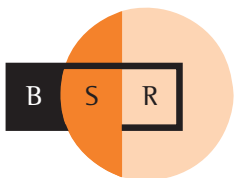




Guide *to* Engaging *with* **NGOs**



Business for Social Responsibility



Guide *to*
Engaging
with **NGOs**

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Contact: Aron Cramer (acramer@bsr.org)

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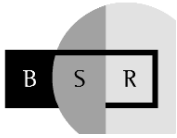
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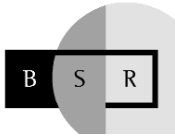
Introduction

As companies with global manufacturing operations seek to enhance their corporate social responsibility efforts, many are finding value in dialogue and other engagements with nongovernmental organizations, or NGOs. Business for Social Responsibility (BSR) has worked with its company members to create a framework for understanding the growth and evolution of these partnerships. In this report, we present a process for proactive relations and engagement with nongovernmental organizations.

Part One of this report traces the emergence of such partnerships, explores the benefits and risks to companies, provides insights into the motivations for NGOs to partner, and describes lessons learned from ongoing engagements. **Part Two** outlines practical steps and key considerations to help companies identify relevant NGOs, assess and select among potential NGO partners, and implement an effective project involving NGOs.



Part One
**Understanding
Corporate-NGO Alliances**



1.1 UNDERSTANDING THE GROWTH OF CORPORATE-NGO ALLIANCES

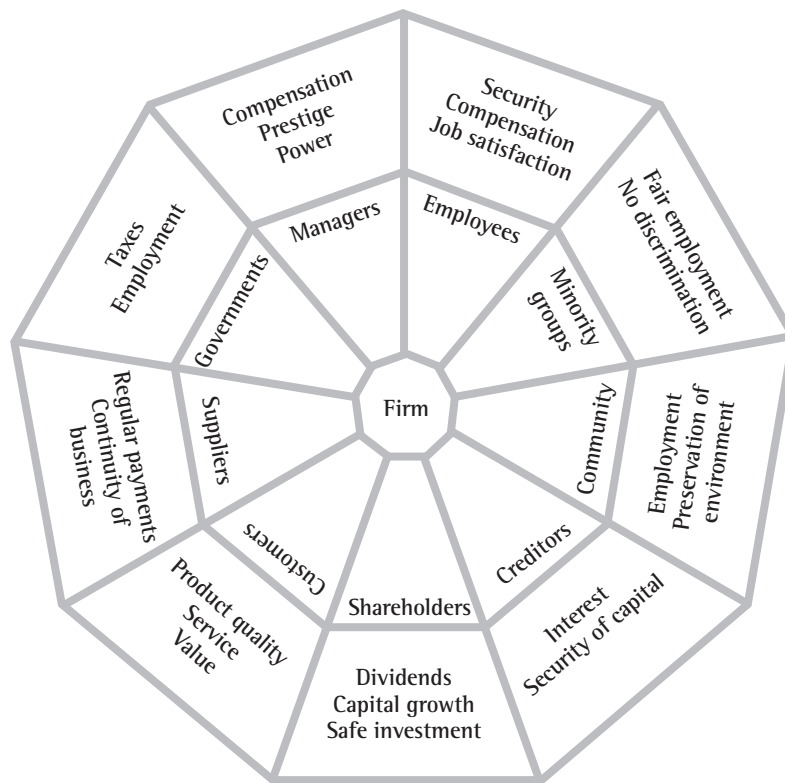
Nongovernmental organizations—or NGOs—are, as the name implies, groups that are not directly affiliated with a government and that work for social or environmental purposes. NGOs are usually nonprofit organizations, but there are as many different types of them as there are social causes. Some are academic and research-oriented, like the African Wildlife Foundation, whereas others focus more on direct service, like Save the Children, and still others devote their resources to advocacy work, like Greenpeace. Among the NGOs that have worked in partnership with companies are human rights and labor rights groups, environmental groups, religious organizations, women’s organizations, community development associations, children’s organizations, and sociological research institutes.

NGOs also vary widely in their geographical scope and management structure. Some are like multinational corporations in that they have their headquarters in one country but branches or operations in a number of countries. These international or regional NGOs are usually rather sophisticated, somewhat bureaucratic, tend to have stronger management systems, and often have a network of affiliations with other NGOs; examples are Oxfam or Catholic Relief Services. Other NGOs are locally based with a local or countrywide focus; the Asia Monitor Resource Center (AMRC) is an example. These NGOs have varying degrees of sophistication, ranging from grassroots-level organizations to more formal, professional institutions. They are likely to have more direct contact with workers and communities than do their international counterparts.

Many observers have noted that one of the signal social developments since the end of the Cold War has been the rise in number and importance of NGOs. It is estimated that the number of NGOs around the world has increased tenfold in the past ten years. With this explosion in number of organizations has come increasing recognition by companies of the competencies and social stature that many of them possess, and of the powerful synergies that are possible when companies, NGOs, and often governments, work together.

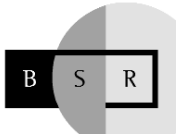
Concurrent with these developments, strategic business thinkers such as Peter Drucker, Michael Porter, and Peter Doyle began to examine the broader influences that shape a company’s mission, goals, and performance and the constituencies to which they are accountable. In addition to the board, management, and shareholders, the scope was widened to include groups that exist throughout their supply chains and those bodies with which they interact formally and informally. For instance, companies now identify stakeholders to

include employees; factory owners, managers, workers; licensees, vendors, agents; retailers; consumers; local communities; research organizations; and the government. These business thinkers further recognized that the long-term viability of any business relies on successful interactions with all stakeholders through dialogue and cooperation. According to Doyle, “The survival of the business depends upon the support, or at least the nonactive opposition, of each of these” groups.



From Marketing Management and Strategy, Peter Doyle, pg. 12

This shift in perspective reflects in part evolving public expectations that companies should reach out to a wider range of constituencies when developing and implementing their business policies and practices. With the rise of global trade pacts and increasingly complex production chains has come a growing and very visible debate around the role globalization may have in perpetuating the plight of the poor—the very people who form the foundation of most production chains. As seen at the 2001 protests at the Americas Meeting in Canada, perceived



rampant and careless capital pursuit has engaged and in cases enraged stakeholder groups around the globe. With the limited resources of governments and community service organizations to address issues such as health care, education, public safety, and environmental health, stakeholders are increasingly turning to the private sector not only to “do no harm” but to “give back” to communities in which they operate.

Companies generally engage the nonprofit sector where it meets their short- and long-term interests to do so. For example, making charitable donations to community groups and research institutions or supporting efforts that further develop the communities where they operate are all methods employed to secure a company’s license to operate and develop brand recognition in new markets.

Companies are also seeing stakeholder engagement and partnerships as an integral part of their long-term sustainability. In an April, 2001 speech, Steve Miller, chairman and CEO of Shell Oil, reflected, “It is viewing communities and nonprofits as partners, rather than beneficiaries or adversaries, and partnering with competitors to achieve goals that benefit society. And it is developing a new way of doing business, new value propositions and engaging stakeholders—from employees to local governments—in turning commitment into reality.”

That more and more companies are recognizing the strategic importance of NGO partnerships is also evidenced by the increasing number that are publicly reporting on such collaboration. For instance, British Telecom has written “Companies as Catalysts for Change: Case Studies of BT Community Partnerships,” which provides information about its community involvement philosophy, profiles seven partnership activities, and discusses its measurement impact on the community. In addition, a growing number of companies are choosing to report on their social and environmental impacts more broadly in what are often called sustainability or corporate citizenship reports. In these reports, it is common for companies to discuss their most relevant partnerships with NGOs. Shell Oil’s annual Shell Report highlights the many initiatives it undertakes with communities and organizations around the world as a testament to its commitment to sustainability and corporate citizenship.

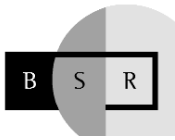
1.2 THE CORPORATE ANGLE: USING PARTNERSHIPS TO MEET STRATEGIC GOALS

A. Why Work with NGOs?

Thoughtfully conceived and carefully executed engagements with NGOs can bring benefits to companies and their stakeholders at all levels of the manufacturing chain. In some instances, brands have executed partnerships at the corporate level alone and have then witnessed the positive effects ripple along their supply chains. In other cases, companies have encouraged their suppliers to engage directly in community partnerships. This section looks at the potential gains partnerships can realize for both internal and external company stakeholders.

