



# Operational Guidelines for Private Sector Engagement

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# Preface

This document is a complete revision of the 2006 *Operational Guidelines for Private Sector Engagement* (developed in response to

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# 1. Introduction

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The private sector plays a critical role in determining how biodiversity is used and conserved, and there are clear benefits to businesses in improving environmental performance, including reduced costs, improved innovation, and increased likelihood of regulatory approval.

IUCN's mandate for engaging the private sector is rooted in IUCN's mission to "Influence, encourage and assist societies to conserve the integrity and diversity of nature and ensure that any use of natural resources is equitable and ecologically sustainable".

Since the creation of IUCN in 1948, different General Assemblies and World Conservation Congresses of IUCN Members have passed over 200 resolutions related to the private sector. While some of these highlight the private sector's negative environmental impacts, others recognize the value of positive, substantive engagement with companies.

In particular, Resolution 1.81, adopted at the 1st World Conservation Congress (Montreal, 1996), communicated a clear need for IUCN to engage in constructive dialogue and collaboration with the private sector in order to achieve its Mission, urging "*IUCN Members and the Director General, based on the need to influence private sector policies in support of the Mission of IUCN, to expand dialogue and productive relationships with the private sector and find new ways to interact with members of the business community*". Resolutions 3.060 and 3.061, adopted at the 3rd IUCN World Conservation Congress (Bangkok, 2004), provided further direction on IUCN's private sector engagement, including a call for guidelines to be developed.

IUCN's approach for engaging with the private sector is framed in the 2004 *Strategy for Enhancing IUCN's Interaction with the Private Sector* (hereafter referred to as the 'Private Sector Strategy'; see Box 1), which was endorsed by the Council in 2004 (Council Decision C/60/58). While recognizing the different types of engagement, including direct confrontation and indirect lobbying, the Strategy focuses on facilitating and encouraging cooperative interaction between IUCN and the private sector to better implement the IUCN Programme. It establishes a vision statement and goals; states IUCN's Principles of Engagement; outlines IUCN's experience and niche; and provides criteria for prioritising business partners.

The *Operational Guidelines for Private Sector Engagement* (hereafter referred to as the 'Operational Guidelines') support implementation of the Private Sector Strategy, outlining the necessary processes for developing, implementing and managing engagements with private sector entities. These processes (Section 3) are firmly embedded within existing IUCN policies and procedures, with an emphasis on ensuring that engagement with the private sector includes risk management, reflects IUCN's Value Proposition (see Box 2), and incorporates the principles of Free Prior Informed Consent,

Box 1 [IUCN Private Sector Strategy](#)<sup>1</sup>

## 2. Background

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### **Purpose of the Operational Guidelines**

The Operational Guidelines have been developed to support IUCN Component Programmes in efforts to engage with the private sector, both for delivering programmatic results and for fundraising (sponsorship and licensing). The processes outlined in section 3 – which covers all steps of a typical engagement, from strategic thinking on how the private sector could help deliver planned programmatic results, through drafting and signing a contractual document, to implementation and reporting on progress and outcomes – aim to ensure engagements align with the Private Sector Strategy and help the user navigate other relevant IUCN policies and procedures.

A key purpose of these processes is to help Component Programmes manage risks associated with private sector engagement. Such risks include damage to IUCN's reputation and credibility (for example through loss of integrity, values, and/or staff independence; compromising of conservation benefits; and/or loss of goodwill) as well as the risk of





### 3. The Operational Guidelines for Private Sector Engagement

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The processes outlined in this section cover all aspects of developing, implementing, managing and concluding an engagement with the private sector. They aim to ensure that engagements align with the Private Sector Strategy as well as other relevant IUCN policies and procedures, with an emphasis on ensuring that the engagement includes risk management, reflects IUCN's Value Proposition, and incorporates the principles of transparency, participation and Free Prior Informed Consent. These processes apply when both proactively considering an engagement and when a company approaches IUCN.

The overall process is:

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Figure 1.Steps in the Operational Guidelines

KEY QUESTIONS	OUTPUTS
<p><b>STEP 1: HAS THE ENGAGEMENT CONCEPT BEEN APPROVED?</b></p>	<p>An engagement concept for the Component Programme</p>
<p><b>STEP 2: HAS THE PROPOSED COMPANY BEEN APPROVED?</b></p>	<p>An agreed business partner(s)</p>
<p><b>STEP 3:</b></p>	

STEP 3:





### 3.3. Negotiate and formalize the engagement

#### **Intent**

To negotiate a formal engagement with a selected business

#### **Outputs**

A project concept for the selected business

A signed contractual document

#### **Summary**

Formalizing an engagement involves exploring with a selected business the mutual benefits in working together and negotiating a contractual relationship. Following the initial contact and in consultation with relevant stakeholders, a project concept must be developed and validated by the Delegated Manager and communicated to the IUCN membership. Negotiations should focus on establishing a mutual understanding of expectations on both sides, clarification of what can and can not be done through the engagement, and a clear path ahead including a time frame and deliverables. A follow-up due diligence must be performed if any areas requiring further investigation were identified during the due diligence, and the risk management strategy updated. The draft contractual document must be signed off by the Delegated Manager prior to signing by the delegated authority according to the IUCN Delegation of Authority. After signing, details of the engagement must be made publicly available.

