issues in response to a need for potentially radical changes in approach within their organizations.

(e). Environmental Management Systems and Corporate Responsibility processes run by a group drawn from a cross-section of staff.<sup>11</sup>

To take these ideas forward within IUCN Secretariat, and, bearing in mind the comments made on the need to develop ownership (section 4.1, "Developing Guidance"), internal/member reference group(s) could be tasked to:

- a) Steer/comment on the further development of draft guidance.
- b) Help identify additional needs in terms of supporting materials and processes to encourage and enable appropriate private sector engagement by IUCN
- c) Make recommendations on fundamental issues and concerns, such as the implementation of Prior Informed Consent in relation to communities potentially affected by companies and sectors engaged by members<sup>12</sup>
- d) Identify capacity building opportunities, including training and shadowing opportunities, including supporting pilot approach initiatives by individual staff/members to demonstrate and trial approaches to engagement building on ideas from the review, in particular:-
  - Sector Analysis<sup>13</sup>, as a means to identify sectors and companies whose activities are most relevance (opportunities and threats), to the achievement of IUCN's priorities and targets;
  - Company ranking systems (such as a star rating system), to identify potential prospects for engagement at different levels and for different purposes;
  - Relationship Management Planning<sup>14</sup> (to facilitate a synergistic approach by IUCN staff and members, where they engage with the same sectors and companies).

All the above are examples of approaches which have or are being used by one or more organisations contributing to this review.

## 6. KEY FINDINGS AND CONCLUSIONS

### 6.1 Key Findings

Within the 34 non-governmental organizations, it was found that 88% currently engage with the private sector. Of those who did not regularly engage, a number expressed their need to start engaging and, others, to increase levels of engagement. Of those who engaged, over 84% had some form of guidance and over 56% had written guidance. Both of the IUCN government agency members who responded engaged and had written operational guidance, as did the two other international organizations. For the private sector, the figures were 100% engaging with NPOs; 59 % with guidance and 47% with written guidance. Similar processes for managing engagement occurred throughout the sectors sampled. (See Box 3)

The private sector organizations sampled in this review were at a similar stage to NPOs in formalizing approaches and systems in relation to engagement with NPOs. A major issue for them was also managing risk, and opportunity, through engagement. The other humanitarian and environmental international organizations were facing similar challenges and undertaking similar processes

In general, current guidance within IUCN member organizations was largely focused on principles. IUCN's Key Principles<sup>15</sup> were consistent with those used by its members from which can be drawn

<sup>11</sup> CR relates to procurement and general running of the office as well as to external activities

<sup>12</sup> See Resolution 3.061.

<sup>13</sup> See annex 2 for a description of a Sector Analysis approach

<sup>14</sup> See annex 2 for a description of a formal approach to Relationship Management

<sup>15</sup> As set out in the IUCN Strategy for Enhancing IUCN's Interaction with the Private Sector. See footnote 4.

operational guidance detailing mechanisms for implementation (as illustrated by some approaches from this review, box 10). Few guidelines existed at an operational level. Where more operational guidance did occur, it related mostly to funding. The common driving force for guidance was potential risk to reputation.

There was a clear demand for better operational guidance and exchange of experience and lessons.

There are no generally applicable “best practice” approaches because, what is best will depend on the particular circumstances of each organization. The one common element in “best practice” is a well understood set of key principles.

The need for, and value of, formal guidance was more apparent in the larger, and/or more complex and higher profile organizations. Many of the major international NGOs were currently developing or refining internal guidelines. Such internal guidelines were generally held in confidence and some organizations, in both NPOs and the private sector samples, considered internal guidance as commercial in confidence. The existence of internal guidance was considered a competitive advantage over others in their sector.

As observed by a number of interviewees, working substantively with the private sector could be a challenge to current culture and approaches. They saw a need for better understanding of the private sector, in terms of the way they work and what they seek from engaging with environmental NGOs.

A number of interviewees raised the importance of cultural differences between industry and NPOs – and between those who engage and those who do not. From this, it might be concluded that to ensure the optimum use of these guidelines and tools, IUCN may need to address organizational culture and management issues.

## **6.2 Conclusions**

Engagement with the private sector is well established as essential for meeting biodiversity targets, however, from the comments of contributors to this review, there is a clear desire within NPO's and the private sector, to build their capacities to engage more effectively.

There are many examples of positive engagement to benefit biodiversity conservation and sustainable development, ranging from provision of advisory services (such as on biodiversity management); technical advice from the private sector (such as on best practice approaches); joint working to address common issues (such as improving sector environmental performance); innovative approaches (such as developing and implementing certification standards for sustainable coffee production); co-operation for mutual benefit (such as provision of appropriate technology to reduce environmental impacts e.g. water pumps); and, funding contributions and sponsorship.

The use of formal guidance for engaging with the private sector has, potentially, both costs and benefits to an organization. How these costs and benefits apply depends on the organization size and complexity and on the national cultures where it operates.

The greater the organization size, complexity and exposure to public scrutiny, then the greater are the benefits of having formal, written guidance. In these situations, such guidance demonstrates governance processes and aids transparency and synergy across organizations.

At the other end of the scale, smaller and less complex organizations gain less benefit from formalizing guidance. This is especially so where they operate in cultures where trust and personal relationships count as much or more than formal agreements, and where the press and general public have little interest in their activities. The small size of many organizations means that internal communications and decision making are easily fully inclusive – everyone knows what is going on. These organizations have as a minimum a set of basic, well understood, ethical principles, sometimes not even written down. These guide decisions on engagement on a case by case basis. Other operational aspects are covered by their standard organizational approaches – on financial management and propriety etc.

There are therefore no generally applicable “best practice” approaches because, what is best will depend on the particular circumstances of each organization. The one common element in “best practice” is a well understood set of key principles.

The process for developing guidelines is a key issue for a number of organizations, in particular, those with member organizations and/or active and diverse stakeholders. Gaining buy-in by stakeholders and high-level sign off appears fundamental to effective implementation of guidelines.

## 7. RECOMMENDATIONS AND NEXT STEPS

### 7.1 Recommendations

These recommendations are based on the comments of those who responded to this call for information, and on wider experience from elsewhere.

1. The focus of IUCN guidance should be on **stimulating and enabling interaction** by IUCN staff through providing supporting systems and information on general approaches and methods. (Box 4 and 6 )
2. Guideline modules should provide, in addition to key principles (as used by the majority of IUCN members), and enabling policy references, **key points to guide general approaches**.
3. The guideline modules should detail **methods to implement IUCN’s Key Principles**<sup>16</sup>, as raised in this review (box 10). In particular on “Relevance”, “Transparent,” and, “Participatory,” to address, respectively, focus on priority issues such as root causes; public access to information; and, participation of all stakeholders, especially vulnerable groups, in dialogues with the private sector; including, promotion of the principle of Free Prior and Informed Consent.
4. The guidelines should seek to minimize procedure but make clear the exceptional circumstances **where wider consultation or approval might be required**. (For instance, for engagements involving significant funding, use of name and logo, or on other sensitive issues, (including particular high profile topics; companies or sectors; or overlap with specific IUCN member interests. ( Box 4 )
5. IUCN could consider **enabling private sector engagement** through a requirement to assess issues and opportunities on each of IUCN’s units’ work during resource planning and target setting processes. This is in line with the view commonly held view that engagement should focus on mission priorities.
6. Consider facilitating sector and specific company related activities by a bringing together those working with the same sector or company to ensure synergy and clarity of communications. The approach should be based on relationship management processes as illustrated by IUCN member organizations of similar complexity to IUCN (Box 4).
7. To provide the support, noted by IUCN member organizations to be of particular value, ( section 4.1 Boxes 4 and 6) to staff and members to enhance the effective interaction with the private sector, additional services may be needed from the **Business and Biodiversity Programme**.

### 7.2 Next Steps

To move these recommendations forward, the steps proposed are:-

1. All members and partners who were invited to contributed to this review should be invited to provide further input to this draft.

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<sup>16</sup> As set out in the IUCN Strategy for Enhancing IUCN’s Interaction with the Private Sector, these 9 principles are:-  
1. **Relevant** to the IUCN vision and mission. 2. **Consistent** with the official policy of IUCN. 3. **Responsive** to the aspirations of the membership. 4. **Empowering** of IUCN to implement the Global Programme and of IUCN members to conserve nature. 5. **Effective** and results-based with concrete outcomes that can be measured. 6. **Efficient** in the use of IUCN resources as compared to alternative actions. 7. **Transparent** in the sense of ensuring public access to information, while respecting individual privacy and institutional confidentiality, as appropriate. 8. **Participatory** in the sense of creating opportunities for involvement by affected stakeholders, especially vulnerable groups, while respecting legitimate decision-making mechanisms. 9. **Enhancing** the credibility and autonomy of IUCN.

2. Those who contributed to this review be invited to join an email-based “**contact group**” for further work in this area, to be moderated by the Business and Biodiversity Programme.
3. Existing general guidelines – e.g. on financial procedures; project management; contracts; corporate responsibility and environmental management systems, should be **checked for compatibility and cross referenced** to the proposed private sector engagement guidelines.
4. Set up a Secretariat group with a **cross-section of staff**, to help develop/steer the guidance development and implementation and drive “walking the talk” through IUCN’s own Environmental Management Systems and Corporate Responsibility processes.
5. In the light of findings from 3 and 4 above, the need for **additional guidance and supporting roles** should be assessed – i.e. a Secretariat core group; a steering group with member representation; and/or, an advisory group, including the private sector.
6. A **web-based tool box** should be maintained and extended, in the light of feedback and contributions of further examples of materials and approaches from staff and IUCN members.
7. Consideration should be given to a **database of private sector engagements** for the Secretariat – to which IUCN members could also contribute.
8. The wider organizational aspects, such as **culture and general procedures**, should be addressed where necessary to ensure a fully empowering environment to enable staff to engage effectively with the private sector. Top management buy-in and support should be demonstrated.
9. Once drafted, the Operational Guidelines should be **piloted** within the IUCN Secretariat, including for the feasibility of working through existing approval processes
10. The Operational Guidelines should be **reviewed and revised** and added to as circumstances demand.