Brand Benefits

- ◆ **Reduce Conflict or Enhance Capacity to Manage Conflict.** Some NGOs are watchdog groups whose mission involves scrutinizing, and in some cases actively protesting, corporate activities overseas. By working directly with these types of NGOs, companies are better able to anticipate, avoid, or resolve conflicts constructively when they arise. Some companies have set up advisory panels involving NGOs that provide a regular forum for feedback on their human rights activities and new insights into human rights issues and stakeholder concerns. These forums can help head off or significantly reduce the potential for conflict, resulting in significant savings in legal fees and more importantly, protecting a company's reputation.
- ◆ **Access Information.** Companies with global operations and business partners face the challenges of new cultures, laws, and languages in trying to implement their corporate social responsibility policies. NGOs often have access to information that is not otherwise readily available to companies. They can be helpful information sources on a range of issues including local human and labor rights practices, workplace conditions, human rights concerns, community needs, social and cultural issues, and the local political and economic framework.
- ◆ **Enhance Brand Image.** Strong relationships with well-respected NGOs have helped many companies build their reputation as responsible corporate citizens. According to a January 2001 consumer poll by CSR Europe, 70 percent of consumers said that a



company's commitment to social responsibility is important to them when they buy a product or service. In addition, one in five said they would be very willing to pay more for products that are environmentally and socially responsible. Further, 70 percent of American consumers say they are more likely to trust information from an NGO than directly from a company. Such engagements can also help satisfy stakeholders' calls for greater transparency in the companies' and their business partners' practices.

- ◆ **Address Shareholder Concerns.** An increasing number of shareholders are tying their investment decisions to companies with a reputation for being socially responsible. According to a 1999 study by the Social Investment Forum, more than \$2 trillion was under socially responsible investment (SRI) management. This sum, roughly 10 percent of all assets under professional management, represented an 85 percent increase over the previous two years. In addition, each year the members of the Interfaith Council on Corporate Responsibility (ICCR), a group of religious institutional investors, sponsor over 100 shareholder resolutions on major social and environmental issues. The combined portfolio value of ICCR's member organizations is estimated at \$110 billion.
- ◆ **Facilitate Strategic Giving.** As many companies seek to shift their philanthropic endeavors to more targeted issue areas that are aligned with their core business operations, they find NGO partners to be an invaluable resource. NGOs that focus on specific issues can add to a company's knowledge base, help develop community contacts, and facilitate implementation.
- ◆ **Provide Access to a Broader Labor Pool.** By partnering with NGOs, businesses can increase their pool of potential job applicants and enhance the skills of their current employees. For example, through business-education partnerships, students and educators can develop a better understanding of the needs, expectations, and requirements of the working world in general, and of the sponsoring company in particular. In addition, NGOs help companies set up job-skills training that provides current employees with opportunities for promotion.
- ◆ **Facilitate Market Entry.** Through a demonstrated commitment to the community, a company can build brand reputation and consumer confidence as it enters a new market. By providing pro bono services, charitable donations, or an in-kind contribution to a community-based project, a company can secure a positive reputation in a new market. This has been seen to be favorable in corporate takeover situations as well when the company's track record is important.

Worker Benefits

- ◆ **Enhance Skills and Training.** Effective engagement with NGOs usually involves face-to-face discussions between company and NGO personnel. This can help personnel

develop valuable communication and listening skills, and help the company shape its key message points and delivery to a wide range of stakeholders. In addition, ongoing research by British Telecom's Community Partnership Program has found that volunteering and other forms of employee community involvement efforts help develop a variety of competencies, including teamwork, planning and implementation, communication, project management, listening skills, and customer focus.

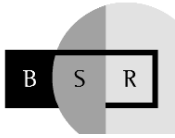
- ◆ **Increase Employee Retention.** Companies participating in community partnerships have often benefited from reduced employee turnover rates. According to the 1996 Council on Foundations report "Measuring the Value of Corporate Citizenship," a company's community involvement activities directly influence employees' feelings about their jobs. Employees involved in their company's community activities were 30 percent more likely to want to continue working for that company and help it succeed.

Factory Benefits

- ◆ **Improve Relationship with Brands.** Factories that engage with NGOs on human rights, community, and environmental issues are seen by their corporate clients as taking an interest in corporate social responsibility and the reputation of their products in the marketplace.
- ◆ **Retain Workers and Improve Productivity.** As mentioned, workers are often more loyal to employers they feel take an interest in their local communities. If workers feel pride in their employer, they are also likely to work more efficiently.
- ◆ **Create Better Community Standing.** Factories that strive to improve labor conditions through partnerships with local NGOs often engender positive relationships within the community that can deter conflict in the future. In addition, local government officials may feel less pressure to impose strict regulation if they can show external stakeholders that factories are voluntarily addressing these issues.

Community Benefits

- ◆ **Increase Sense of Corporate Transparency.** When community members are able to interact with corporate policymakers, they often perceive the company's presence in the community as less antagonistic and more collaborative. If brought into the decision-making processes of the company, they are less likely to target the company in the future, instead seeking dialogue about contentious issues. Companies that work with NGOs also demystify their presence in the community and create greater trust in their intentions.



- ◆ **Create Skills for Economic Development.** When companies partner with local NGOs, the benefits to the community include knowledge transfer from the company that extends beyond the individual NGO representatives. Skill development training in areas such as business and relationship management, operating procedures, decision-making processes, communication strategies, and financial management will, through formal and informal channels, transfer to those outside of the NGO as well. This training can play a role in helping communities' economic development efforts.

Licensee, Vendor, Agent Benefits

- ◆ **Expanded Resources and Reduced Cost.** NGOs often have competencies and resources that companies do not. For example, some NGOs are experts in environmental or health issues and standards and have the capacity to conduct statistical surveys or social audits. These areas of expertise can complement company resources and attributes in helping address stakeholder concerns. In addition, NGO programs may cost less than if a company implemented the program itself or hired a professional management firm to do so, although this varies from sector to sector.
- ◆ **Credibility with Target Group.** Some NGOs work regularly with the employees of a company's suppliers and business partners and have both inside knowledge of working conditions and the trust of these employees. Some groups are linked with key communities affected by company operations, such as indigenous people or migrant workers. These relationships built up over many years give the company enhanced credibility with the target group in its efforts to engage effectively on issues of corporate social responsibility.

Retailer Benefits

- ◆ **Local Support in Siting Decisions.** Engaging in a dialogue with members of local community groups, including those who might oppose the development of a new corporate site or theme park, is essential to minimizing opposition to site development. Speaking with members of the community, explaining the business and the positive contributions the company can make to the community, is an important part of gaining support. The earlier these ideas are conveyed, the better. (Those with experience note that a company's reputation for community responsibility can be its most effective weapon against opposition.)

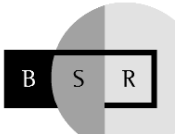
Home Depot: At Home Depot, the “new store process” begins with the Real Estate/Site Selection team, who meet with the local chamber of commerce and zoning board. The team shares the responsibility of carrying the company’s “community message” and communicates from the outset the store’s desire to be part of the community. If there is skepticism, the team will meet with local elected officials or community organizations. Often they invite local leaders to a presentation to learn about the corporate culture. To demonstrate its commitment to the community, Home Depot may “put its money where its mouth is” by making small contributions to local community organizations. The company is careful that these contributions are viewed as investments in the community—not payoffs.

- ◆ **Access to New Customers and Markets.** The purchasing power in local communities can offer corporations opportunities for profit and growth through access to new customers. In addition, underserved markets are likely to have fewer competitors, and early entrants have an advantage in establishing and building market share.

Sears: Sears opened three inner-city stores in 1996 and 1997. Each of these locations averages almost three times the chain’s national average in annual sales per square foot, and one store is among the top performing sites in the nation.

◆ **Positive Image, Brand Recognition Among Consumers**

- *Increased Consumer Awareness:* A study by U.K.-based Business in the Community revealed that 86 percent of consumers agree they have a more positive image of a company if they see that it is doing something to make the world a better place. Corporate examples include:
 - U.K.-based insurance company Norwich Union’s “First Aid in the Home” partnership with St. John Ambulance led to increased awareness about the company – 80 percent awareness of its television ads, compared with an average of 42 percent for other insurance companies. In addition, of those 80 percent, 25 percent were more like to consider Norwich Union for insurance policy.
 - A 1997 cause-related partnership of Kraft Foods’ Maxwell House Coffee Company, and Habitat for Humanity dramatically increased the company’s brand awareness by generating more than 100 million media impressions, including high-profile national coverage on a variety of major television programs and print publications.



- *Consumer Purchasing Power:* Recent consumer surveys show that consumers care about the ethical behavior of companies and will use the consumer purchasing power to support companies that are aligned with their own values.
 - One in five consumers worldwide (and half in N. America) avoided a company's products or spoke against a company in the past year for not behaving responsibly.
 - A 1999 survey conducted by International Communication Research, Inc. found that 75% of American adults would avoid a retailer whose products were made under sweatshop conditions.

