

# CECI'S POLICY ON COLLABORATION WITH THE PRIVATE SECTOR

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The mission of CECI is to combat poverty and exclusion through sustainable development projects in Africa, Asia and the Americas since 1958.

## GOAL

This Policy aims to define CECI's general framework for action in relation to the private sector, and to establish the guiding principles for the development and management of CECI's collaboration with its actors.

## CECI'S ENGAGEMENT

CECI recognizes that the private sector can, under certain conditions, make an important contribution to the development of the countries in which CECI operates. CECI intends to increase its support for the development of the private sector in its countries of intervention. In this way, it aims to have a greater impact in terms of sustainable economic development, looking to promote the economic empowerment of women and youth, their participation in decision-making, as well as the benefits derived from economic activities. To achieve this, CECI will directly support local and national businesses in its countries of intervention, in particular building the capacity of micro-enterprises, SMEs, social enterprises and collective enterprises (groups and cooperatives), so that they can generate dignified, quality employment that is sustainable.

As part of its economic interventions, CECI may contact larger companies, building collaboration frameworks with some of them. CECI is determined to ensure that the operations carried out by the companies it collaborates with do no harm to communities or to the future of the countries involved. As such, CECI is committed to being vigilant when choosing its collaborators.

The fact that CECI collaborates with a company does not mean in any way that it agrees with all of the company's practices. When collaborating with any business, CECI will retain its independence and its right to publicly denounce situations it deems harmful to the communities and populations of the country, after having attempted to dialogue with the company.



# CECI'S POLICY ON COLLABORATION WITH THE PRIVATE SECTOR

CECI commits to comply with the following Guiding Principles, inspired by the ISO 26000 and BNQ 21000 standards of social responsibility in the context of its collaboration with the private sector:

## **PRINCIPLE 1 — Increase CECI's impact in the fight against poverty**

CECI collaborates with the private sector when it is able to demonstrate that there is a positive overall impact for the partners, communities or populations supported by CECI. The expected outcomes must be clearly identified from the beginning, and a monitoring & evaluation and reporting process must be implemented.

## **PRINCIPLE 2 — Respect for the interests of stakeholders**

Collaboration between CECI and private companies must take into account the interests and expectations of the individuals and groups affected by the decisions or activities of the company, or from the project. From the start, the stakeholders must be involved in the planning, implementation and monitoring & evaluation processes of the project. For each of the initiatives, a mechanism must be put into place that encourages dialogue and allows the stakeholders to express their point of view on the project, freely and as equals. CECI will be especially committed to ensuring the respect for women's interests and voices.

## **PRINCIPLE 3 — Transparency and accountability**

CECI and actors of the private sector must be transparent about the goals they are pursuing through their collaboration. The parties agree to keep each other informed of any situation that could have a perceived or real impact on the other party. The parties must give public accounts of their commitment and their performance in terms of social responsibility. They have a duty to report to the various stakeholders involved regarding challenges, advances and results stemming from the collaboration.

## **PRINCIPLE 4 — Social responsibility**

CECI wishes to collaborate with leading private sector companies that are committed to the highest standards of social responsibility and to the continued improvement in this area. The companies with which CECI plans to collaborate must commit to respecting national regulations and international regulations and treaties, and to apply the highest industry standards in their sector.

## **PRINCIPLE 5 — Caution**

In the case of collaboration with businesses, CECI must assess two types of risk: those associated with the specific collaboration and those associated with the company's operations within communities or the country. In some cases, allegations of ethical breaches or human rights violations may be sufficient for CECI to consider that the risk to the community, the country, or its own reputation is too high. Before establishing a collaboration, CECI will apply its due diligence analysis grid and will reproduce this analysis on a regular basis throughout the collaboration. A negative result in the analysis could result in the ending of the collaboration.

# CECI'S POLICY ON COLLABORATION WITH THE PRIVATE SECTOR



## **PRINCIPLE 6 — Dialogue**

CECI seeks to establish frank and transparent relationships with its collaborators from the private sector, with the intention of maintaining a permanent and constructive dialogue on the issues of social responsibility with all stakeholders of any given project. When an issue or situation arises, CECI favours dialogue with its collaborators, but reserves the right to denounce any serious violation.