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## **Annexes**

## Annex 1 – Examples of IUCN members' activities

- A1.1 – GENERAL APPROACHES
- A1.2 – APPROVAL AND REPORTING PROCESSES
- A1.3 – WHY, WHEN AND HOW TO ENGAGE
- A1.4 – PRIORITIZING ENGAGEMENT
- A1.5 – MANAGING RISK
- A1.6 – PLANNING AND MAKING AN APPROACH
- A1.7 – BUILDING, FORMALIZING, MANAGING and SUSTAINING RELATIONSHIPS
- A1.8. – ACCEPTING FUNDS
- A1.9. – USE OF LOGO
- A1.10 – CORPORATE RESPONSIBILITY

### A1.1 GENERAL APPROACHES

#### **WWF-UK ([www.wwf-uk.org](http://www.wwf-uk.org)) -- Business and Industry Engagement Policy**

##### OVERALL POLICY STATEMENT

WWF-UK's policy is to enter into business and industry engagements which contribute to the attainment of our mission and to strengthen our position to attain this mission. Our policy is to engage with the companies and sectors best placed to help WWF-UK achieve its Programmatic, Fundraising and Communications objectives.

##### WORKING WITH BUSINESS AND INDUSTRY

WWF-UK's approach to business is constructive, collaborative and challenging. WWF-UK has four ways of working with business; any business and industry engagement will employ one or more of these ways of working. The four ways of working can be summarised as:

- Solutions-orientated business engagements and partnerships
- Fundraising relationships
- Innovation and learning relationships
- Challenging major impacts and raising the bar

##### DECISION-MAKING PROCESS

WWF-UK will use a set of principles to decide with whom, when and how WWF should work with the corporate sector. These principles are applied to all potential engagements in order to scrutinise the 'strategic fit' with WWF-UK's priorities and key objectives, in order that all WWF's engagements deliver the maximum level of positive impact on the environment and contribute to the attainment of WWF's mission. Decision-making is carried out on a case-by-case basis by the Business and Industry Core Group and will be guided by the set of principles and informed by in-house expertise and a robust system for company research. All potential relationships are presented to the Business and Industry Core Group in a standard format to ensure consistency within the decision-making process. The Business and Industry Core Group makes its decisions based on best judgement after reviewing all the available company research and evaluating the risks to WWF brand.

##### Decision-making principles:

- Priority -- Does the engagement contribute significantly to the achievement of a priority objective?
- Partner -- Is it the right partner, with whom WWF can achieve most in this area?
- Due diligence -- What are the environmental impacts of the company and/or its products?
- Perception -- How will the engagement be perceived? Do the strengths and opportunities outweigh the weakness and threats?
- Capacity -- Do WWF and the partner have sufficient and appropriate capacity to deliver?
- Communication -- What are the communications objectives and/or opportunities?
- Funding -- What are the funding implications and/or opportunities?
- Scope for development -- How might the engagement build on lessons learnt previously and what opportunities are there for development across priorities for Programmes, Communications and Fundraising?
- Impact -- Will the engagement make a significant difference?

##### Fundraising relationships

One of the ways WWF-UK works with business is to raise funds from the corporate sector to help meet our fundraising objectives. WWF recognises that out of the four ways of working with business it is fundraising from companies that carries the greatest risk. To manage this risk a robust system is in place to take companies through the prospecting stage and toward the decision-making stage when the Business and Industry Core Group reviews the potential relationship and makes its judgement.

The perception of WWF's association with commercial donors and its reputation as held by different stakeholders will be monitored on a regular basis by the Company Relations Manager. This information will be used to measure accumulative risk to the integrity, trust and independence of WWF-UK's brand and will provide input into decisions on accepting donations from and brand association with different corporate partners. Additionally, in order to ensure time and resource efficiency across the decision-making process - and to provide an early notification process - a short-list of company prospects and/or potential pipeline company relationships is taken to each monthly Business and Industry Core Group meeting.

Our policy is to enter fundraising led relationships with those companies that would add benefit to WWF and not pose risk to the brand. In order to meet this objective we undergo an extensive screening and due diligence process. This section of the policy is closely related to WWF-UK's Investment Policy.

Firstly, a system is used to negatively screen the company fundraising prospects list to screen out those companies that cause greatest environmental damage and/or greatest risk to the brand. EIRIS's in-house 'Electronic Portfolio Manager' database is used to guide this process.

The first test is EXCLUSION and here WWF-UK will exclude investing in or taking money from companies whose core business is: -

- Armaments (offensive armaments and weapons systems)
- Tobacco
- Trade in CITES Appendix 1 listed flora and/or fauna
- Animal testing for cosmetic or other non-medical products or medical testing on endangered species.
- Nuclear power

Exclusion from partnership will arise where the turnover for a company's activities associated with any of these areas exceeds 10 per cent. The second test is the EXTREME CAUTION test and here we include companies where relationships might offend our supporters and partners and might damage WWF-UK's brand and reputation. WWF-UK's Investment Policy states that investment in these sectors would likely be on a best-in-sector basis however in the case of fundraising led relationships, we would not generally agree these on the basis that they would not meet our environmental and ethical criteria.

The extreme caution sectors are as follows:

- Genetic engineering
- Pesticides and agro-chemicals
- Ozone depleting chemicals
- Fossil fuels
- Large-scale hydro-electricity generation
- Certain chemicals and plastics
- Timber products (unless certified by the Forest Stewardship Council)
- Intensive farming
- Internal combustion vehicle manufacture
- Environmentally insensitive mining
- Environmentally insensitive tourism
- Environmentally insensitive civil engineering and construction

Companies that make it through the 'exclusion' and 'extreme caution' negative screening process are then scrutinised against a set of strict environmental criteria. We expect fundraising led corporate relationships to meet a high environmental and ethical standard and those companies that pass through the initial negative screening tests are subject to a detailed due diligence process. This process considers the companies' environmental credentials and those of its products, in the case of a licensing deal.

Once a prospective company fundraising relationship reaches the decision-making stage we will subject the prospective relationship to a final set of tests which will look at the reputational risks of accepting money. The following list of questions form the basis of this final test: -

1. What is the risk of a negative impact to WWF's income from entering into the company fundraising relationship?
2. What is the risk of negative media coverage to WWF from entering into the company fundraising relationship?
3. What is the negative brand risk from taking money against WWF's principles, as stated in the mission statement?
4. What is the risk to WWF's income and reputation from not entering into the company fundraising relationship?

WWF may decide to build environmental and ethical caveats into any company fundraising deal as part of the business and industry approval process. These are likely to become part of the final contractual agreement with the company and performance against these will be tracked in the monitoring and evaluation process.

#### Business Sustainability

Our policy is to enter into a programmatic engagement with any company that is demonstrably committed to change toward sustainability - when by entering into the engagement this will help WWF-UK meet its priority objectives. This may involve working with some of the 'dirtiest' companies in the most damaging sectors; in these instances WWF will only engage if the engagement provides a 'strategic fit' to WWF's key objectives and that WWF is convinced there is real commitment to progress, which is both 'monitorable' and 'communicable'. As part of the business and industry engagement programme WWF-UK will require the company to meet a range of strict environmental and ethical standards. If these are not in place at the start of engagement, WWF-UK may decide to work with the company in order that key standards are met by the planned end of the engagement activity.

#### Monitoring and Evaluation

WWF-UK will set robust, clear and measurable objectives to provide a framework for corporate environmental improvement as part of the decision making process for agreeing a new engagement. We will also set issue specific improvement targets when this is relevant to the company engagement activity. The business and industry engagements will be subject to a six monthly rolling review programme against pre-agreed SMART targets that will be developed in order to monitor each companies' commitment toward sustainability. WWF-UK has the right to criticise any company's behaviour if we see the need, or if a company consistently fails to meet the pre-agreed engagement targets. WWF also reserves the right to withdraw from any relationship in event of a company take-over or fundamental change to the company's management board, if we believe that this will compromise the attainment of the original objectives with that company.

Author: Diana Brown, Environmental Manager and Ethics Analyst

Agreed by: Business and Industry Core Group on 4 August 2003

Review date: 04 August 2004

Bayer CropScience ([-www.BayerCropScience.com](http://www.BayerCropScience.com)) Stakeholder engagement and partnership approaches

For Bayer CropScience stakeholder engagement and partnership approaches make good business sense and has become an integral part of the company's business approach as joining forces prevails over isolated efforts. This is substantiated by the case study collection 2004 that was placed on the web. Evaluation highlighted the following: While not all of the case studies outline the

partnerships and partners in detail, an attempt was made to differentiate between multi-stakeholder partnerships, including those with a public-private element and those where the company only cooperates with farmers. From the 100 case studies on the web 79 are multi-stakeholder partnerships of which 42 include public private partnerships. 25 of the case studies are those where the company “only” cooperates with farmers to develop adapted solutions on the ground. A broad range of partners are cooperating in joined efforts, they include: local communities, farmers, international, national and local government institutions, research institutes, universities, non-governmental, environmental and community-based organisations, water utility companies, the food industry, other businesses and/or their associations. While the case study collection is not all-embracing its compilation gives a good overview of activities undertaken by the company worldwide and also provides a good indicator of Bayer CropScience stakeholder engagement activities.

As an example, the public-private partnership (PPP) undertaken by Bayer CropScience and GTZ (the German government owned corporation for international cooperation) in Guatemala (between 2001 and 2003) also included a range of local stakeholders in the project area: educational associations, environmental groups, agricultural workers' union, teachers at various levels, wildlife preservation activists, municipalities, university extension groups, water managers, health and radio broadcasting organizations and a locally-based ILO (International Labour Organization) group working towards the elimination of child labour. Capacity building programmes for land management were jointly run through hired and trained trainers and geared to improving productivity on land already ploughed. Bayer CropScience contributed technical expertise to the partnership, while GTZ's emphasis was geared towards marketing the agricultural produce. Costs were shared.

A different type of stakeholder engagement occurred when the Bayer CropScience Sustainable Agriculture Strategy was developed starting in 2003. The company first engaged in a global internal consultation process to develop the company's position on Sustainable Agriculture and to determine how it can best contribute to its implementation in future. The internal consultation process was coordinated in collaboration with a UK-based non-governmental organisation (NGO), Stakeholder Forum for Our Common Future and included an advisory group of more than 100 Bayer CropScience representatives from around the world who contributed during several stages of the Strategy drafting. The outcome was a set of suggestions, which were included in the Draft Strategy paper. In order to enrich the Draft Strategy paper with further perspectives and expertise from different constituent groups, an external stakeholder workshop was co-hosted in collaboration with Stakeholder Forum for Our Common Future. It was held in July 2003 and Chatham House Rules<sup>17</sup> were applied. Participants included 24 representatives from a variety of stakeholder groups: governmental, inter-governmental and non-governmental organizations, representatives from farmers' organizations, the agri-food industry and scientific institutions. Representatives from Bayer CropScience and Bayer AG from nine countries and nine company departments participated. Two Bayer CropScience Board members, including the chairman, joined the meeting for parts of the discussions. In 2005 two subsidiaries followed suit of this example and engaged in similar proactive stakeholder engagements.