B. Challenges of Working with NGOs

Alongside the opportunities associated with NGO engagement are challenges that companies must address before making decisions as to whether, or how, to partner with such groups. The following list outlines some of the primary corporate concerns:

- ◆ **Lack of Trust:** At the core of why companies are resistant to partner with NGOs is the fear that they cannot trust NGOs, or that by engaging with them, companies will be opening themselves up further to future stakeholder criticism. Careful assessment of the goals of a potential NGO partner, review of the NGO's past partnership activities, and clear communication at the onset of the partnership are essential to developing trust. Companies often find it is most comfortable to begin a partnership on a small scale, with limited investment, deepening the relationship as trust is developed.
- ◆ **Significant Investment of Time:** Projects involving work with NGOs require an investment of time, particularly at the beginning of the relationship, as each side gets to know and understand the values, interests and organizational culture of the other. As with any core business activity, the goal is that this initial investment of resources will benefit the company in future phases of development.
- ◆ **Impact on Reputation:** If NGO engagements don't go well, this can negatively impact a company's reputation. This concern must be balanced against the benefits of engagement and the risks associated with not acting at all. At the same time, the NGO is also usually measuring the benefits of collaboration with a company against potential damage to its reputation with its constituency should the engagement result in a negative experience. That there is an element of risk to the credibility and reputation of both parties means that it is even more important that the negotiation of a relationship be carried out in a way that meets the needs of both sides.

- ◆ **Exposure:** Some NGOs may demand a level of transparency of the work with which the company is not comfortable. It is important to define from the outset the level of desired transparency in the relationship with the NGO. If agreement cannot be reached, then a more compatible NGO partner must be found.
- ◆ **Release of Control:** Partnering with any organization involves yielding some degree of control over process and outcome. This underscores the importance of developing partnerships with organizations that have compatible missions and similar expectations for the outcome of the project. Some simple steps are outlined below to ensure this compatibility between company and NGO.
- ◆ **Lack of Sophistication:** Some local NGOs will be relatively unsophisticated in dealing with international companies. This is especially the case when large multinational companies engage with smaller grass roots organizations that may have limited experience dealing with large organizations with substantial resources. It is incumbent upon the company to take the time to ensure from the outset that the relationship is well understood by the NGO partner. Agreements should be carefully thought through, and formalized in a culturally appropriate way, which will vary from place to place. In Latin America, for example, it is common to formalize agreements in writing.

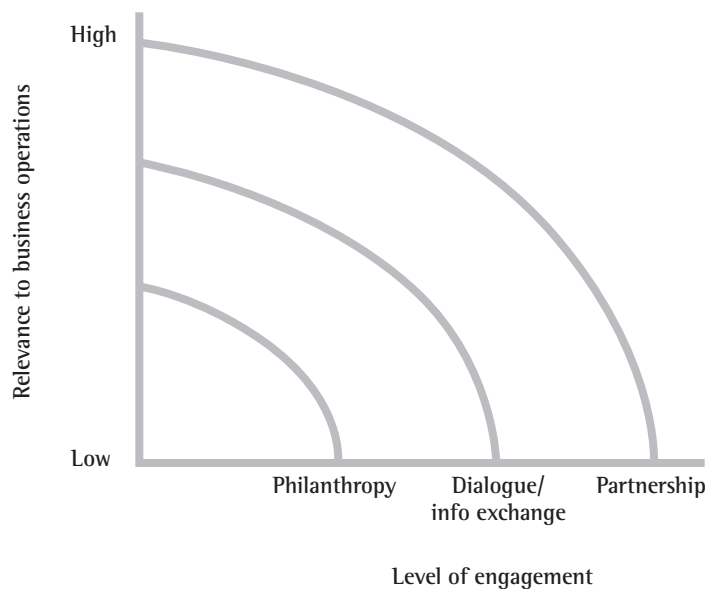
1.3 TYPES OF CORPORATE-NGO PARTNERSHIPS

Engagements with NGOs take a variety of forms and focus on a range of human rights, community, environmental, and other issues. At one end of the spectrum are simple information exchanges between company and NGO. Often companies seek the NGO's perspectives on local concerns or feedback on company efforts to address these. On the other end are full-fledged ongoing partnerships in which companies and NGOs plan, develop, and implement projects together. Independent monitoring of working conditions in a company's suppliers' facilities is one example of a partnership that builds on the complementary strengths of a company and an NGO.

Partnerships also may evolve over time as the interests of the company and the NGO change. For instance, Timberland and the nonprofit group City Year began a philanthropic relationship with little interaction. Today the two organizations are intricately tied to each other through joint activities ranging from the company pilot-testing a new line of apparel called "City Year Gear" to City Year providing team-building and diversity training for Timberland

employees. This relationship evolved as a result both of the changing strategic goals of each and the growing trust each developed through regular interaction with the other.

According to a model called “The Collaboration Continuum” developed by James Austin in his book *The Collaboration Challenge: How Nonprofits and Businesses Succeed Through Strategic Alliances*, corporate-NGO partnerships can be characterized by where they fit along a continuum, as illustrated in the following diagram:



- ◆ On the far left are **philanthropic relationships**, in which a company acts merely as a charitable donor. This kind of arrangement involves limited interaction and communication and is accompanied by low levels of expectation by both parties.
- ◆ Moving right along the continuum, companies engage in specific activities such as a **dialogue/information exchange**, cause-related marketing, paid service arrangements, event sponsorships, and company volunteer programs or work with an NGO to learn about local working conditions or gain expertise. Walt Disney’s collaboration with the African Wildlife Foundation, an effort to ensure best practices in its operations at Disney’s Animal Kingdom, is an example of this kind of relationship. Here, value flows to both parties, direct interaction is greater than in the philanthropic stage, and the two parties begin to identify areas of overlapping values and missions.

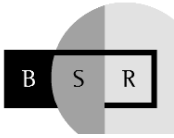
◆ Finally, the **partnership** becomes institutionalized and integral to the strategies of both organizations. At this stage, both parties realize much greater value. The culture of each organization starts to affect the other's and processes and procedures for managing the relationship are created. An example of this kind of relationship can be seen in independent monitoring projects conducted by The Gap in Guatemala and Taiwan and by Levi Strauss in the Dominican Republic. The companies, the suppliers, the workers, and the NGOs all gain value and an improved understanding of the issues. Business benefits gained in these examples have reduced business risk through improvements in working conditions and strengthened the business relationship.

1.4 Getting to Know You: Understanding the Perspective of NGOs

A. Types of NGOs

NGOs not only differ in their size, scope, and level of sophistication but also in their willingness to work with the corporate sector. Some NGOs may be ready and willing to collaborate with the corporate sector to help achieve goals. Others prefer not to enter a formal partnership for reasons relating to mission, funding, philosophy, or the expectations of their own stakeholders. The willingness of NGOs to work directly with the private sector also differs widely by region, depending on cultural traditions and societal expectations of NGOs.

The type of engagement an NGO is able to take on with a company depends on its size, resources, and the capacity of staff to engage in different types of activities and strategies. Yet whatever their mission, prime function, or philosophy, NGOs in general are developing a more sophisticated understanding of the corporate sector, and at the same time recognizing the power they themselves can wield in today's wired world. Increasingly, these groups are also tied into like-minded networks of groups in other countries that are working to achieve the same ends.



B. Why NGOs Partner with Companies

“Industry is the main player in society...that’s why we need to talk to them. Big corporations today have a responsibility that goes beyond their aim to make a profit. Then the focus is on social, moral, and ethical obligations. There is a very progressive agenda. Our obligation is to say to industry, This is what you write. What is it you do?”

— **Thilo Bode**, head of Greenpeace International

Although many NGOs view their current relationships with companies as antagonistic, a growing number are expressing interest in partnerships and are optimistic that their relationships will improve. According to a 1998 survey by Price Waterhouse, 41 percent viewed their present relationship with transnational companies as antagonistic at that time. But 82 percent of those surveyed believed that a cooperative relationship with transnational corporations was possible.

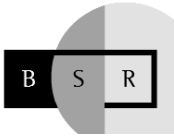
The benefits NGOs associate with corporate engagement include:

- ◆ **Influence on Corporate Behavior.** In recent years, a growing number of NGOs have taken the position that the most effective way to advance their missions is to engage with companies rather than remain adversaries. As examples increase of the positive impact NGOs have been able to have on the social and environmental policies of companies, more NGOs are seeing the advantages of such partnerships.
- ◆ **Information and Knowledge Transfer.** Partnerships with corporations give NGOs access to operational expertise, skill enhancement, and other resources they lack. Gaining these skills allows NGOs to be more effective.
- ◆ **Broadened Source of Support.** As economic support from governmental sources shrinks, NGOs are looking for alternative sources. Corporate partnerships are one way for NGOs to continue their efforts with smaller staffs and resources.
- ◆ **Increased Credibility from Some Stakeholder Groups.** A growing number of NGOs are interested in building their brand image as practical, results-oriented, and nonconfrontational. Partnering with companies helps create this reputation among NGO stakeholders.