For certain sectors of economic activity, CECI can establish further specific conditions of engagement to frame its actions. These are presented in the appendix and are an integral part of this policy.

## **SCOPE OF APPLICATION**

This Policy concerns any CECI individual (employee, volunteer, contractual consultant) launching procedures or making a decision regarding the development of a relationship or collaboration with a private company. It is supported by CECI's programming strategies which specify the expected objectives, the modes of collaboration for each project or program, and the analysis tools, all for applying due diligence prior to establishing a new collaboration. It applies to the procedure to be followed for both companies within countries of intervention, as well as Canadian and international companies, and must take into account the context of each country.

CECI proactively looks for companies that can meet the needs of its partners in the field. It is also reactive in the event that companies approach it directly, expressing expectations or needs related to CECI's countries of intervention and the partners in these countries.

CECI offers businesses various possible forms of collaboration that will allow them to contribute to the achievement of sustainable development goals. There are two classes of collaboration: philanthropic and programmatic.

## **PHILANTHROPIC COLLABORATION**

At any time, businesses can make a charitable donation (philanthropy) to CECI or sponsor an event. The conditions governing CECI's acceptance of a donation from a business or from a foundation belonging to a business, are governed by CECI's Donation and Sponsorship Acceptance Policy.

# CECI'S POLICY ON COLLABORATION WITH THE PRIVATE SECTOR



## COLLABORATION WITH CECI'S PROGRAMMING

### Supporting Local and National Businesses

Several CECI projects aim to support the development of local/national businesses (microenterprises, SMEs, social enterprises, collective enterprises) so that they can create jobs or generate income in their communities. The ways to support businesses are defined in each of the project's documents.

### Collaboration with Larger Companies

Larger private companies, including companies from Canada and other countries, are invited to contribute to the achievement of the Sustainable Development Goals. As such, they can participate in CECI's projects and programs by making a contribution. This contribution can be financial or technical.

### Collaborate on a Development Project

A tripartite protocol agreement (partner in the intervention country, private enterprise and CECI) will be signed before each joint intervention specifying the expected results, the expected contributions, the roles and responsibilities of each party, the dialogue and management mechanisms and the project's procedures. The communities in which such projects are deployed must confirm their agreement and their representatives participate in the project management mechanisms.

### Business Intermediation

In some of its projects and programs, CECI is called on to play the role of intermediary between businesses to assist them in developing business relationships from a sustainable development and inclusivity perspective. From CECI's point of view, it is helping its partners in its intervention countries to broaden their markets and gain access to resources, expertise, technologies and/or capital. Further, CECI is also maximizing the effects of these business partnerships for programming countries. CECI facilitates and supports the linking of companies from its countries of intervention with Canadian or international businesses who seek to establish responsible supply chains, who wish to expand their markets, or invest in a new market with the view of contributing to sustainable development. In this context, CECI is not involved in the business relationship.

### Participation in Corporate Volunteering

Corporate volunteering allows the employees of a private business to participate in CECI's international volunteering programs. CECI signs an agreement with an employer who then makes a financial contribution for each participating employee. The agreement specifies the number of participating employees, the expected results, contributions, roles and responsibilities of each of the parties, the project term, the dialogue and management arrangements and procedures, and the agreement cancellation procedures.



# CECI'S POLICY ON COLLABORATION WITH THE PRIVATE SECTOR

## ROLES AND RESPONSIBILITIES

All individuals involved in CECI's projects and programs (employees, volunteers, contract workers, consultants) can help build collaborative relationships with actors from the private sector if it is included in their mandate or functions. Each person engaged in building a relationship with a private sector actor is responsible for applying the principles and guidelines of the Policy and for ensuring compliance with the conditions of engagement specific to certain sectors, as presented in the appendix.

The implementation of a collaboration with a private sector actor, whenever a financial contribution is made to CECI, requires a signed agreement. The persons authorized to sign such agreements on behalf of CECI are:

- a)** Project leaders or project managers (for the projects they are responsible for) after validation from the involved regional department;
- b)** CECI's Program Director for corporate volunteering and business relationships;
- c)** CECI's general management.