Bayer CropScience trusts that it can be particularly successful in partnerships by sharing its knowledge where its core competencies and expertise lie: in research, development, production, marketing and related product stewardship aspects, including capacity building. Many of the Bayer CropScience scientists are experts in varying fields. These assets are especially recognized in multi-stakeholder partnerships and contribute to benefits for all partners involved. A point in case is the African Stockpiles Programme (ASP), where the plant science industry through its association CropLife International, including Bayer CropScience provides experts to deal with product disposal projects. Other examples are the water case study in Brazil, where the company shares its land management knowledge, or the biodiversity case study in the UK, where it provides knowledge on insect varieties to enable species evaluation.

## **A1.2. APPROVAL AND REPORTING PROCESSES**

**Example - No written examples received to date – generally held in confidence.**

## **A1.3. WHY, WHEN AND HOW TO ENGAGE**

### **Salva Natura ([www.salvanatura.org](http://www.salvanatura.org))**

Since 1991, SalvaNATURA -- El Salvador's leading conservation organization—has managed El Imposible National Park, the country's most important tropical rainforest reserve. Given these statistics and scientific findings, they teamed up with the Rainforest Alliance and five years ago began working with local coffee farmers to improve the environmental and social conditions on their farms. Their efforts have yielded an unparalleled success. Farms throughout the region are not only being managed sustainably, but also the collaborative venture has helped farmers place their product at competitive prices in coffee markets around the world.

### **WWF International ([www.panda.org](http://www.panda.org)) -- The Lafarge Partnership**

Within the framework of WWF's “Conservation Partner” Programme, Lafarge, the world leader in building materials, and WWF, the conservation organization, are implementing a world-wide partnership aimed at improving Lafarge's environmental performance, strengthening policies and practices, developing WWF's Forest Landscape Restoration project and raising awareness of the importance of sustainability and biodiversity conservation. The partnership is one of a kind in the sense that

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<sup>17</sup> Chatham House Rules: “participants are free to use the information received, but neither the identity nor the affiliation of the speakers / participants may be revealed; nor may it be mentioned that the information was received at such a meeting or gathering.” ([www.riia.org](http://www.riia.org))

Lafarge is the first big CO2 emitter to work closely with an NGO. One could say that both parties are here playing a pioneer role and setting an example for others. Lafarge and WWF are leaders in sustainable development and are working to raise the bar for industry in general and the building material sector in particular. Within the global partnership, Lafarge and WWF are committed to developing local initiatives in key countries where both WWF and Lafarge are operating. Culture of trust, transparency and dialogue are key elements of the partnership as is the agreement to disagree on some issues.

#### **A1.4. PRIORITIZING ENGAGEMENT**

##### **English Nature ([www.english-nature.org.uk](http://www.english-nature.org.uk)) -- Sector Analysis and English Nature**

Sector analysis is a policy tool which helps English Nature to understand the ways in which key businesses and industry impact on nature conservation.

How we use sector analysis

Sector analysis gives us an overview of the diverse influences on nature conservation, and enables us to instigate changes by working with key businesses and industry alongside relevant statutory and non-statutory organizations, and other interested parties.

Working in this way, we aim to characterize each sector in terms of its scope and socio-economic and political factors, and to identify the key shapers and players for each sector. Key shapers define and drive policy development for the sector (i.e. they define the rules of the game). Key players are those organizations and others who seek to influence the rules of the game. This awareness shows us where we should focus our priority actions to improve the contribution each sector makes to nationally important nature conservation targets. It also gives us the opportunity to influence policy changes essential to achieve wildlife gain.

We have identified 10 sectors best placed to deliver positive contributions to wildlife gain, as well as preventing further loss and damage, on and beyond special sites. We have decided to focus effort and resources on six of these where changes are needed to achieve national nature conservation targets. These priority sectors are agriculture, coastal management, construction & development, sea fisheries, transport and water. We will maintain our work with the four other sectors (forestry; minerals & aggregates; ports; tourism, recreation & access) where implementation of existing rules and investment in good practice are needed.

Business and biodiversity

We have identified the links between our six priority sectors and relevant businesses. We will engage with these companies to help them integrate management for nature conservation into their business and culture, particularly in the context of *The engagement of business chapter of Working with the grain of nature*, the biodiversity strategy for England (Defra, 2002). We will promote 'biodiversity tests' for businesses to help them improve both their environmental performance standards and performance reporting.

Overall, companies in 15 FTSE economic sectors own and/or control 27,000 hectares of land within more than 1450 Sites of Special Scientific Interest in England. We will publish data on the condition of SSSIs in company ownership by December 2003.

Sector analysis and corporate planning

We use sector analysis to inform our planning processes. Each analysis shows a provisional list of priority actions for both national and area teams, and will be used in conjunction with other management tools to illustrate areas where we can influence others and report on good practice to achieve our nature conservation goals.

#### **A1.5 MANAGING RISK**

##### **Malaysian Nature Society (MNS) -- When, Why And How Criteria For Associations With Outside Organisations**

In the course of MNS operations, we will be approached by various parties or organizations which wish to be associated with our environmental and "green" image by being a sponsor, donor, collaborator supporter or even partner in conservation. To ensure that MNS reputation, independence, transparency and objectives remain intact, it is necessary to develop criteria for associating with these organizations.

This is a complex matter and in many individual cases may still require the guidance of MNS Council or Management Committees. However, it is intended that the general principles here will guide both staff and members in making a decision.

With this in mind, four main areas of concern have been identified. These are Environmental, Social, Political and Commercial. Any candidate organization should be evaluated against all four concern areas (see table A1).

##### **1. Environmental**

As a conservation organization, MNS needs to be primarily concerned about this key area. Organizations which wish to associate with MNS must not have a bad reputation on the environment. For example, MNS should not be associated with a company involved in dynamiting coral reefs to build marines.

MNS should also be pragmatic, however, and recognize that there is no organization that does not impact the environment in some way. Some, such as property development and timber companies, are directly involved in some land clearance. The issue here should be whether the company makes an effort towards low impact, sustainable and/or best practices.

Therefore a timber company that practices sustainable, low impact logging or an oil company with an environmental best practice policy may be acceptable. In contrast, an architectural firm with a high profile, controversial environmentally damaging dam project is not acceptable.

Another principle is that companies and their management change all the time. There should be a time-limit or statute of limitations on how long the company may be blacklisted over a particular incident. For this purpose, a period of 5 years is proposed.

For the purpose of decision making on the Environmental area of concern, a flow chart has been developed.

2. Social

A second area of concern is with regards to less socially acceptable or responsible

Organizations. In this regards, MNS should follow government practices and distance itself from some organizations. Organisations which are implicated in fraud, illegal activities, or activities offensive to the general public's sense of moral standards are to be rejected.

The government has no problems dealing with and getting money from alcohol, tobacco and gambling organizations with the exception of a ban from public events. MNS will apply a similar standard of practice. These companies will be considered S-restrictive (or socially restrictive).

3. Political

MNS must maintain its independence and appear to be focus on its own objectives and un-swayed by any outside political agenda. As long as this is maintained, there is no reason why MNS cannot work with any body of the society. Association with political entities at some levels may be open to misinterpretation and MNS independence must both be fact and seen to be fact. Therefore it is necessary to exclude some level of association with political entities (P – restrictive).

4. Commercial

The final area of concern is when dealing with commercial and profit-oriented organizations. MNS needs to be sure that these organizations are not inequitably benefiting from the association. That is to say that the arrangement must bring a significant benefit to the Society and promote society objective.

There is no concern with regards to grants, donations etc. but in the case of projects, MNS must avoid being used as cheap consultants.

It is therefore important to categorise an association in which MNS expertise and good-name is being used to promote a project initiated by the commercial concern as C – restrictive.

TABLE A1 : RESTRICTIONS ON ASSOCIATION WITH OUTSIDE AGENCIES AND ORGANIZATIONS

	Approved	Environmentally - Restricted	Socially - Restricted	Politically - Restricted	Commercially - Restricted
Education					
Camps	YES	NO	NO	YES	NO
Courses	YES	NO	NO	YES	NO
Projects	YES	NO	YES	NO	NO
Franchises	YES	NO	YES	YES	YES
MNS Centres	YES	NO	YES	NO	NO
Publications	YES	NO	YES	NO	YES
KPAs	YES	NO	NO	NO	NO
Materials & Equipment	YES	YES	YES	YES	YES
Public Events	YES	NO	NO	NO	NO
Science & Conservation					
MNS Projects	YES	NO	YES	NO	NO
Consultancy	YES	YES	YES	YES	YES
Expeditions	YES	NO	YES	YES	NO
Materials & Equipment	YES	YES	YES	YES	YES
Conferences/Workshops	YES	NO	NO	NO	NO
Publication					
Malayan Nature Journal	YES	NO	NO	NO	YES
Malaysian Naturalist	YES	NO	NO	NO	YES
Publications for kids	YES	NO	NO	NO	YES
Other Publications	YES	NO	YES	NO	YES
Materials & Equipment	YES	YES	YES	YES	YES
Parks					
Infrastructure	YES	NO	YES	YES	YES
Materials & Equipment	YES	YES	YES	YES	YES
Educational Material	YES	NO	NO	NO	YES
Projects	YES	NO	YES	NO	NO
Operational Costs	YES	NO	YES	YES	YES
MNS HQ					
Infrastructure	YES	NO	YES	NO	YES
Materials & Equipment	YES	YES	YES	YES	YES
Vehicles	YES	NO	YES	NO	YES
Publicity/Promotions	YES	NO	NO	NO	YES
Merchandising	YES	NO	NO	NO	YES
Public Exhibitions/Events	YES	NO	NO	NO	YES
General					
Grants	YES	YES	YES	YES	YES
Fund-raising for MNS	YES	NO	YES	YES	YES
Partners in Conservation	YES	NO	NO	YES	YES
Corporate	YES	NO	NO	NO	YES

**Conservation International ([www.celb.org](http://www.celb.org)) Marketing & Communications:**

Under certain circumstances, CI engages with corporations to achieve mutually beneficial marketing and communications objectives (e.g. cause-related marketing programs or other brand associations). CI will seek contributions from Corporate Supporters and work to develop Corporate Partner relationships that allow the organization to further its mission. Corporate Supporter relationships will have no influence on CI's activity beyond financial support, while Corporate Partner relationships will influence only those CI activities defined in a partnership agreement. In the case of Corporate Partner relationships, CI will conduct due diligence before entering into a relationship to assess the risks and benefits of the partnership to biodiversity and to CI's standards. General attributes of CI Corporate Partners include, but are not limited to, a genuine commitment to improving environmental performance and demonstrated leadership by the company on issues related to corporate social responsibility.