CASE STUDY: ACTIONAID's Partners in Change Program in India

Established in 1993, this program aims to broker relationships between Indian nonprofits and companies. Some of the areas in which the program works to create partnership include:

- **Enhancing skills of NGO staff through secondments/training:**
 - Allied Dunbar U.K seconded U.K. middle managers to Indian NGOs to help with management and technical problems.
 - McKinsey & Co. management consultants have donated time to several Delhi-based NGOs to help them improve management systems, such as IT systems.
- **Creating employment opportunities through outsourcing:**
 - Kentucky Fried Chicken worked with ACTIONAID to identify small-scale income-generating projects that can supply packaging materials.
- **Facilitating access to markets through preferential purchase agreements**
- **Donating or giving discounts on products:**
 - Coats Viyella India Ltd. donates unused office supplies to an NGO and assists others in purchasing computer equipment using its own purchasing channels and discounts.
- **Offering financial support through donations or cause-related marketing**
- **Making company facilities available**



C. NGO Concerns Over Partnering with Companies

Many NGOs, particularly those that are small and locally based, feel at a power disadvantage when dealing with large foreign corporations. It is important for a company to keep this in mind when approaching them as potential partners, and indeed throughout the duration of the project. NGOs may feel suspicious of a company's intentions, and doubly suspicious of efforts to engage them in a project in a way that may undermine their independence—their reason for being, for many.

The following quote, from an NGO representative involved in an independent monitoring project for a company, sums up many of the most common concerns:

“Main challenges in the implementation of the monitoring process were: (a) Building trust and consensus among the team, and between the team and the company and the contractors. A significant amount of energy was dedicated to this with successful results. (b) Building consensus among the local NGOs regarding the purpose of their involvement in the process, and the ethical and political grounds for their engagement—e.g., what is politically correct? Also, tackling the fear of being seen to be co-opted by a transnational.”

An NGO is likely to have the following concerns when a company approaches it as a potential partner:

- ◆ **Companies Don't Take NGOs Seriously.** NGOs will likely get the impression that companies are not interested in honest engagement if company representatives rush the dialogue or appear to be milking their representatives for information.
- ◆ **Companies Don't Provide the Straight Story.** Vague explanations and evasive answers may raise suspicions about hidden agendas. It pays for companies to be straightforward about their goals and intentions and to be candid in answering questions.
- ◆ **Fears About Stakeholder Impressions.** Engagements that involve sharing information on NGO constituencies such as workers or communities are likely to meet resistance, particularly if the purpose for which the information will be used is unclear. It is important to clarify up front whether the information will be kept confidential, or if not, with whom and how it will be shared.
- ◆ **Fears of Implied Endorsement.** NGOs are wary of losing their independent status or being seen as “apologists” for companies. Clearly written negotiated ground rules and a jointly agreed upon communications strategy can help address these concerns.

1.5 Example of Company – NGO Engagements

The following are brief descriptions of engagements undertaken between companies and NGOs in recent years. They represent a range of industries and NGO types and different levels of engagement.

Royal Dutch Shell/Amnesty International: Ongoing Dialogue

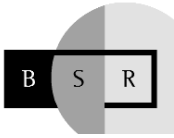
After a round of criticism of its activities and those of other oil companies operating in Nigeria, Shell initiated in 1997 what has become an ongoing series of global dialogues with stakeholder groups, including Amnesty International, on its social and environmental policies and practices. This process led the company to become the first in the petrochemical industry to incorporate human rights concerns into its Global Business Principles, and to undertake a full social audit, including a review of its work on human rights issues. The results of this audit were published in a report called “People, Planet, and Profits,” which Shell has made publicly available on its Web site.

Starbucks/CARE: Strategic Philanthropy to International NGO

In 1991 Starbucks made a long-term commitment to contribute to the international relief organization CARE in order to have a sustained impact on the lives of workers and their families in coffee-producing countries. Since then, Starbucks has been the largest annual North American corporate contributor to CARE, donating and helping to raise over \$1.2 million to help support programs in Africa, Latin America, and Southeast Asia. This partnership follows the more traditional corporate philanthropy model, but earmarks corporate funding for specific projects that affect the lives and communities of coffee workers.

Global Alliance for Workers: Collaborative Engagement with International NGO

The Global Alliance for Workers and Communities is an alliance of private, public, and nonprofit organizations, including Nike, Mattel, the International Youth Foundation, and the World Bank, that is designed to help improve the lives, workplaces, and communities



of young adult workers involved with global manufacturing. Its primary goals, initially focusing on employees in the toy, clothing, and athletic footwear industries, are to identify life aspirations and workplace issues based on research and worker feedback, assess worker and community needs, develop and implement programs to address these aspirations and issues, and provide regular reports and updates to the public demonstrating results by company and country. The alliance also involves local NGOs in conducting surveys and identifying programs for workers related to health, education, vocational training, savings and credit schemes, and community development initiatives.

Georgia Pacific and the Nature Conservancy: Land Management Partnership

For many years, the relationship between Georgia Pacific and the Nature Conservancy was defined by antagonism over common lands. The Nature Conservancy, the largest private owner of nature reserves in the United States, pushed for increased protection of land, while Georgia Pacific, one of the world's largest forest products companies, lobbied to intensify use. But increased pressure on the company by environmentalists, and mounting difficulties encountered by the Nature Conservancy in gaining control over lands through purchases eventually forced the two sides to the table to discuss potential cooperation. In a landmark event in 1994, they signed an agreement that drastically shifted their relationship to one of cooperation as they decided to jointly manage unique forested wetlands in North Carolina. This partnership has spilled over in subsequent years to other projects, and Georgia Pacific's CEO has agreed to serve on the Nature Conservancy's board of directors.

Levi Strauss & Co: Multistakeholder Engagement

In an effort to improve its internal monitoring efforts, the management team at Levi embarked on a multistakeholder project to evaluate its program. LS&Co. management believed that no one stakeholder, whether the union, a professional auditor, or an NGO, could adequately evaluate its program given the capacity of and the relations among the various players. In the words of Miriam Rodriguez, LS&Co.'s Latin America Regional Manager, "If you could bring everyone around the table, we could achieve a better solution than any one party could do alone." In January 1998, LS&Co. embarked on a project with its Dominican suppliers, BSR, and four NGOs based in the Dominican Republic. The NGOs evaluated the company's internal monitoring process and all of their recommendations for improvements were implemented by LS&Co. One of the most interesting outcomes of the project has been the continued relationship between the Dominican contractors and the local NGOs, who continue to work together to make improvements to the factory long after the completion of the LS&Co. project. This project has served as a model for similar efforts elsewhere.

1.6 LESSONS LEARNED: WAYS TO REDUCE RISK AND ENHANCE BENEFITS OF PARTNERING WITH NGOS

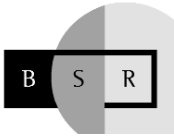
There are both benefits and the risks to companies when partnering with NGOs. It helps companies understand the perspective of NGOs, outlining both their motivations for partnership and their most common concerns. Companies must have a clear assessment map they can use to decide whether and how to partner with NGOs. The following suggestions, gleaned from the learnings of other companies, are intended to provide companies with a basic set of guidelines to use in such assessments.

- ◆ **Identify Corporate Goals.** In order to assess the merits of any potential NGO partner, a company must first isolate its reasons for seeking engagement. This defined mission will help guide the selection process.
- ◆ **Carefully Select NGO Partners.** Before approaching an NGO about a partnership, a company should consider the NGO's mission, track record, capacity, and experience with the corporate sector. It should develop a clear list of criteria to evaluate potential NGO partners. The benefits of working with an international versus a locally based NGO should also be considered. Although large global NGOs may have more experience working with the private sector, local NGOs can help bridge cultural divides and build credibility on the ground.
- ◆ **Provide Transparency Regarding Intent.** A company and an NGO do not need to have exactly the same goals in order to partner. However, it is essential that each organization be honest and transparent about its goals from the onset in order to ensure that the two are mutually compatible. As a representative of one NGO involved in an independent monitoring project put it:

“At the beginning of the project, transparency was key in building trust among the members of the team as it was the first time local contractors, NGOs and a transnational company worked together around this topic. Confidentiality and respect for each others’ views were also important ground rules.”

Steve Miller, CEO of Shell Oil recently commented:

“We also have engaged with our stakeholders through extensive communications and advertising. We produce a yearly Shell Report in which we describe our ‘road map’ to sustainability and present evidence of how well or how poorly we are living up to our values and principles...Being able to demonstrate what we have done...and why we have done it ...is essential to building trust with stakeholders.”



◆ **Develop Trust.** One of the greatest challenges in forming any partnership is establishing trust among all parties. This is certainly true in NGO-corporate partnerships, especially where previous exchanges between the NGO and the private sector may have been antagonistic. The company must take time at the beginning to build its relationship with its partners. According to a spokesperson for a business involved in a project with an NGO:

“You have to build trust. There are many different agendas on the table, and if that trust is violated, it’s a death sentence for the initiative. Both sides have to be willing to listen and to learn from each other, and to talk out issues. Work together to solve problems. Patience is also important. All of this takes building a strong relationship and trusting each other.”

◆ **Define Communication and Decision-Making Strategies.** One of the greatest frustrations for companies and NGOs working together for the first time is understanding each other’s organizational cultures, decision-making processes, and methods of communication. If these issues are discussed at the beginning of the relationship, the interaction between all parties will proceed far more smoothly.

◆ **Identify Deliverables and Timelines.** It is also essential to clearly identify and communicate all parties’ expectations and deliverables at the beginning. Once the work plan is agreed on, allocation resources and financial arrangements need to be clearly discussed. Also, it is important to determine whether the partnership will be for a finite period of time or open-ended. This is especially critical when operating in different cultures where language barriers may exist and different cultural norms may prevail.