#### **Required actions**

- **Develop a project concept highlighting possible areas of cooperation**

Based on informal consultations with the private sector entity and relevant stakeholders, the project concept must:

- Define the overall purpose and the specific objectives of the engagement, matched to the IUCN Programme and the nature of the business
- Indicate how these objectives could be achieved
- Outline opportunities to involve and/or complement the work of other IUCN Component Programmes, members and partners
- Outline opportunities to strengthen IUCN capacity in existing areas and help develop new capacity
- Indicate the financial viability of the engagement
- Indicate whether a follow-up due diligence is required

- **Submit the project concept to the Delegated Manager for approval**

- **Insert the approved project concept into the ABC list in the Knowledge Network**

- **Communicate publicly that negotiations with the private sector entity are underway, including a summary of the due diligence**

- **If the due diligence identified areas requiring further investigation, complete a follow-up due diligence and update the risk management strategy accordingly**

- **Formalize the engagement with the private sector entity through an appropriate mechanism (Memorandum of Understanding, Memorandum of Cooperation, Contract, Agreement, Terms of Reference, etc)**

The contractual document must:

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- Be in line with the IUCN Brand Guidelines and Logo Rules
- Retain the right of IUCN to publicly communicate any opinion or concerns regarding the private sector entity's policies and performance, as well as any issues that may or may not involve the private sector entity
- Include a termination clause
- Define a mechanism for raising grievances from third parties
- Address the need for an independent final evaluation
- **Obtain sign off from the Delegated Manager**  
Share the following with the Delegated Manager:
  - An overview of the key elements of the proposed engagement
  - A summary of the due diligence
  - A summary of potential risks and the strategy for managing them
  - A summary of resource needs (human and financial) from IUCN
  - Recommendations for decisions and actions
  - The draft contractual document
- **Once the contractual document is approved and prior to signing, communicate the engagement to the Director General Office and relevant stakeholders**
- **Sign the contractual document**
  - Observe the IUCN Delegation of Authority provisions for signature of the document
  - Ensure the contractual document includes a date of signature; if the signature dates of each party are different, both dates must be included
  - Send the original signed document to Finance and a copy to the Office of the Legal Advisor and the Business and Biodiversity Programme
- **Communicate the engagement publicly, including the due diligence (and, if performed the follow-up due diligence) and a summary of the signed contractual document**

**Key IUCN policies and procedures**

- [IUCN Private Sector Strategy](#)
- [IUCN Programme](#)

- IUCN Legal Guidelines
- IUCN Brand Guidelines and Logo Rules
- IUCN Delegation of Authority
- IUCN Audit Requirements
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### 3.4. Implement and manage the engagement

**Intent**

To ensure that all obligations and commitments specified in the contractual document are met

**Output**

A successful engagement

**Summary**

Implementation of the engagement requires establishing a relationship manager and integrating the commitments and obligations specified in the contractual document into IUCN work programmes and plans. Management involves following IUCN procedures for contract administration (e.g., for project management, payments, invoicing, record keeping, breach of contract), monitoring and reporting, as well as communicating regularly on engagement progress.

**Required actions**

- **Appoint a relationship manager within IUCN**
- **Integrate planned results of the engagement into the appropriate unit bi-annual component work programme(s) and individual work plan(s)**
- **Ensure appropriate contract administration**
- **Regularly monitor performance using indicators specific to the engagement and linked to the IUCN Component Programme results**
- **Report regularly according to the IUCN system and to the reporting plan agreed with the private sector entity**
- **Follow procedures provided in the contractual document and/or applicable law for any suspected breach of contract (including non-delivery issues)**
- **Provide public updates on engagement progress and results**

**Key IUCN policies and procedures**

- IUCN Legal Guidelines
- IUCN Brand Guidelines and Logo Rules
- IUCN Audit Requirements
- [IUCN Anti-Fraud Policy](#)
- [IUCN Code of Conduct and Professional Ethics for the Secretariat](#)

### 3.5. Conclude the engagement

**Intent**

To ensure completion of all commitments, including a final evaluation of the engagement  
To propose the relevance of a follow-up agreement

**Outputs**

Final engagement report  
Evaluation report (if applicable)  
Audit report (if applicable)

**Summary**

Concluding an engagement requires evaluating engagement activities, results and outcomes, both to carry out accountability requirements and as part of the ongoing feedback, learning, and change



## Annex 1. Glossary

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**Component Programmes:** IUCN global thematic, regional and Commission programmes.

**Delegated authority:** Staff member authorized to act for another under the principles of the Delegation of Authority.

**Delegated Manager:** Staff member authorized to approve an engagement step.

**Engagement:** Any interaction with the private sector covered by a signed contractual document which seeks to influence the behaviour of business in ways that contribute to the IUCN Mission. Such