## A1.6. PLANNING AND MAKING AND APPROACH

**Earthwatch ([www.businessandbiodiversity.org/LBP\\_Guidelines.html](http://www.businessandbiodiversity.org/LBP_Guidelines.html))**

### LIST OF TOOLS

Tool 1: Handout on Overview of Business and Biodiversity. This tool is intended as a template for you to hand out to companies as an introduction to the topic of biodiversity. It is provided in Word format for you to customise for your work.

Tool 2: Handout Business and Biodiversity Action Questionnaire. This tool provides a basic set of questions which look at how widely a company has already become aware of and involved in biodiversity. You can give this questionnaire to businesses to fill out and return to you, or to guide you in your discussions with companies. It is provided in Word format for you to add to or customize for your work.

Tool 3: Biodiversity Management Planner. This tool can be used to set out a schedule of biodiversity activities for a site over a full year and can provide a useful overview of how these activities may overlap with other activities which a business is involved in. The file is provided in Word format for you to customize for a particular sector or company.

Tool 4: 'Checklist' for LBP engagement with businesses. This is a checklist that provides a list of some of the steps an LBP may choose to take to develop and put into practice a strategy for engaging businesses.

Tool 5: 'Checklist' for business engagement with biodiversity. This checklist is based on the business Framework for Action which can be used to follow progress a company is making towards implementing a biodiversity strategy.

Tool 6: Sample LBP Policy on engagement. LBPs can use this template to start drafting their own policy for engaging businesses with. It is provided in Word format for you to add or customize for your work.

Tool 7: Sample Business Policy on Biodiversity. This is an example of what a Company's Biodiversity Policy may look like and you can find more samples through company web sites.

Tool 8: Sample Action Plan for Engaging Businesses. For LBPs wishing to draw up a plan of action for working with businesses, this outline includes some of the things which you may wish to cover. You may also wish to develop a simple log-frame to plan your work, identifying resources and time-frames for activities.

Tool 9: Service Level Agreement. An outline of the main section headings for a possible Service Level Agreement/Terms of Reference between a business and an LBP is provided here. This provides only a rough guide to the types of issues which you may wish to cover in such a document and you should seek advice to ensure that it is complete as well as compliant with any policies or legal requirements.

Tool 10: Presentation to businesses. An example of a presentation that can be used as an effective way to contact the business community and spread your message. This presentation can be tailored to suit the audience you are addressing and the objectives that you are trying to get across. It is provided in PowerPoint format for you to add or customize for your work.

## A1.7. BUILDING, FORMALIZING, MANAGING AND SUSTAINING RELATIONSHIPS

**Haribon Foundation, Philippines**

### MEMORANDUM OF AGREEMENT

KNOW ALL MEN BY THESE PRESENTS:

This Memorandum of Agreement (hereinafter, "Agreement") made and entered into by and between:

THE MANILA TIMES PUBLISHING CORPORATION, a domestic corporation duly organized and existing under Philippine law with office address at No. 371 A. Bonifacio Drive, Port Area, Manila, represented herein by its Executive Vice-President and Editor-at-Large, Mr. Dante Francis M. Ang II, hereinafter referred to as "THE MANILA TIMES";

-and-

HARIBON FOUNDATION FOR THE CONSERVATION OF NATURAL RESOURCES, a non-stock, non-profit organization duly organized and existing under Philippine law with office address at 4/F Fil Garcia Tower, 140 Kalayaan Ave., cor Mayaman St., Diliman, Quezon City, represented herein by its Executive Director, Ms. Anabelle E. Plantilla, hereinafter referred to as "HARIBON".

WITNESSETH: That,

WHEREAS, THE MANILA TIMES is the publisher of the daily broadsheet THE MANILA TIMES, among other publications;

WHEREAS, HARIBON will write a Column for at least once a week to be published in THE MANILA TIMES;

NOW THEREFORE, for and in consideration of the foregoing premises, the parties hereby bind themselves to the following covenants and stipulations:

1. THE MANILA TIMES shall publish once a week, the column consisting of about eight hundred (800) words with or without photos to be submitted by e-mail 24 hours prior to the intended publication, on the topic of environmental issues and advocacies;
2. THE MANILA TIMES shall also give space to HARIBON for a weekly feature on indigenous fauna and flora and shall be entitled "ONLY IN THE PHILIPPINES";
3. HARIBON warrants that the Column shall contain no libelous, defamatory or obscene statements that shall tend to destroy the image of THE MANILA TIMES, and THE MANILA TIMES reserves the right to edit the Column to conform to journalism ethics and generally accepted industry practice;

4. HARIBON shall retain the copyright to the submitted columns. However, THE MANILA TIMES reserves the right to reprint it in its sister publications including its websites and future editions, at no extra cost to THE MANILA TIMES. In no case shall HARIBON submit any article to another publication which is the same as what has been or is to be published by THE MANILA TIMES. HARIBON however may submit a slightly rewritten or similar form to a foreign publication for printing three (3) days after publication in THE MANILA TIMES;
5. If HARIBON shall decide to publish a compilation of its columns, HARIBON shall be required to give proper credit to THE MANILA TIMES as the original publication that carried the article/s;
6. THE MANILA TIMES shall give HARIBON FIFTY THOUSAND PESOS (Php 50,000.00) worth of free ad space in THE MANILA TIMES;
7. THE MANILA TIMES shall provide coverage to HARIBON's events and shall publish its press releases and photo releases, all for free;
8. THE MANILA TIMES shall give website ads and links to the HARIBON website;
9. HARIBON shall, without any remuneration from THE MANILA TIMES, promote and advertise THE MANILA TIMES among its members at all times keeping high esteem the untarnished reputation and invaluable goodwill of THE MANILA TIMES;
10. HARIBON shall give ads and website links to the MANILA TIMES website;
11. HARIBON shall acknowledge THE MANILA TIMES as an official media partner in all HARIBON's brochures, posters, announcements and media forms in a manner mutually agreed upon by both parties;
12. HARIBON shall hold THE MANILA TIMES free and harmless from any and all third-party claims arising from the publication of the Column or from the non-publication thereof due to causes beyond the control of THE MANILA TIMES;
13. This Agreement shall be valid for a period of one (1) year commencing on \_\_\_\_\_ and shall expire on \_\_\_\_\_;
14. This Agreement shall be automatically extended upon expiration for another twelve (12) months unless a written notice of non-renewal is received at least thirty (30) days prior to the end of the current service period.

IN WITNESS WHEREOF, We have hereunto set our hands on this \_\_\_\_ day of \_\_\_\_\_ 2005 at \_\_\_\_\_.

THE MANILA TIMES  
PUBLISHING CORP  
("THE MANILA TIMES")

HARIBON FOUNDATION FOR THE  
CONSERVATION OF NATURAL  
RESOURCES  
("HARIBON")

By:

By:

DANTE FRANCIS M. ANG II  
Executive Vice President  
and Editor-at-Large

ANABELLE E. PLANTILLA  
Executive Director

SIGNED IN THE PRESENCE OF:

\_\_\_\_\_

**Nature Seychelles ([www.natureseychelles](http://www.natureseychelles))**

MEMORANDUM OF UNDERSTANDING BETWEEN  
Fregate Island Ltd.  
AND  
BirdLife Seychelles

1. Background

This Memorandum of Understanding (MOU) has been developed to formalise in an open and accountable manner, the excellent and mutually beneficial relationship between the two organizations and the delivery of expected results in the Magpie robin Recovery Programme Plan 1996 to 2006:

- BirdLife Seychelles (PO Box 1310, Suite 202, Aarti Chambers, Mont Fleuri, Mahé, Seychelles), represented by its Chief Executive, Nirmal Jivan Shah; and,
- Fregate island Private (P.O. Box, Suite 200, Aarti Chambers, Mont Fleuri, Mahé, Seychelles), represented David Brewer by its General Manager
- Hereafter referred to as "BirdLife Seychelles" and "FIL", or "the parties".

## 2. Purpose

The MOU will facilitate joint planning and implementation of conservation activities and capacity building, as well as fairly determine the obligations of the parties with each other and third parties.

## 3. Terms of the MOU

- a) FIL and BirdLife Seychelles have decided to transfer the management of the Magpie-robin Recovery Program activities on Fregate island to FIL owing to the successful completion of objectives identified in the Magpie-robin Recovery Programme Plan, 1996 to 2006. This will include:
  - the return of the building housing the BirdLife field station to FIL management
  - The recruitment of a wildlife /conservation officer by FIL to take over from BirdLife Seychelles field officers
  - Assistance in the training of the Fregate island wildlife /conservation officer by BirdLife Seychelles
  - Technical backup for this officer by BirdLife Seychelles
  - Active participation of FIL on the Seychelles Magpie robin Recovery Team (SMART) and facilitation by BirdLife Seychelles in this matter
  - Provision of data on Fregate magpie robin population by FIL to BirdLife Seychelles according to an agreed timetable.
  - Joint agreement on publication of the data
  - Continuation of Magpie robin conservation activities by FIL, as mutually agreed, including habitat management and monitoring.
  - Continuing commitment by FIL to maintaining an environment free of chemicals and other impacts that are hazardous to Magpie robins.
  - Continuing commitment by FIL to maintaining a rat-free environment on the island.
- b) FIL and BirdLife will acknowledge *inter-alia* the role that each of the parties have played in the conservation of the Magpie robin on Fregate island, as appropriate, in their public displays, materials and presentations covering this subject.
- c) The parties to this MOU agree to jointly discuss their programmatic agendas and planning as regards conservation, in order to identify areas of mutual interests and potential collaboration in the future.
- d) A separate "Implementation Collaboration Agreement" will be developed and signed for agreed activities in the future. For each of these activities, the commitments and responsibilities of each party (including funding and logistical arrangements) will be agreed to in writing. Expected outcomes of each activity will also be listed.

## 4. Duration and Termination

- a) This MOU takes effect as from the date of its signature, and for an undetermined period of time, unless otherwise agreed to by one or both parties. After three (3) years, both parties will review their collaboration, assess whether or how to better pursue the partnership, and under what modalities to pursue this collaboration.
- b) The MOU may be amended by either party; these amendments must be agreed to by both parties in writing, by exchange of letter.