◆ **Conduct Regular Assessment of the Partnership.** Like any partnership, an alliance with an NGO should be assessed at regular intervals to ensure that it continues to meet the goals of all parties. These evaluations will give the company and the NGO the room to continue the same course, alter it, or phase it out altogether.

It can be time consuming to nurture and manage partnerships, but they can be quite fruitful in bearing results and sustainable improvements in relations with various stakeholders. Part Two of this report outlines the considerations and steps to take when pursuing relationships with NGOs.

CASE STUDY: Chiquita's Better Banana Project

Chiquita Brands International, Inc. has certified 100 percent of its banana farms in Latin America through its work with the Rainforest Alliance's Better Banana Project (BBP), an international certification program for environmental and social standards on banana farms. BBP is made up of Rainforest Alliance and the Conservation Agricultural Network (CAN). CAN is made up of 11 different NGOs and other organizations that provide technical assistance. In each of the countries, local conservation NGOs (not CAN members), community leaders, and the local scientific community are also consulted.

Based on this successful multistakeholder partnership, Chiquita offers these tips to others who engage in such partnerships:

- **Credibility Is Everything.** Build credibility and guard it with your life. All of the following guidelines fit into that challenge.
- **Involve All the Stakeholders.** We knew from the start that our program would not have authority unless we included everyone who had an opinion. The standards were developed with input from producers, scientists, industry and government representatives, NGOs, community leaders, and other stakeholders.
- **Hire the Best People.** The professionals who manage a program must be well trained, honest, incorruptible, dedicated, and willing to learn.
- **Be Open, Transparent, and Inclusive.** In order to succeed a program must be managed transparently and open to criticism, suggestions, new information, and new ideas. It must invite participation from all, large and small, from NGOs and from other entities.
- **Be Patient.** Building effective partnerships takes time.
- **Stay Focused.** Given the range of perspectives involved, it is easy to get sidetracked. You need to keep your eye on the long-term goals and objectives.
- **Monitor and Document Both Mistakes and Progress.** All conservation programs should have a good monitoring and evaluation component to help steer them. This is especially important for a certification program, where transparency and adaptive management is so important. Everyone along the chain-of-custody must have faith in the program, from producer to consumer.



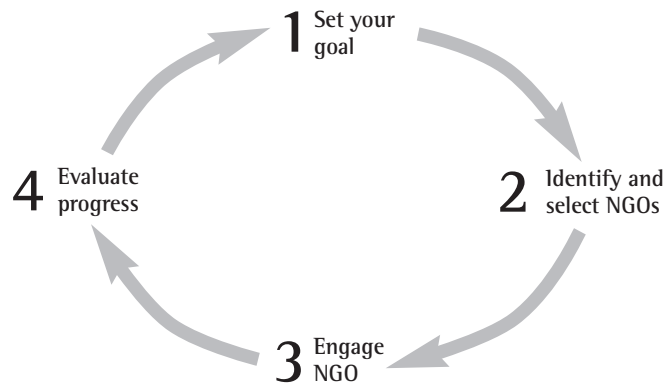
Part Two
Practical Steps and
Key Considerations in
Partnering with NGOs

2.1 INTRODUCTION

For many companies, working with the NGO community raises internal concerns on theoretical as well as practical levels. Part One of this report outlined many of the business benefits of working with NGOs, including increased ability to manage conflict, greater ability to access information, enhanced reputation, and improved relationships with a broad range of external stakeholders. Part Two is intended to help mitigate the practical challenges of such engagement. It is worth keeping in mind that the level of interaction a company chooses to have with an NGO will determine how much effort it will need to put in to make the partnership successful. For instance, working with NGOs on an occasional informational exchange requires less legwork and carries less significance than selecting partners for more complex collaborative initiatives.

Regardless of the level of interaction that a corporation chooses to pursue the process is similar and includes the following steps:

- ◆ Set the goal: Understand what you want from the NGO.
- ◆ Identify and select NGOs: Select NGOs that are able to help you meet your goals.
- ◆ Engage the NGO.
- ◆ Evaluate your progress toward your goal.



This process is a basic yet effective framework that can guide staff through their interactions with NGOs. The following sections outline the key considerations to having effective and productive partnerships with members of the NGO community.

2.2 IDENTIFYING CORPORATE NEEDS & GOALS

In order to assess the merits of any potential NGO partner, a company should first isolate its reasons for seeking engagement. The most important step is to clarify what are the corporate needs. Why is the company contacting the NGO? What does it hope to gain through the interaction? For instance:

- ◆ Does the company hope to do general outreach and explain its compliance and community efforts to stakeholders in a new community where site development or sourcing is planned?
- ◆ Does it need information about local conditions?
- ◆ Does it want to understand the work that an NGO has done with other firms on a specific issue—migrant workers, for example?

Once the needs and goals for the interaction have been identified, they will help guide the company through the selection process.

A. Goals

There are three general levels of interactions between companies and NGOs:

1. Outreach

This type of engagement is usually one of networking, limited information exchange, and most importantly, trust building. Outreach could include:

- Building relationships with key stakeholders in the NGO community to communicate a company's corporate compliance program and efforts or to learn about the NGO and what it could potentially offer the company.

2. Information Exchange

Through this type of activity, the company establishes greater, although still limited, engagement with staff of the NGO on a project-by-project basis. Information gathering could include:

- Learning about the general state of social, economic, and working conditions in a sourcing region or site.

3. Partnership/Program Enhancement

This would involve greater involvement with the NGO on an ongoing basis and result in closer ties between corporate and NGO staff. Further, it could lead to deeper levels of engagement in other company projects and operations. Program enhancement could include:

- Gaining feedback on the company’s social compliance program or site development processes.



Three levels of interaction between companies and NGOs

When a company works with an organization on one of the goals, it does not rule out the possibility of entering into other activities in the future. The goals outlined build on each other and represent a continuum of engagement. A company may begin its relationship with an NGO in an informal dialogue and information exchange. These activities lay the groundwork for more interaction and a possible partnership. Engaging NGOs in an ongoing dialogue allows a company to build a network for managing risk and seeking assistance in times of need.

CASE STUDY: U.S. Retailer's Perspective on Working With NGOs

According to a large US retailer/manufacturer, building relationships with NGOs through ongoing dialogue is akin to building a savings account, 'It is an investment for the future. It allows a company to have increased access to information about local conditions and the NGOs can be a valuable resource to your company's program and training efforts.'

Access to Information

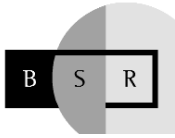
'We can not carry out compliance programs in isolation, wherever we can partner with local NGOs is beneficial to us. Local NGOs understand the social, political, and economic environment. By building relationships with a range of local and international NGOs we now have a network of people who can alert us to conditions in our supply chain.'

Networks

The NGO community is in general a closely linked network of organizations and individuals. Through this network, NGOs can help identify potential partners beyond their own field and locality. 'We began a dialogue with a labor rights organization in a region where we source. Out of this dialogue the labor rights organization tapped into their networks to help recommend to us a project partner for an environmental initiative in another country within the region.'

Program Improvements

'We had a situation in which a faith based activist was approached by his parishioners with complaints of poor working conditions at a factory that produces for us. The activist contacted us with the allegations to which we responded with an investigation. We found him to have a balanced perspective, as he was equally interested in protecting workers' rights and in 'dealing with the facts'. He is now the director of an independent monitoring program to monitor our suppliers. He has also added value to our own compliance program by training our compliance staff on interviewing skills.'



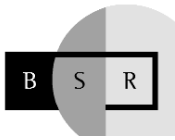
2.3 IDENTIFYING AND SELECTING NGOS FOR ENGAGEMENT

A. How to Begin: Sources of Information on NGOs

Several sources can be helpful as companies begin the search for NGO partners. The following are ideas for potentially useful resources. (See the Appendix for contact details on the organizations mentioned here.)

- ◆ **Your Company.** Particularly with large companies, various departments such as public relations, environment, marketing, or site planning functions have their own experiences working with members of the NGO sector. Capturing the range of NGOs with whom one's own company has worked in the past is an important starting point. It is quite possible to find that developed relationships exist in regions and sectors that are relevant to your goals.
- ◆ **Other Companies.** Companies that already have operations in the country of interest can be useful sources of information about local NGOs and may be willing to share that information.
- ◆ **International NGOs.** International human rights organizations, including Human Rights Watch, Amnesty International, and the Lawyers Committee for Human Rights, are knowledgeable about local human rights NGOs. These three organizations have all worked directly with the corporate sector. Large, international development NGOs such as Oxfam may also serve as partners with companies. In addition, these large NGOs usually have strong links to local NGO communities.
- ◆ **Home Government Agencies.** The Department of State and the Department of Labor as well as the U.S. Agency for International Development all have personnel with knowledge of local NGOs. Most developed nations' governments play this role as well. Country Desk Officers and Embassy personnel, particularly labor attachés, can be useful sources of information; however, the degree of knowledge and willingness to help can vary sharply from country to country.
- ◆ **International Multilateral Organizations.** The World Bank, the United Nations Development Program (UNDP), UNICEF, and the International Labor Organization (ILO) all have programs involving NGOs. These international bodies are likely to be fairly neutral, unbiased sources of information on NGOs.