\_\_\_\_\_  
David Brewer, for FIL

Date: \_\_\_\_\_

\_\_\_\_\_  
Nirmal Jivan Shah, for BirdLife Seychelles

Date: \_\_\_\_\_

## **BayerCropScience**

### Stakeholder engagement and partnership approaches

For Bayer CropScience stakeholder engagement and partnership approaches make good business sense and has become an integral part of the company's business approach as joining forces prevails over isolated efforts. This is substantiated by the case study collection 2004 that was placed on the web. Evaluation highlighted the following: While not all of the case studies outline the partnerships and partners in detail, an attempt was made to differentiate between multi-stakeholder partnerships, including those with a public-private element and those where the company only cooperates with farmers. From the 100 case studies on the web 79 are multi-stakeholder partnerships of which 42 include public private partnerships. 25 of the case studies are those where the company "only" cooperates with farmers to develop adapted solutions on the ground. A broad range of partners are cooperating in joined efforts, they include: local communities, farmers, international, national and local government institutions, research institutes, universities, non-governmental, environmental and community-based organisations, water utility companies, the food industry, other businesses and/or their associations. While the case study collection is not all-embracing its compilation gives a good overview of activities undertaken by the company worldwide and also provides a good indicator of Bayer CropScience stakeholder engagement activities.

As an example, the public-private partnership (PPP) undertaken by Bayer CropScience and GTZ (the German government owned corporation for international cooperation) in Guatemala (between 2001 and 2003) also included a range of local stakeholders in the project area: educational associations, environmental groups, agricultural workers' union, teachers at various levels, wildlife preservation activists, municipalities, university extension groups, water managers, health and radio broadcasting organizations and a locally-based ILO (International Labour Organization) group working towards the elimination of child labour. Capacity building programmes for land management were jointly run through hired and trained trainers and geared to improving productivity on land already ploughed. Bayer CropScience contributed technical expertise to the partnership, while GTZ's emphasis was geared towards marketing the agricultural produce. Costs were shared.

A different type of stakeholder engagement occurred when the Bayer CropScience Sustainable Agriculture Strategy was developed starting in 2003. The company first engaged in a global internal consultation process to develop the company's position on Sustainable Agriculture and to determine how it can best contribute to its implementation in future. The internal consultation process was coordinated in collaboration with a UK-based non-governmental organisation (NGO), Stakeholder Forum for Our Common Future and included an advisory group of more than 100 Bayer CropScience representatives from around the world who contributed during several stages of the Strategy drafting. The outcome was a set of suggestions, which were included in the Draft Strategy paper.

In order to enrich the Draft Strategy paper with further perspectives and expertise from different constituent groups, an external stakeholder workshop was co-hosted in collaboration with Stakeholder Forum for Our Common Future. It was held in July 2003 and Chatham House Rules<sup>18</sup> were applied. Participants included 24 representatives from a variety of stakeholder groups: governmental, inter-governmental and non-governmental organizations, representatives from farmers' organizations, the agri-food industry and scientific institutions. Representatives from Bayer CropScience and Bayer AG from nine countries and nine company departments participated. Two Bayer CropScience Board members, including the chairman, joined the meeting for parts of the discussions. In 2005 two subsidiaries followed suit of this example and engaged in similar proactive stakeholder engagements.

Bayer CropScience trusts that it can be particularly successful in partnerships by sharing its knowledge where its core competencies and expertise lie: in research, development, production, marketing and related product stewardship aspects, including capacity building. Many of the Bayer CropScience scientists are experts in varying fields. These assets are especially recognized in multi-stakeholder partnerships and contribute to benefits for all partners involved. A point in case is the African Stockpiles Programme (ASP), where the plant science industry through its association CropLife International, including Bayer CropScience provides experts to deal with product disposal projects. Other examples are the water case study in Brazil, where the company shares its land management knowledge, or the biodiversity case study in the UK, where it provides knowledge on insect varieties to enable species evaluation.

## A1.8 ACCEPTING FUNDS

### Pro-Natura, Switzerland ([www.pronatura.ch](http://www.pronatura.ch)) – Ecosponsoring

Principes de Pro Natura réglant la collaboration avec les sponsors

#### 1. Généralités

Concept	L'écosponsoring est une collaboration entre partenaires, collaboration que Pro Natura établit avec des entreprises dans le domaine de la protection de la nature et qui profite aux deux parties.
Attitude	Pro Natura salue la disposition grandissante des entreprises en faveur de l'écosponsoring. Elle souhaite participer à cette évolution et se propose, dans le cadre de projets, de collaborer plus avec des sponsors et d'en rechercher activement à l'avenir.
Objectifs	Pro Natura, par l'écosponsoring, poursuit trois objectifs: <ul style="list-style-type: none"><li>• l'obtention de moyens de financement pour ses projets</li><li>• le contact renforcé avec les milieux économiques (employeurs et employés)</li><li>• la poursuite directe de ses objectifs au travers des projets eux-mêmes.</li></ul>

#### 2. Conditions mises à la collaboration

Partenaires	Pro Natura cherche à collaborer avec des entreprises <ul style="list-style-type: none"><li>• qui, vis-à-vis de l'extérieur, tendent à faire savoir qu'elles intègrent la notion de durabilité dans leur philosophie d'entreprise</li><li>• dont les produits, offres et conditions de travail correspondent à l'idée que se fait Pro Natura de la durabilité.</li></ul>
Projets	Les projets de sponsoring de Pro Natura doivent répondre aux objectifs qu'elle s'est fixée et figurer dans son programme. Ils seront en règle générale proposés par Pro Natura.
Collaboration	Pro Natura attache de l'importance au contact direct avec les sponsors. Elle établit, pour chaque cas, une convention écrite de collaboration. Cette convention détermine <ul style="list-style-type: none"><li>• ce que les deux partenaires attendent du projet</li><li>• ce qu'ils en accomplissent et ce qu'ils en reçoivent</li><li>• la manière dont se déroulera la collaboration</li><li>• la manière dont sera touchée, au besoin, l'opinion publique.</li></ul>
Engagement financier	Les projets de sponsoring exigent aussi de Pro Natura un investissement important. Elle est donc intéressée par des projets sponsorisés <ul style="list-style-type: none"><li>• lorsqu'ils offrent un bon rapport qualité-prix</li><li>• lorsqu'une part convenable des coûts du projet est couverte.</li></ul>
Durée	Pro Natura donne la préférence à un engagement à long terme avec les sponsors, car il favorise une collaboration qui va au-delà du projet lui-même.
Compétence	Les contributions de sponsoring relèvent des compétences suivantes: des chefs de division jusqu'à hauteur de Fr. 5'000.-, de la direction jusqu'à Fr. 50'000.- et du vice-président II et du secrétaire central pour ce qui dépasse Fr. 50'000.-.

Adopté par le Comité central de Pro Natura le 13 janvier 1995, complété le 30 juin 1995.

Adapté le 26 avril 1997 aux statuts du 7 décembre 1996 (changement de nom).

## A1.9 USE OF LOGO

### International Committee of the Red Cross, ICRC partnership modalities ([www.icrc.org/eng/ethical-principles](http://www.icrc.org/eng/ethical-principles))

The following text is an extract from "Ethical principles guiding ICRC's relationships with the private sector" (point 5: Modalities of partnerships). The full text of the guidelines can be found at: [www.icrc.org/eng/ethical-principles](http://www.icrc.org/eng/ethical-principles). In addition, "Guidelines on the use of the Red Cross emblem and the name and logo for fundraising purposes" are available at [www.icrc.org](http://www.icrc.org) -> Activities -> Private sector relations), which give more precisely detail on use of the logo.

The principle of independence requires that the arrangement modalities between the ICRC and a company does in no way lead to believe that the ICRC may endorse a company, its products, policies or services. The ICRC cannot grant formal "exclusivity" to

<sup>18</sup> Chatham House Rules: "participants are free to use the information received, but neither the identity nor the affiliation of the speakers / participants may be revealed; nor may it be mentioned that the information was received at such a meeting or gathering." ([www.riia.org](http://www.riia.org))

any company in the framework of a partnership. The ICRC "logo" is not a trademark, and is not registered as such nor is protected under trademark laws.

The ICRC "logo" embodies the Red Cross emblem, which is protected under international law (Geneva Conventions). It is important to recall that the emblem is first and foremost an internationally recognised symbol of protection during armed conflicts. Each Movement component has a responsibility to help preserve the emblem's unique protective power. All agreements with companies must abide by the rules applying to the use of the ICRC "logo", as spelled out in the 1991 Movement's Regulations on the Use of the Emblem.

Corporate alliances where a company is permitted to use the ICRC name or "logo" must be put in writing, with the roles and responsibilities of each party clearly laid out. Such agreements shall contain a termination clause for both parties. The ICRC always reserves the right to withdraw from a partnership on very short notice upon evidence that a corporate partner does not fulfil the ethical criteria anymore.

## A1.10 CORPORATE RESPONSIBILITY

### **SYNGENTA ([www.syngenta.com](http://www.syngenta.com)) – Corporate Reputation: The Challenge of Meeting Stakeholder Expectations**

Michael Pragnell, CEO, Syngenta AG, 6<sup>th</sup> International Sustainability Leadership Symposium, Rüschiikon, 9 September 2005 (extract)

#### Sustainability

In our first CSR report last year, we started from the simple but persuasive premise that sustainability underlies economic as much as social and environmental success. And that the two are linked. We think of it as our cycle of business value. Our business will not be sustainable unless we incorporate social and environmental factors into business strategy and decisions. This is clear from the global complexity of issues and the range of stakeholders affecting us, to which I alluded. By the same token our social and environmental initiatives will not be sustainable unless they are incorporated into the business and taken seriously, both as crucial risks to be managed and as opportunities to be exploited.

This is not just a nice theory. If the social and environmental profile of our products does not pass muster with the regulators, we will have no business. Conversely, environmentally benign agricultural practices open business opportunities. The development agenda is our agenda too. Investment in developing countries accelerates their development – and brings us new customers and new markets for productive and sustainable agriculture.

#### Strategic CSR

*Such an integrated approach informs our values and enhances the reputation which underlies our brand. I believe it differentiates us. Taking account of stakeholders and of sustainability builds a strategic approach that translates the CSR agenda into business advantage. Our stakeholders give us insight into their future priorities, while the identification of emerging social and environmental issues and trends informs our planning.*

This issue management for the long term is no doubt useful for all multinational corporations, but it is essential for a research-based company such as ours that must make investment decisions many years in advance of their outcome. An intelligent company has to process continuously the social, political and environmental agenda and be ready to adapt its course to take advantage of a constantly shifting landscape. A stakeholder perspective also reminds us that customers, consumers, shareholders, employees and concerned citizens are the same people acting in different guises. We are all "stakeholders"; companies learn from integrating these fragmented groups.

Such disciplines may seem far removed from the daily activities of business. But they underpin the success of great companies. They link stakeholder concerns to shareholder value. They promote the generation of wealth that enriches the wider society.

Of course it would be presumptuous of me to claim that we at Syngenta have safely arrived at this happy state. We have numerous activist critics delighted to remind us otherwise at our Annual Shareholders Meeting. But I think we have identified the right approach, the right balance. Perhaps that is the British-Swiss competitive advantage: we can combine the economic robustness of an Adam Smith with the moral rigor of a Calvin or a Zwingli! Everyone here today has much to contribute on this critical issue and I look forward to the debate. Thank you for listening to me this morning.