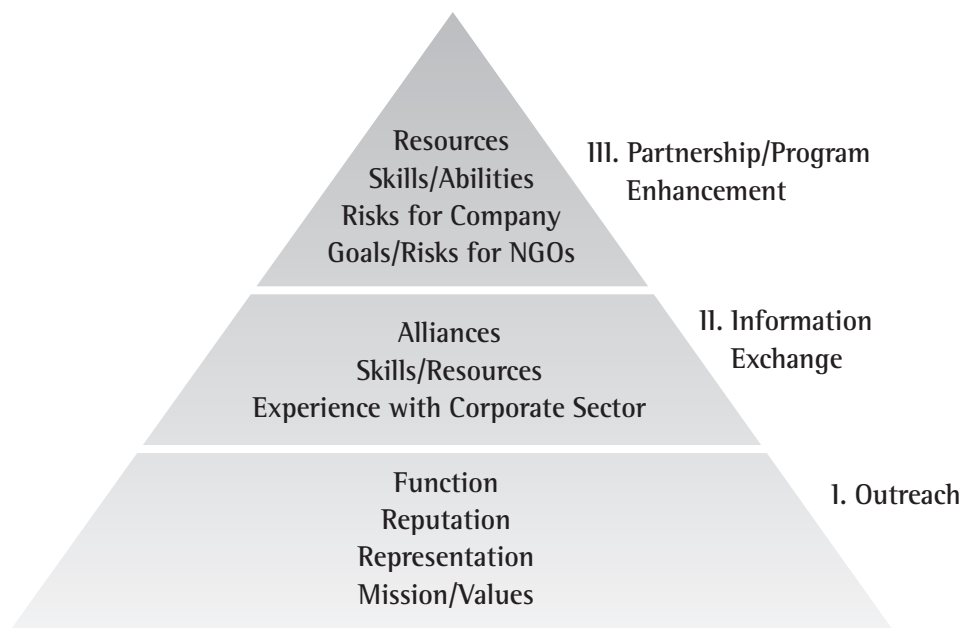
- ◆ **Trade Unions and Labor Groups.** The AFL-CIO's international arm, the American Center for International Labor Solidarity ("Solidarity Center"), has branches in many countries and maintains strong links with local labor unions and labor rights organizations. The Brussels-based International Confederation of Free Trade Unions (ICFTU) has similar links. Other nonunion labor groups such as the International Labor Rights Fund (ILRF) have developed strong relationships with NGOs focusing on human rights and labor issues in many developing countries.
- ◆ **Religious Organizations.** Organizations such as the Interfaith Center on Corporate Responsibility (ICCR) in the United States, the U.S. Conference of Catholic bishops, and archbishops' offices throughout Latin America maintain links with local religious, human rights, and labor groups.
- ◆ **Academic Organizations and Research Institutions.** Universities, and other academic and research institutions, are another source of information on NGOs. University sociology departments of universities are one place, as are human rights centers, development studies departments, or area studies centers. Think tanks and research institutions with relevant areas of focus (such as sociological studies or women's issues) exist in many countries and may also have helpful information on or links to NGOs. The Latin American Faculty of Sciences (FLACSO), a 40-year-old confederation of research and teaching groups concentrating on social sciences, has 10 locations through Latin America and has some experience in monitoring factories.
- ◆ **Major Foundations.** Foundations such as the Ford Foundation, The Asia Foundation, and the Inter-American Foundation often fund or work on projects with local NGOs. These large foundations have headquarters in the United States and regional offices. They not only can help identify local NGOs but often can be objective about the NGO's capacity to work with companies.
- ◆ **The Internet.** The Internet offers a wealth of information on international and locally based NGOs, but it is also of limited value because many of the sites are in local languages and may contain inaccurate or outdated information. Furthermore, electronic information is an inadequate substitute for discussion with a live person whose biases are known and who can respond directly to questions.
- ◆ **Media and Publications.** On-line media services such as LexisNexis and Hoover's can be powerful tools in reviewing media coverage of companies and NGOs. By using key word searches, one can gain access to relevant articles and reports. This is a quick and comprehensive way to gather data on NGO activities, campaigns, perspectives, and experiences. It is also worthwhile to use NGO Web sites to order organizational publications such as newsletters or other reports.
- ◆ **Business Associations.** Business associations such as the American Chamber of Commerce (AmCham) offices overseas are often well linked to the local NGO community



in that country. AmCham offices can be a good source of local information and networks of international and local organizations.

B. Assessing and Selecting NGOs for Engagement

The qualities companies should look for in an NGO partner depend in part on the nature of the engagement the company seeks. Companies seeking local information can benefit from dialogue with a broad range of NGOs. Those intending to form a more focused, systematic, and long-term partnership will want to be more discerning about the specific qualities they want in an NGO. The following diagram highlights the progressive nature of relationship building and understanding required at each level of engagement, from informal dialogue to full partnership. Regardless of the level of interaction sought, some core characteristics will be valuable in any NGO partner, such as professional credibility, trustworthiness, and the respect of its constituency and other stakeholders.



Three levels of interaction between companies and NGOs and relationship building

After initial identification of potential NGO partners, companies can benefit from “doing their homework” to ensure that an interaction and partnership with these NGOs will be mutually beneficial. They should talk with sources familiar with the organization, read the NGO’s publications, scan its Web site (if applicable), research media clips about the group; and

most importantly, engage in direct dialogue with NGO staff members. Finding answers to the following questions may help determine the viability of reaching one's goal with the NGO in question.

Goal 1: Outreach

If a company wishes to begin building relationships with NGOs in a particular region or around a particular issue, it is important first to find out some things about those NGOs that it is considering approaching:

What does the NGO do?

What issues are the NGOs involved in? Are they research, advocacy, humanitarian assistance, or development organizations? What services do they provide—training, research, something else? How can they be helpful to the company?

What is the NGO's mission and vision?

These are important qualities to find out about early in the discovery process. Company-NGO collaborations can only work if each side can respect the other's mission and vision. Engagements with traditional adversaries can be more difficult to orchestrate, develop, and sustain, but—to the extent that these groups' agendas complement the goals of the project—these relationships can ultimately be more rewarding.

Whom does the NGO represent?

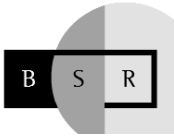
Partnerships are more likely to prosper if they involve NGOs that have a foundation of support from local constituencies. Indeed, such an NGO may be a necessary interlocutor with the desired constituency if the company's program is to have the desired impact. A corporate partnership with an NGO in this case can build a base of trust and goodwill—particularly beneficial if the company anticipates future activity in the region or if a local crisis develops that affects the company.

What is the NGO's reputation among key stakeholders?

Is the group broadly respected by relevant stakeholders (customers, investors, workers, other NGOs, the general public)? Does it have professional credibility in the company's focus areas? Are its members viewed as fair-minded, objective, independent?

Goal 2: Information Exchange

If a company wants to work with an NGO partner to exchange information or perform discrete projects, it will want to build on the baseline of information gathered for the first goal, outreach, and answer the following questions as well:



What skills or resources does the NGO have?

What research has the group conducted? Is this information already published and available? How credible are its findings? Are the organizations' skills and services applicable to the company's goal?

What alliances has the NGO formed with other organizations?

Many smaller, regional NGOs form affiliations with one another. These affiliations can be powerful avenues through which members reach a broader range of constituents. Alliances are usually formed around a set of principles that are aligned with each member's mission, to enable smaller NGOs to send a stronger and more unified message. In some cases, affiliations can affect the latitude of activities performed and positions taken by its members.

Has the NGO had previous interaction with the corporate sector?

A growing number of NGOs have either worked in some capacity with companies or on campaigns against companies. In the former case it is important to understand how well those engagements have worked for all parties. NGOs that fall into the latter category should not necessarily be ruled out as engagement partners. If they have the core qualities of professional credibility, trustworthiness, and stakeholder respect, and are willing to engage with a company on mutually agreed upon terms, they might be valuable partners. Information on campaign activities can be found using Internet and media search engines. (See the Resources section for helpful Web sites.)

Goal 3: Partnership/Program Enhancement

As in any partnership, it is essential to understand the unique resources and perspectives each party brings to the partnership negotiations. Before engaging an NGO in partnership, a company needs to build on its understanding of the organization—which it already gained through the questions outlined for goals 1 and 2—by considering the following:

What are the risks of working with this NGO or doing this project?

Aligning oneself with a credible partner is essential to managing risk associated in any new partnership or program. Building a foundation of trust among all participants, with clear understanding of the program's goals and ground rules, is essential to the project's success. In addition, ensuring that there is internal support for a partnership is essential (see section 2.4 for more information on this).