## Annex 2 – Summary of specific mechanisms and organizations' approaches

A2.1.	Summary of Mechanisms and Approaches Used by the Majority of Organizations who Responded.
A2.2.	Examples of Current Approaches on Specific Issues <i>Selection Principle</i> <i>Engagement</i> <i>Oversight</i> <i>Reporting and Communications</i>
A2.3.	Examples of Individual Organizations Overall Approaches and Guidance Used

The sections below provide specific examples of current practice in relation to the questions explored in the review; of detailed approaches on specific issues and of overall approaches by a cross section of those who responded to IUCN's request for input.

### A2.1 SUMMARY OF MECHANISMS AND APPROACHES USE BY THE MAJORITY OF THOSE ORGANISATIONS WHO RESPONDED. NOTE.

Mechanism/ Approach	National NGOs,		International NGOs	Govt. Agencies	Other Int. Orgs	Private Sector
	S	N				
<b>a. Types of Engagement</b>						
All	x	x	x	x	x	x
<b>b. Designing Partnerships, dialogues, services, networks</b>						
- targeting a sector /company	x	x	x	x	x	x
- objective setting for an engagement	x	x	x	x	x	x
- notification/reporting	x	x	x	x	x	x
- due diligence	x	x	x	x	x	x
- engagement	x	x	x	x	x	x
- negotiating	x	x	x	x	x	x
- formalizing – as necessary	x	x	x	x	x	x
- relationship/account management	x	x	x	x	x	x
- communications	x	x	x	x	x	x
- database management			x		x	
<b>c. Proactively Choosing Partners/d. Responding to an Approach/Funding conditions</b>						
- fit with mission/ core business	x	x	x	x	x	x
- screening against criteria and companies past performance and commitment	x	x	x	x	x	x
- preliminary due diligence and screening, against set criteria	x	x	x	x	x	x
- full due diligence and risk assessment research, including stakeholder opinions			x	x	x	x
- a central group to co-ordinate views across the organization/network and to decide on whether or not to engage.			x	x		x
- assessment of likely issues which may impinge on business aims/ identification of stakeholders who could help in addressing these issues/ improve mutual understanding			x			x
- identify desirable partners in terms high standing and image and a wish to be associated with them, or to help avoid issues arising.	x	x	x			x
Categorizing of companies/sectors for different types of engagement against agreed criteria and priorities	x	x	x			
Examples of acceptable and of unacceptable company behaviour included in criteria	x					
Time limit on any blacklisting, and green listing – recognizing that companies and their management change	x					
Written guidelines on general principles	x	x	x	x	x	x
Written guidelines for staff on operational aspects			x more to do	x	will do	

Mechanism/ Approach	National NGOs,		International NGOs	Govt. Agencies	Other Int. Orgs	Private Sector
	S	N				
Specific supporting committee structures			x	x		
<b>e. Funding from the Private Sector</b>						
- criteria for accepting funds, and under what conditions.			x	x	x	
- policy of not engaging in a purely fundraising or marketing relationship with companies whose negative impacts on the environment are substantial.			x			
- addressed by fundamental principles	x	x	x	x	x	x
<b>f. Mechanisms for Additional Guidance</b>						
- Board/ existing Committee	x	x		x		x
- special committee			x		x	
- special support unit			x		x	
- network steering group			x		x	
<b>g. Assessment/ Evaluation/ Reporting</b>	x	x	x	x	x	x
- through established project/programme reporting	x	x		x	x	x
- specific reporting/detailed achievement reports			x			x
- independent monitoring and external verification			x			
<b>h. Communicating</b>						
-special internal systems (e.g. relationship/account manager role.)		x	x	x		x
- prior agreement on how and when to disagree/ freedom to criticize			x			x
- communications plan/staff briefings/ Q+A			x			
- learning/ feedback systems	x	x	x	x	x	x
<b>i. Management Systems</b>						
-within standard organizational systems	x	x	x	x	x	x
- informal arrangements based on trust	x					
- exchange of letters	x					x
-MoU	x	x	x	x		x
- terms of reference	x	x	x	x	x	x
-contracts/legal agreements			x	x	x	x
- special finance and accounting procedures (donor driven)	x	x	x		x	
<b>j. Specific Principles</b>						
Commitment	x	x	x		x	
Participatory	x	x	x	x	x	
Transparency and Accountability	x	x	x	x	x	x
Independence	x	x	x		x	

## A2.2 EXAMPLES OF CURRENT APPROACHES ON SPECIFIC ISSUES SELECTION PRINCIPLES

### EXAMPLE A National NGO, Southern

#### Evaluating Potential Partners

Companies are evaluated against 4 main areas of concern. Additional guidance is given by Council or Management Committees.

- Environment – no bad reputation (e.g. dynamiting coral reefs to build marinas); pragmatic – “all companies have an impact”, issue is effort towards low impact, sustainable and/or best practice. (examples are given). 5-year time limit on any black listing – recognizing that companies and their management change.
- Social – follow government practice (i.e. if it is acceptable to government/society/local culture) and distance itself from less socially acceptable or responsible organizations (e.g. implicit in fraud, illegal activities, offensive activities to the general public’s sense of moral standards, (alcohol, tobacco, gambling “socially restricted” but not excluded, as per government policy))<sup>19</sup>
- Political – some restrictions to ensure independence
- Commercial – ensure no inequitable benefits to commercial/profit organizations i.e. not using staff as cheap consultants. Restrictive if the organizations name and expertise is being used to promote the organization.

<sup>19</sup> Note, the IUCN Private Sector Strategy recognizes there may sometimes be a need to engage with companies involved in illegal activities (e.g. fishing), in order to change behaviour.

- Organizations and categorizes as approved or restricted according to above criteria

#### **EXAMPLE National NGO, Southern**

##### **Criteria for Engaging with a Company**

- Expertise or interest in conservation
- willingness to adhere to the objectives of the organization
- willingness to provide support for designing, formulating or carrying out the activities of the Association
- no criminal record
- no record of activities that could be detrimental to the reputation and activities of the Association.

An MOU or contract would contain relationship and risk management measures; oversight; reporting; communicating; capacity building measures etc

#### **EXAMPLE National NGO, Southern**

##### **Fundraising process components**

- mission consistent
- mutual understanding
- clear social/economic benefits from joint effort
- flexibility
- understanding of funders' interests
- meet those who can make the decisions
- linking companies with communities who benefit
- holding joint event to build ownership with the community

## **RISK ASSESSMENT**

#### **EXAMPLE Small National NGO – Southern**

##### **Additional processes**

Council and Management Committees

Provide additional guidance where not covered by guidelines or where a potentially sensitive company or issues is involved.

#### **EXAMPLE Large National NGO – Northern**

##### **Due Diligence**

Risk Assessment Committee evaluates the organizational risk associated with projects or activities which fall outside existing policies; represent a high profile "first instance" for the organization or operating unit; otherwise involve substantial financial, legal, ethical or other reputational risk to the organization.

The Risk Assessment Committee is an internal, senior staff based committee that reviews all risks. It is voluntary in terms of presenting cases but its rulings are mandatory.

This might apply to a corporate partnership where acceptance of funds is being considered from a company which might lead to reputation issues. Straight donations are rarely an issue. Communications and use of the name or logo that can lead to reputation issues. If a company makes a philanthropic contribution and wants to use the logo in an advertisement describing their support, a written agreement signed by both sides is required.

#### **EXAMPLE Humanitarian International Organization**

##### **Due Diligence**

Ethics Committee with External Experts from business and other areas, including a professor of ethics, and the DG, looks at all long-term partnership proposals. This includes looking at a rating agency assessment

## **ENGAGEMENT**

#### **EXAMPLE International NGO**

**The approach to Building a Partnership** comprises:-

A Common Framework for Partnerships as a tool for Engagement

- Build on the fit between organization and partner
- Balance risk and objectives
- Evaluate and commit necessary resources
- Take into account other partnerships underway
- Be challenging but flexible and dynamic

A Common Process

- Managing Risk and Structuring Consultation
- guidelines and due diligence processes
- Steering Group to advise/arbitrate on disagreements
- tools for consultation: network scans; kick-off notes; desk-based research tools etc.
- Systematizing Engagement
- stepwise process
- Working Towards Proactive Engagement
- Developing New Products
- learning

## OVERSIGHT

### **EXAMPLE . International NGO**

#### **Committee Structures**

Core Group (Chief Officer; Head of Private Sector Unit; Head of Communications; Head of Marketing; Head of Operations)  
Undertakes preliminary assessment for due diligence and risk  
Help development of proposed agreements development and check on adherence to core principles  
Advice to staff and network members on proposals (within specified timelines), and on general issues

Steering Group (Representatives from Members, Regions and Themes, Chief Officer and Head of Private Sector; Expert observers)  
Serves as the final approval body, advisory committee and the arbitration committee for proposed deals which require network review.  
Meets once a year, face to face, and virtually when required (issue specific advisory/arbitration "meetings"). Members commit to honour "meeting" requests within 48 hours. All decision made within 10 days of the request.

### **EXAMPLE Environmental International Organization**

#### **Review**

A Corporate Partnership Committee of the Board reviews all corporate engagement activity at each Board meeting.

The Board is consulted on associations which involve interlocking Board relationships; exclusive arrangements and major Corporate Partnerships which could significantly affect reputation.

## REPORTING AND COMMUNICATIONS

### **EXAMPLE International NGO**

#### **Monitoring and Evaluating**

Partnerships are monitored and evaluated on an ongoing basis: as often as quarterly for global programme-led relationships. This is considered to be key both to good relationship management, and to monitoring of the relationships progress towards its targets. A set of criteria are developed at the beginning of each relationship. The criteria are both quantitative and qualitative. They are used to monitor the success or impacts of the relationship as it develops and at its conclusion. For those relationships which are based on performance, or on conservation targets, the partners engage the service of a third party external verifier.

### **EXAMPLE International NGO**

#### **Reporting and Accounting**

Regular progress reports are made to the Board

### **EXAMPLE National NGO Southern.**

#### **Communications**

A partnership launch event is undertaken, involving communities involved, to help build ownership.

### **EXAMPLE International NGO**

#### **Communications**

After internal consultation, a company may be allowed to use the organization's name and logo in four ways

- when the business has donated money to support the work, and where the company has passed screening processes)
- when a company's products generate income from licenced royalties, subject to screening of company and product
- when the product directly supports the organization's work by being at the leading edge of sustainable design
- when a full partnership is entered into, promoting a product which meets many different organizational goals and objectives

### **EXAMPLE Humanitarian IO**

#### **Communications**

A data base and database manager who regularly seeks inputs and provides updates based on this.

Working group that reunites all units entering into contact with the private sector, bi-monthly reunions to share information, develop guidelines etc. (one unit designed to organize and lead reunions, assure follow-up etc.).

### **EXAMPLE Environmental IO**

#### **Communications and Learning**

Working Group , of all divisions which may come into contact with the private sector, meets annually to share information and identify common challenges

## A2.3 EXAMPLES OF INDIVIDUAL ORGANIZATIONS' OVERALL APPROACHES AND GUIDANCE USED

### 1. NATIONAL NGOS – SOUTHERN BASED

**Type of organization:** National NGO – southern

**Focus :** biodiversity conservation

**Engagement :** 80% private funded

**Guidelines :**

Written guidelines and criteria on who to approach for **funding**, and how:-

- mission consistent
- mutual understanding
- clear social/economic benefits from joint effort
- flexibility
- understanding of funders interests
- meet those who can make the decisions
- link companies with communities who benefit
- hold joint event to build ownership
- background material on the NGO
- good negotiator

**Type of organization:** National NGO -southern

**Focus :** biodiversity and sustainable development

**Engagement :** on funding and for input of expertise

**Guidelines:**

Interact but "no specific guidelines"

**Guidance orally from management**, on sponsorship.

Input from the **Conservation Committee** on projects.

**Type of organization:** National NGO - southern

**Focus :** biodiversity conservation focus

**Engagement :** to fund and deliver conservation projects

**Guidelines:**

This NGO is lead by a business man with corporate environmental responsibility.

**Unwritten guidelines**, based on **trust** and **clear commitment**. Engage with the private sector where it is willing to help and has a record for corporate responsibility. Most companies engaged with are family owned – which makes it easier. They must show good faith in conservation. It must be manifested on the ground. Stakeholder involvement and mutual benefits.

**Type of organization:** National NGO - southern

**Focus :** biodiversity conservation

**Engagement :** Interacts with private sector on **project funding**; partnerships in environmental **education programme**; partnerships in **running and managing conservation sites**; **co-branding exercises**; **fundraising and public relations** projects.

**Guidelines:**

Guidelines cover **environmental; social; political; commercial issues** with the aim of **ensuring the NGO's reputation, independence, transparency and objectives** remain intact. Candidates are evaluated against these 4 main areas of concern. :-

**Environment** – no bad reputation (e.g. dynamiting coral reefs to build marinas); pragmatic – all companies have an impact, issue is effort towards low impact, sustainable and/or best practice. (examples are given). 5-year time limit on any black listing – recognizing that companies and their management change.

**Social** – follow government practice and distance itself from less socially acceptable or responsible organizations(e.g. implicit in fraud, illegal activities, offensive activities to the general public's sense of moral standards. (alcohol, tobacco, gambling "socially restricted" but not excluded (as per government policy)

**Political** – some restrictions to ensure independence

**Commercial** – ensure no inequitable benefits to commercial/profit organizations i.e. not using MNS as cheap consultants. Restrictive if MNS name and expertise being used to promote the organization.

Additional guidance is given by the NGO's Council or Management Committees.

A listing of organizations and categorizations has been drawn up to identify companies as approved or restricted according to above criteria and in which circumstances.

**Type of organization:** National NGO – southern

**Focus :** biodiversity conservation

**Engagement :** Interacts with the private sector as a donor; as a partner in conservation; as an entity needing technical expertise and assistance, as a corporate member.

**Guidelines:**

In all of engagements, the following criteria must be fulfilled:-

Expertise or interest in conservation – willingness to adhere to the objectives of the organization – willingness to provide support for designing, formulating or carrying out the activities of the Association – no criminal record – no record of activities that could be detrimental to the reputation and activities of the Association.

An MOU or contract would contain relationship and risk management measures; oversight; reporting; communicating; capacity building measures etc

**Type of organization:** National NGO - southern

**Focus :** sustainable development

**Engagement :** Engage with the private sector where committed to sustainable development and as a consultancy. Focus on alternative technology, technical innovation, internal social issues and further education.

**Guidelines:**

Criteria for engagement cover:-

- the company has an environmental policy
- there is a dedicated person in charge of environmental management
- analysis is done to show impact/or aligns with a certification system
- has targets to reduce impacts i.e. pollution, emissions.
- shows best practice in its approaches
- consumer information is provided
- action is taken to meet environmental standards
- action to improve product sustainability
- action to reduce wastes etc
- positive approach to waste
- alliances with waste disposal/recycling
- reduces its vehicle emissions

An evaluation sheet is completed for each company.

**Type of organization:** National NGO – southern

**Focus :** focus is on marketing natural, sustainable products.

**Engagement :** Engages mostly with multinationals in project partnership and marketing and selling initiatives/ contracts for sustainable, natural resource-based products.

**Guidelines:**

Guidelines focus on fit with own product portfolio and social responsibility of the company:-

- Does private partner have the right distribution channels, market access for our products
- Does our (planned) product fit into the product portfolio or product strategy of the company
- Do we consider the company as trustworthy in the sense of social responsibility or are their business rules too profit driven so that they don't allow the communities to take their share or, in other words community production is just not cost effective (too expensive) for them. So in some way we prefer companies that offer higher priced products.
- Does company offer products that are marketed as 'sustainable harvested' or 'organic' or do they have other certificates as 'fair trade'.

Is the company big enough – in the sense of their ability to invest in one of our projects (building up a supply chain) or in the sense of being able to buy enough of our products.

## 2. NATIONAL NGOS – NORTHERN BASED

**Type of organization:** National NGO - northern

**Focus :** biodiversity conservation

**Engagement :** to help deliver priority targets

**Guidelines:**

Guidance focuses on **prioritization of engagement to meet specific mission targets.**

Guidance on Sector Analysis and Relationship Management

**Sector analysis** is a policy tool which helps us to understand the ways in which key businesses and industry impact on nature conservation.

Sector analysis gives us an overview of the diverse influences on nature conservation, and enables us to instigate changes by working with key businesses and industry alongside relevant statutory and non-statutory organisations, and other interested parties.

Working in this way, we aim to characterise each sector in terms of its scope and socio-economic and political factors, and to identify the key shapers and players for each sector. Key shapers define and drive policy development for the sector (i.e. they define the rules of the game). Key players are those organisations and others who seek to influence the rules of the game.

This awareness shows us where we should focus our **priority actions to improve the contribution each sector makes to nationally important nature conservation targets.** It also gives us the opportunity to influence policy changes essential to achieve wildlife gain.

The activities of many organisations can affect nature conservation delivery and those key players and shapers who exert significant influence have been identified in each Sector Analysis. Working in partnership has long been of crucial value to us and is the key to delivering the sectoral changes in policy and practice we seek to achieve.

**The purpose of relationship management is to work constructively with key players and shapers,** whether their activities are beneficial or not, building relationships through which nature conservation can benefit. **Managing and coordinating our interactions** with key players and shapers through dedicated contact and two way understanding is fundamental to this approach. Relationship management seeks to influence and facilitate change within an organisation.

The characteristics of effective relationship management are **establishing and maintaining trust, understanding our key players and shapers and their agenda,** explaining and promoting our organization and trying to get them to adopt our agenda, acting as a pivotal communication link and promoting opportunities for joint working.

Effective relationships are based on mutual understanding, what we have in common, how we complement each other, what we add by working together and importantly, how we differ. It goes without saying that each Relationship Management Plan will relate to an individual key player/shaper and will be a unique statement of objectives that will change over time as both the relationship and circumstances alter.

**Type of organization:** National NGO – northern

**Focus :** civil society capacity building

**Engagement :**

**Guidelines:**

**Manual of relations with companies**, that sets **procedures and requirements** for collaboration with private organizations and initiating **collaboration and financing** of projects by private institutions.

**Type of organization:** National NGO – northern

**Focus :** provision of unbiased information

**Engagement :** for funding purposes

**Guidelines:**

**External funding enables publications to be widely accessible**, but it may also leave the organization vulnerable to allegations that financial contributors may influence the publications or bind the organization to defend the interests of specific funding parties.

**To protect against this risk and remain fully independent, the following funding rules apply:**

- diversify the income sources of the organization and seek grants and support from corporations, governments, foundations, and individuals.
- each corporate contribution is limited to a maximum of 50 000 Euros per year to prevent any such contribution from forming a too significant fraction of the annual income.
- By 2006, the total funding from neither corporations nor governments should exceed 50% of annual income.
- No corporate funding can be directed to an individual study
- Part of the income should be secured through being a contractor for scientific institutions, governments, and partners, notably by licensing the copyrighted three-level structure. Each such contract is subject to formal approval by the Board of Directors; the total income of these contracts must not exceed 50% of annual income.
- Management and the Board of Directors shall refuse funding they perceive as infringing on independence or image.
- Fundraising objectives and results shall be communicated online.
- After approval by the General Assembly, the annual accounts must be published online in the Annual Report.

To further strengthen the independence of the organization and the impartiality of the publications, rigorous publication procedures and a multi-stakeholder governance structure have been established. Businesses and industries are increasingly put under pressure to create long lasting value in a sustainable way. The global evaluation of their products takes into account their entire lifecycle, upstream production and downstream sales. It addresses social and environmental impact and integrates social and environmental demands within existing economic and financial constraints.

Three forms of Corporate Partnerships are proposed to businesses, industries, and their professional associations:

- Limited Partnership – an annual contribution of € 10 000,
- Active Partnership – an annual contribution of € 25 000, and
- Full Partnership – an annual contribution of € 50 000.

For small and medium enterprises, the above contributions are halved.

**Type of organization:** National NGO – northern

**Focus :** biodiversity

**Engagement :** for funding and project partnerships

**Guidelines:**

Potential partners must:-

- must demonstrate integration of sustainable development principles within their business
- products, services and working conditions must be sustainable

Projects sponsored must contribute to the NGO's programmatic goals

Partnerships are formalized through a written agreement which covers:-

- expectations of each from the project
- targets
- mechanisms for collaboration
- public relations

Longer term collaborations are favoured

Sponsorship proposals are authorized at different levels of authority, according to the sum involved – ranging from Head of Division; Director and Secretary General for the larger sums.

### 3. INTERNATIONAL NGOS

**Type of organization:** International NGO

**Focus :** biodiversity conservation

**Engagement :** Special unit created to engage the private sector worldwide in creating **solutions** to critical global environmental problems in which industry plays a defining role – to make business a force for biodiversity conservation.

**Guidelines:**

General Policy Guidance only at present.

Staff guidelines and procedures in preparation to implement this policy.