What are the backgrounds and abilities of key staff members?

Do they have relevant knowledge and competencies? Have they worked for other organizations or aligned with other causes that could affect their ability to be fair-minded? How sophisticated is their understanding of the issues relevant to the project? Do they have experience in managing projects of this magnitude?

What resources does the NGO bring to the partnership?

Depending on the nature of the engagement, staff, facilities, equipment and materials, and services (such as training, translation) are among the helpful resources that NGOs can provide in carrying out projects.

What are the NGO’s goals for this partnership?

Does the NGO have goals that are consistent with the goals of the process being considered? Does it want to learn more about corporate decision making and activities regarding human rights issues? Does it hope to secure ongoing company support for their activities?

What is the NGO risking in the relationship?

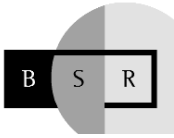
Does the NGO have anything at play in the relationship? For example, is it risking its credibility with its constituency by cooperating with a company? It can be a good thing if the NGO has reservations about a potential relationship with a company; this is an indication that it too is taking a risk and has to assess the pros and cons before coming to an agreement. These kinds of agreements are more likely to be based on a solid foundation.

2.4 DEVELOPING PRODUCTIVE INTERACTIONS AND ENGAGEMENTS

When a company identifies and selects the right NGO partner, it lays the groundwork for a successful collaboration. But launching directly from the selection process to implementation may scuttle a promising start. Investing time up-front in cementing relationships with NGO partners can help solidify the foundation and build a strong framework for working together as the project moves forward.

1. Secure Internal Support

When a company articulates the goals, benefits, and costs of engaging NGOs it will help to gain internal support, which is vital to the success of the working relationship. Backing from senior-level management lends weight and credibility to the engagement. Support from other key company decision makers from a variety of departments and business units, and from employees who will carry out the interaction, is also crucial. Clearly articulating the business benefits of the project will help “sell” the partnership to these internal constituents.



2. Get to Know the Selected NGOs

As in any courtship, companies and their NGO partners can benefit from investing time in getting to know each other, probing each others' assumptions, understanding each other's values, and considering new ways of doing things. The following suggestions can help guide this phase:

- **See Each Other's "Turf."** By visiting an NGO's facilities, company staff can get a feel for its "personality" and level of professionalism, meet staff members, and learn in more detail about the NGO's work. Inviting NGO members to visit company facilities achieves the same goals. In addition, these visits can help dispel stereotypes and establish a bond of trust between the partners.
- **Create an Open Forum.** Ground rules of confidentiality for the relationship should be negotiated and agreed upon (in writing, where appropriate). Once established, open and ongoing channels of communication can be designed to help foster straightforward dialogue and creative thinking in a safe environment. These channels can also prevent harmful misunderstandings. Partners should be willing to ask and answer candid questions, and to consider new ways of viewing situations or carrying out activities.
- **Focus on Individuals.** Engagements are between organizations, but they succeed because of individuals. Establishing comfortable, respectful relationships with key project individuals keeps the partnership meaningful, grounded, and usually more enjoyable.

3. Determine the Level of Engagement

The company's goals, combined with its staff's assessment of potential NGO partners, will determine the level of engagement it seeks with each individual organization. It is important that company representatives clearly state their intentions at the onset to avoid misperceptions on scope. Although a company may limit the scope of its engagement at the onset, this does not rule out the option of deepening the partnership after a period of evaluation.

If the company does decide to move forward with specific project work or a more integrated partnership, issues to consider include these:

- **Structure.** The structure of a partnership depends on the nature of the project, the level of sophistication of the partner, and what is culturally appropriate. Similarly, agreement on the structure can be a simple handshake, a more formal memorandum of agreement, or a full-fledged contract. It is generally advisable to get commitments in writing to ensure that all parties have a common understanding.
- **Scope and Project Administration.** Besides goals, partners need to agree on roles and responsibilities. From the outset, it is important to determine how the partnership will

be administered, how duties will be divided, what the decision-making process will be, who will be accountable for deadlines, costs, and results, and what resources each party will bring to the table (financial contributions, products, services, facilities, human resources, and supplies).

- **Duration.** Engagements are most effective if they have a clearly defined timeline. Aggressive but manageable deadlines can help ensure that the project doesn't drag on. In some cases, the outcomes of a defined project may suggest value in extending the relationship between the company and NGO partner.

4. Develop Ground Rules

It is always advisable to develop a set of ground rules for the engagement. Two key concerns to be sure to cover in ground rules are:

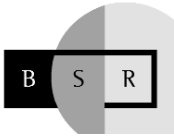
- **Confidentiality/Disclosure.** It is essential to be clear about how much (if any) of the engagement will be publicly disclosed, when, how and by whom. The sensitive nature of some initiatives may determine that some or all of the project results should be kept confidential. All parties must understand and agree to this.
- **Costs.** If there are costs involved in the project, it should be determined who will bear them. It is important to state clearly exactly what these payments cover and what expectations, if any, they carry. NGOs are sometimes concerned about the appearance of a loss of independence if they accept corporate funding.

5. Determine Communications Strategy

When NGOs are involved in a project, several decisions regarding communications must be made. As already mentioned, one initial decision involves the extent to which the project will be disclosed to the public. This carries with it additional decisions about what should be disclosed, when, how, and by whom.

External Communication

If the project is to be communicated externally, it is advisable to designate one person in the company as the principal contact. This can help avoid conflicting information and ensure that the company is communicating a consistent message. It may be in the interests of the company to provide a report about the project and its results at the conclusion and make it available to interested stakeholders. Resources should be allocated for this at the outset. It is also important that NGO partners designate a contact person to communicate about the project, and be involved in the writing and distribution of the final report, if such is issued.



Internal Communication:

Strategies must also be determined for both parties' internal communications. Decisions to make include:

- Who in the company requires progress reports? Are there different audiences?
- What results of the partnership need to be communicated to each audience?
- What are the best means to communicate within the company (meetings, memos, e-mails, company intranet)? If the partnership is expected to be long-term and relatively embedded in the operations of the company overall, it might be valuable to create a forum for employees to meet members of the partnering NGOs to ask questions and discuss the engagement.
- How frequently and when do results of the partnerships need to be communicated?

2.5 EVALUATION

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Evaluating the partnership both during and after the engagement is essential to ensuring that the company is meeting its goals and building its own strategy for NGO engagement. Performing periodic evaluations and seeking regular feedback from partners throughout the project gives companies the flexibility to propose changes in the partnership structure or process to better achieve their project goals. Evaluating the partnership's effectiveness at the project's conclusion can provide valuable information to both the company and the NGO partner.

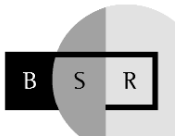
The project's accomplishments should be evaluated against its original goals and expectations. A final cost-benefit analysis can examine the tangible benefits that resulted against the actual use of financial, human, and other resources. It is critical to get formal feedback from the partnering NGO about its experience working with the company, and whether the relationship met its expectations. This not only helps assess the partnership's effectiveness but can also help determine future partnership opportunities.

Summary

Partnerships between corporations and NGOs can bring benefits to companies and stakeholders at all levels, from building brand recognition to controlling risk in the supply chain. Through thoughtful planning and research, companies can identify effective NGOs and build fruitful partnerships. The considerations and processes described in this document are intended to help guide companies through the often unfamiliar territory of the NGO community. But it is important to be mindful that partnerships work when individuals have strong skills, share a vision and commitment to the project, and most importantly share a foundation of trust.



Resources



2.6 RESOURCES

International NGOs

Amnesty International

322 8th Avenue
New York, NY 10001 U.S.A.
Tel: 212.807.8400
E-mail: admin-us@aiusa.org
Web site: www.aiusa.org

Coalition for Environmentally Responsible Economics (CERES)

11 Arlington Street, 6th Floor
Boston, MA 02116 U.S.A.
Tel: 617.247.0700
Fax: 617.267.5400
Website: www.ceres.org

Greenpeace International

Keizersgracht 176
1016 DW Amsterdam
The Netherlands
Tel: 31.20.523.622
Fax: 31.20.523.6200

Human Rights Watch

350 Fifth Avenue, 34th floor
New York, NY 10118-3299 USA
Tel: 212.290.4700
Fax: 212.736.1300
E-mail: hrwnyc@hrw.org
Web site: www.humanrightswatch.org

Interfaith Center on Corporate Responsibility (ICCR)

Room 550
475 Riverside Drive
New York, NY 10115 U.S.A
Tel: 212.870.2295
Fax: 212.870.2023
Web site: www.iccr.org

The Nature Conservancy

4245 North Fairfax Drive, Suite 100
Arlington VA 22203-1606 U.S.A.
Tel: 800.628-6860
E-mail: comment@tnc.org

Lawyers Committee for Human Rights

333 Seventh Avenue, 13th Floor
New York, NY 10001 U.S.A
Tel: 212.845.5200
Fax: 212.845.5299
E-mail: lchrbin@lchr.org
Web site: www.lchr.org

Transparency International

Otto-Suhr-Allee 97/99
10585 Berlin
Germany
Tel: 49.30.343.8200
Fax: 49.30.347.3912
E-mail: ti@transparency.de
Website: www.transparency.de

World Business Council for Sustainable Development (WBCSD)

160, route de Florissant
CH-1231, Conches-Geneva
Switzerland
Tel: 41.22.839.3100
Fax: 41.22.839.3131
Web site: www.wbcd.ch

Foundations

The Asia Foundation

465 California Street, 14th floor
San Francisco, CA 94104 U.S.A
Tel: 415.982.4640
Fax: 415.392.8863
Web site: www.asiafoundation.org

Ford Foundation

320 East 43rd Street
New York, NY 10017 U.S.A
Tel. 212.573.5000
Fax 212.351.3677
Web site: www.fordfound.org

Inter-American Foundation

901 N. Stuart Street, 10th Floor
Arlington, VA 22203 U.S.A
Tel: 703.306.4308
Fax: 703.306.4363
Web site: www.iaf.gov

Country-Specific Organizations

RESOURCES IN AFRICA

National Business Initiative

17th Floor Metal Box Centre
25 Owl Street
Auckland Park 2092
Johannesburg, South Africa
Tel: (001) 482-5100
Fax: (001) 482-5507
E-mail: info@nbi.org.za

RESOURCES IN CHINA

Chinese Working

Women Network (CWN)

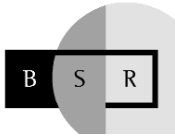
PO Box 364 Sheung Shui
Hong Kong
Tel: (852) 2781-2444
Fax: (852) 2781-4486
E-mail: cwwn@hongkong.com

Ford Foundation

International Club Office Building
Room 501
Jianguomenwai Dajie No. 21
Beijing, China 100020
Tel: 86-10-532-6668
Fax: 86-10-532-5495
E-mail: ford-beijing@fordfound.org

Horizon Research Group

Chao Yang District,
Xia Guang Li #11
Lin Hai Mansion 5th Floor
Beijing 100016 China
E-mail: horizon@gz.col.com.cn



Labor Rights in China (LARIC):

Asia Monitor Resource Center
Flat 8B, 444-446 Nathan Road,
Yaumatei, Kowloon, Hong Kong
Tel: (852) 2332.1346
Fax: (852) 2385.5319
E-mail: amrc@hk.super.net

China Labor Bulletin

Flat 801, 28 Ferry Street,
Yaumatei, Kowloon, Hong Kong
Tel: (852) 2780.2187
Fax: (852) 2359.4324
E-mail: clb@hkstar.com

**Hong Kong Christian
Industrial Committee**

Flat 704-5, 7/F., 57 Peking Road,
Tsimshatsui, Kowloon, Hong Kong
Tel: (852) 2366.5860
Fax: (852) 2724.5098
E-mail: hkcic@hknet.com

**Hong Kong Confederation
of Trade Unions**

19 floor, 557-559 Nathan Road
Yaumatei, Kowloon, Hong Kong
Tel: (852) 2770.8668
Fax: (852) 2770.7388
E-mail: hkctu@hk.super.net

The Zigen Fund

Lily Lee
Beijing, China
Tel: (86) 10 609.951.4313
Fax: (86) 10 609.987.1438
E-mail: llee@lipo.com

Resources in Latin America

**The Independent Monitoring
Group of El Salvador (GMIES)**

– *El Salvador*
Contact: Carolina Quinteros
E-mail: gmies@amnetsal.com

**The Commission for the
Verification of Corporate
Codes of Conduct (COVERCO)**

– *Guatemala*
Contact: Dennis Smith
E-mail: densmithfam@guate.net

**La Colectiva De Mujeres
Hondureñas (CODEMUH)**

– *Honduras*
Contact: Maritza Paredes
E-mail: codemuh@globalnet.hn

**Research Center for
Feminist Action (CIPAF)**

– *Dominican Republic*
Contact: Magaly Pineda
E-mail: taveras2@tricom.net

**Movimiento de Mujeres
Trabajadoeas y Desempleadas
Maria Elena Caudra (MEC)**

– *Nicaragua*
Contact: Esperanza Cardenas
E-mail: mec@tmx.com.ni

**Latin American Faculty of
Social Sciences (FLACSO)**

– *Dominican Republic*
Contact: Ruben Silie, Director
Tel: (809) 686.3664
E-mail: comite.flacso@codetel.net.do

Women's Support Center (WSC)

– *Dominican Republic*

Contact: Susi Pola

Tel: (809) 575.2866

E-mail: p.veras@codetel.net.do;

Nam@cotetel.net.do

Trade Unions, Labor Groups**American Center for
International Labor Solidarity
(International arm of AFL-CIO)**

1925 K Street, NW

Suite 300

Washington, D.C. 20006 U.S.A.

Tel: 202.778.4500

Fax: 202.778.4525

E-mail: acils@acils.org

**International Confederation
of Free Trade Unions (ICFTU)**

5 Boulevard du Roi Albert II, Bte 1

1210 Brussels Belgium

Tel: (32) 02 224 0211

Fax: (32) 02 201 5815

E-mail: internetpo@icftu.org

ICFTU/ITS Washington Office

Contact: Peter Bakvis

1925 K Street NW, Suite 425

Washington, D.C. 20006

Tel: 202.463.8573

Fax: 202.463.8564

E-mail: icftu@mnsinc.com

International Labor Rights Fund (ILRF)

733 15th St., NW #920

Washington, D.C. 20005

Tel.: 202.347.4100

Fax: 202.347.4885

E-mail: laborrights@igc.org

Web site: www.laborrights.org

Multilateral Organizations**World Bank**

1818 H Street, N.W.

Washington, D.C. 20433

Tel: 202.477.1234

Fax: 202.477.6391

World Bank Business**Partners for Development**

Tel: 202.522.4272

Fax: 202.522.1727

E-mail: bpdweb@worldbank.org

Web site: www.worldbank.org

UNICEF

www.unicef.org

ILO

www.ilo.org

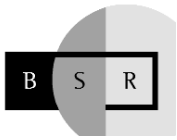
UNDP

www.undp.org

Additional Websites**American Chamber of
Commerce–International Directory**

www.uschamber.org/International/

default.htm



Additional Websites (continued)

**Business and Human Rights–
A Resource Web site**

[www.business-humanrights.org/
Links-Directory.htm](http://www.business-humanrights.org/Links-Directory.htm)

Business for Social Responsibility

www.bsr.org/resourcecenter

Boycott Action News

www.coopamerica.org/boycotts/index

Corporate Watch US

www.corpwatch.org

Corporate Watch UK

www.corporatewatch.org.uk

LexisNexis

www.lexis-nexis.com

Oxfam International


www.oxfaminternational.org

Shareholder Action Network

www.shareholderaction.org

U.S. Conference of Catholic Bishops

www.nccbuscc.org



Appendix:
**NGO Information
Checklist**

NGO Information Checklist

Name of organization: _____

Field office address and contact details: _____

Address: _____

Tel: _____ Fax: _____

E-mail: _____

Contacts:

Name and position of primary contact: _____

Name of executive director: _____

Headquarters:

Address: _____

Tel: _____ Fax: _____

E-mail: _____

Contacts:

Name and position of primary contact: _____

Name of executive director: _____

Web site: _____

Date founded: _____

Number of staff:

Field office: _____

Worldwide: _____

Organizational focus:

- | | | |
|---|---|--|
| <input type="checkbox"/> Children | <input type="checkbox"/> Human rights (General) | <input type="checkbox"/> Migrant workers |
| <input type="checkbox"/> Economic development | <input type="checkbox"/> Indigenous people | <input type="checkbox"/> Refugees |
| <input type="checkbox"/> Environment | <input type="checkbox"/> Labor rights (General) | <input type="checkbox"/> Women |
| <input type="checkbox"/> Health | | |

Types of activities:

- | | | |
|-----------------------------------|---|---------------------------------------|
| <input type="checkbox"/> Research | <input type="checkbox"/> Development | <input type="checkbox"/> Other: _____ |
| <input type="checkbox"/> Advocacy | <input type="checkbox"/> Emergency relief | _____ |

Scope of operations:

- Local
- Regional (please define) _____
- Nationwide
- International (please define) _____

MISSION AND VISION:

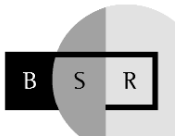
WHOM DOES THE NGO REPRESENT?

SKILLS/RESOURCES:

PRODUCTS/SERVICES:

ALLIANCES WITH OTHER NGOS:

EXPERIENCE WORKING WITH THE CORPORATE SECTOR?



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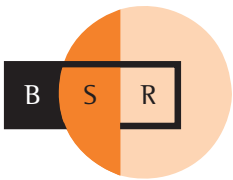
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Business for Social Responsibility

609 Mission Street, 2nd Floor
San Francisco, CA 94105-3506
United States

T 415.537.0888

F 415.537.0889

E memberservices@bsr.org

www.bsr.org

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