Private sector engaged as Corporate Supporters (financial support – no influence) and Corporate Partners (activities defined in a partnership agreement).

Corporate Partners require **prior due diligence on risks and benefits** to biodiversity and to reputation.

**Criteria** include a genuine commitment to biodiversity conservation and improving environmental performance; demonstrated leadership on CSR related issues.

Reserves **the right to terminate an agreement** based on an evaluation of a companies ongoing practices.

**A Corporate Partnership Committee of the Board** is provided with reviews of corporate engagement activity at each Board meeting.

**The Board is consulted** on associations which involve exclusive arrangements, and major Corporate Partnerships which could significantly affect the organization's reputation.

**Type of organization:** International NGO

**Focus :** biodiversity conservation focus

**Engagement :** for funding; policy influencing and project delivery

**Guidelines:**

Guidelines in preparation.

Will cover criteria for **choosing a partner; use of name and emblem; modalities.**

**Type of organization:** International NGO

**Focus :** biodiversity and sustainable development

**Engagement :** Seek to engage companies and their employees through a range of educational activities, by involving people in environmental field research projects and community conservation activities through joint work programmes on topics of mutual interest – as informed stakeholders in the company. Input to policies etc – to enhance company environmental responsibility.

**Guidelines:**

Currently revising their guidelines, which address engagement; research; education focus and indicators of commitment

**Choice of companies** is on a case by case basis. In general they need to demonstrate serious commitment to their environmental responsibilities. Commitment is assessed using a variety of indicators:-

- public commitment to performance improvement and targets
- level of seniority to which responsibility for environmental and sustainability issues is designated within the company
- trends in company performance in external indices of environmental engagement
- commitment of internal resources to address environmental and sustainability issues, including involvement of senior company personnel in environmental issues and dialogue with, including with other relevant organizations
- commitment to following externally developed reporting guidelines (e.g. those of the Global Reporting Initiative)
- involvement in industry initiatives related to sustainable development, and
- the reputation of the company, relative to its peers, amongst other informed stakeholders.

**Type of organization:** International NGO

**Focus :** biodiversity conservation

**Engagement :** Works with companies to encourage **sustainable use**, to help them **minimize the ecological impact** of their activities and to **demonstrate the value of consulting local stakeholders**. By engaging in constructive dialogue, we are able to **influence corporate policy** and persuade major companies to incorporate biodiversity into their strategic planning process.

**Work with companies includes** - development and implementation of corporate biodiversity strategies – translating international regulations and national strategies into corporate action plans – supply chain management – facilitating stakeholder engagement and dialogue – analysis and planning for improved performance on indices of corporate responsibility – clarification of risks and communication of strategies to investors – engagement with staff to enhance recruitment and retention – accurate and credible public communications – facilitating stakeholder dialogue.

**Guidelines:**

Operational Guidelines in Preparation.

**Type of organization:** International NGO

**Focus :** biodiversity conservation

**Engagement :** Engages with the Private sector in many ways; philanthropic support; cause-related marketing; conservation action; employee giving, event sponsorship; land donation; workplace giving.

**Guidelines:**

Operational aspects include:-

**Risk Assessment Committee** which evaluates the organizational risk associated with projects or activities which fall outside existing policies; represent a high profile "first instance" for the organization or operating unit; otherwise involve substantial financial, legal, ethical or other reputational risk to the organization.

The Risk Assessment Committee is an internal, senior staff based committee that reviews all risks. It's voluntary in terms of presenting cases but its ruling are mandatory. Examples of when this might apply to a corporate partnership: If you are thinking of accepting funds from a company that might lead to reputation issues. Straight donations are rarely an issue (see standard below). It's the communications and use of the name or logo that can lead to reputation issues.

For all donations that will involve use of our trademarks (name or logo) by a corporate donor (or anyone for that matter), we require written agreement. This is approved at senior management level so that if there are any reputational risks that can be addressed that way.

We encourage businesses to support the preservation of functional conservation areas and to support its mission in general through financial and land donations subject to our Policies and Procedures. All corporate contributions are accepted where practical and consistent with the mission and values.

Preserves, facilities and other permanent property of the NGO cannot be named after corporations or their corporate foundations. The only exception may be where property has been freely donated and it was previously known by, or associated with, the company's name. In such cases, the NGO President should approve the exception and a written gift agreement should document the use of the corporate/organization name.

**Conflict of Interest**

A conflict exists when a covered person (as defined in our policy) proposes to act on any issue, matter, or transaction in which we have an interest, and the covered person may have an interest separate from ours. This could apply for example if a corporate executive is a board member and their company makes a contribution in which there is an actual or perceived benefit (e.g. public relations) back to the company.

#### **Cause-related Marketing**

These procedures really apply to all uses of our logo in a commercial context. So if a company makes a philanthropic contribution and wants to use our logo in an advertisement describing their support, a written agreement is required, signed by both sides.

**Type of organization:** International NGO

**Focus :** biodiversity conservation and sustainable development

**Engagement :** ranges between conservation only agreements to funding only agreements

#### **Guidelines:**

Much time an effort has been expended on internal management of private sector engagement, as necessitated by its role as Secretariat to the network of national organizations, who have a range of perspectives and approaches, and its concern to maintain quality control, standards, reputation and logo value. Action is currently underway to compile existing guidance into one comprehensive guidance document covering roles and structures; funding/supplier criteria; commercial practice; governance; case studies; staff capacity building; references. This document will be internal in confidence.

Have developed principles, processes and internal guidelines.

Guidelines include specific sector guidelines (internal in confidence), for specific programmes (sector analysis); relevance to objectives; short and long-term objectives and desired outcomes; options for engagement; big players etc.

Also, regular identification of key players for the organization to focus on engaging with.

**Governance process includes two committees :** - an internal Business and Industry Core Group and a network wide Business and Industry Steering Committee

**The Core Group** – undertakes initial screening (i.e. fit with priorities; workable; fit with other relationships) due diligence and the **Steering Committee** serves as the final approval body, advisory committee and the arbitration committee for proposed deals that require network review.

**Companies are engaged both opportunistically and in a strategic way** to meet programme aims.

**Processes include** – risk assessment/due diligence- getting to know you – internal and external consultations - engagement of CEO - relationship manager – product development/SD analysis.

**The development of an engagement** is a stepwise process involving first contact; scoping study; developing issues briefs; initial meeting with company; draft partnership proposal; negotiated and agreed with the company; exchange of letters; final consultations within the network and Steering Group approval; signing the Deal.

**Rules of the game include** – transparency; independence; equal partners - value to both partners; no blanket endorsement of company or product; protection and enhancement of brand; right to disagree etc

## **4. OTHER INTERNATIONAL ORGANIZATIONS**

**Type of organization:** International Organization

**Focus :** humanitarian issues

**Engagement :** as a matter of principle, a partnership shall strengthen -- but in no way undermine -- the capacity of the organisation to carry out its activities worldwide in accordance with its specific mandate and the principles

#### **Guidelines:**

Guidelines focus on logo and on ethical guiding principles for partnership with the private sector. Strategy has two threads 1. promotion of humanitarian principles and dialogue. 2. seeking financial support (“Corporate Partners”). The guidelines apply to the latter. The selection criteria for corporate partners are based on the movement’s principles; the movement’s statutes and, the specific mandate of the organization.

The Guidelines cover purpose; strategy; guiding principles; ethical criteria; information sources; partnership modalities; implementation.

**Type of organization:** International Organization

**Focus :** environment

**Engagement :** for funding and programmatic support

#### **Guidelines:**

Guidelines covers purpose and rationale; choosing a partner; general principles; use of name and emblem; modalities; institutional capacities.

Principles for accepting support :-

- 1) The principles of the UN Global Compact will be used as a point of reference when considering support from foundations and business. They are based on existing intergovernmental agreements and supported by UNEP, UNDP and IUCN through their involvement in the UN Global Compact.
- 2) The supporting organization should demonstrate responsible citizenship by supporting UN causes and core

values as reflected in the Charter, other relevant international agreements and declarations such as the 1992 Rio Declaration, 2000 Millennium Declaration and 2002 Johannesburg Declaration.

3) Potential supporting organisations that are complicit in human rights abuses, tolerate forced or compulsory labour or the use of child labour, are involved in the sale or manufacture of anti-personnel mines or their components, or that otherwise do not meet relevant obligations or responsibilities by the UN, are not eligible for consideration as funders or participants in the initiative.

4) The publication by a business partner of corporate sustainability reports, using as a framework the Guidelines of the Global Reporting Initiative (GRI) is also a welcome sign of commitment to transparency and accountability.

5) As the Seed Awards programme provides support for multi-stakeholder partnerships (finalists; winners), Supporting Organisations may occasionally be involved as a partner in award winning partnerships. However, supporting organizations may not exert any influence whatsoever over the pre-selection team, the jury and their decisions. The Seed Initiative Executive Board guarantees that the pre-selection team and the jury operate independently and in confidence.

6) In addition to the above requirements, there must be consensus of the Seed Executive Board to accept support from a prospective supporting organisation.

## 5. PRIVATE SECTOR

**Type of organization:** Private Sector

**Focus :** mining

**Engagement :** engage with environment NGOs largely on a project by project basis.

**Guidelines:** Only documented guidance is "Business Principles and Guidelines", available on the website.

**Type of organization:** Private Sector

**Focus :** energy

**Engagement :** on funding and projects

**Guidelines:**

Has a relationship policy and a code of conduct. Guidelines are more in the form of unwritten norms and practices. Guidelines will be developed.

**Type of organization:** Private Sector

**Focus :** mining

**Engagement :** on networks and projects

**Guidelines:**

No guidelines for engaging with NGOs. Have a set of general principles "We will ... implement and maintain ethical business practices and sound systems of corporate governance". etc

**Type of organization:** Private Sector

**Focus :** mining

**Engagement :** on funding and projects

**Guidelines:**

No specific guidelines. Approach guided by principles of sustainable development and CSR and "The way we work" principles. Company funds a "partnership manager" appointed by both parties.

**Type of organization:** Private Sector

**Focus :** energy

**Engagement :** on networks and projects.

**Guidelines:**

No formal "rules of engagement". Have an issues/ key stakeholders identification and management process.

**Type of organization:** Private Sector

**Focus :** agriculture

**Engagement :** on funding and projects.

**Guidelines:**

No formal guidelines. Guided by CSR commitments and stakeholders/issues identification.

**Type of organization:** Private Sector – industry bodies

A number of industry bodies produce sector guidelines.

An example is the WBCSD's Cement Sustainability Initiative, guidelines on stakeholder dialogue published in 2002. ([http://www.wbcscement.org/pdf/stakeholder\\_guide.pdf](http://www.wbcscement.org/pdf/stakeholder_guide.pdf))