Any agreement implying a contribution of more than one hundred thousand dollars (\$100,000) from a private company to CECI must be approved by general management.

General management must be informed beforehand of any discussions aimed at establishing a collaboration with a multinational company.



# CECI'S POLICY ON COLLABORATION WITH THE PRIVATE SECTOR

## DEFINITIONS

### PRIVATE SECTOR

By the “private sector” we refer not only to actors from the business community, including privately held businesses or publicly traded companies (on the stock market) of all sizes including microenterprises, SMEs, and social and collective enterprises, but also to business networks and networks of business people. This sector is characterized by the goal of generating profit for the owners of companies conducting commercial activities.

### SOCIAL RESPONSIBILITY

When an organization is socially responsible for the impact its decisions and activities have on society and the environment, it translates into ethical and transparent behaviour which:

- a) contributes to sustainable development, including society's health and well-being;
- b) takes into account stakeholders' expectations;
- c) respects existing legislation while remaining consistent with international standards of behaviour;
- d) is integrated into the entire organization and implemented in its external relations.

### ISO 26000

ISO 26000 is an international standard intended to provide guidelines for businesses and organizations on operating in a socially responsible manner. That means acting in an ethical and transparent manner in order to contribute to the good health and well-being of society. ISO 26000 provides guidelines rather than requirements and therefore cannot be certified unlike other well-known ISO standards. Instead, it helps clarify what social responsibility is, helps businesses and organizations translate principles into effective actions, and shares best practices relating to social responsibility worldwide. It is aimed at all types of organizations, regardless of their sector of activity, size or location.

### SUSTAINABLE DEVELOPMENT

Development that meets the needs of the present without compromising the capacity of future generations to do the same. Based on a long-term vision, sustainable development can be applied locally as well as internationally and aims for the overall improvement of living conditions of the majority, while balancing social, economic, cultural, environmental, and governance matters.



# CECI'S POLICY ON COLLABORATION WITH THE PRIVATE SECTOR

## **BNQ 21000**

BNQ 21000, the approach developed by the Bureau de Normalisation du Québec (Quebec Standards Office), proposes a normative guide (Norme BNQ 21000) and an application methodology (Méthode BNQ 21000) designed to guide organizations of all types and provide them with the tools needed to gradually adopt sustainable management practices, as well as facilitate structured dialogue with multiple stakeholders. As an adaptation mechanism, the BNQ 21000 approach provides a series of strategic management tools designed to be used in a clearly defined, continuous, improvement approach.

Developed consensually and iteratively, the BNQ 21000 approach proposes a strategic management framework consistent with different international guidelines. BNQ 21000 represents an operational variation of the ISO 26000 International Standards on the Social Responsibility of Organizations and facilitates the accountability process in accordance with Global Reporting Initiative (GRI) guidelines.

## **DUE DILIGENCE**

Due diligence includes all of the verification steps that an organization must effect before committing itself to a potential collaboration with an enterprise, and in order to make an accurate assessment of the business' status. More generally, due diligence is the degree of judgment, care, prudence, firmness and action which one could expect of a reasonable person, under the circumstances. Due diligence is an Anglo-American concept, which signifies that a party must itself work to guard against any avoidable negative aspects of an operation. It is the basic duty to act in a precautionary manner. As for CECI's collaboration with private businesses, due diligence will include analysis of policies, practices and performances of businesses in relation to social responsibility.

## **REFERENCES**

This Policy is related to:

- a)** CECI's Donation and Sponsorship Acceptance Policy
- b)** CECI's Sustainable Development Policy

# CECI'S POLICY ON COLLABORATION WITH THE PRIVATE SECTOR



## APPENDIX — CECI'S TERMS OF ENGAGEMENT WITH CERTAIN SECTORS

### NATURAL RESOURCES MANAGEMENT SECTOR

CECI is of the opinion that the development of renewable (hydraulic, wind, solar, biomass) and non-renewable (mineral, oil, gas, forestry, fishery) natural resources from developing countries can, under certain conditions, contribute significantly to economic growth, sustainable development, and the fight against poverty. These resources represent a capital that should benefit all the inhabitants of a country and whose management and development should be done in a manner that cares for the people, the communities and the environment. Women should be involved in the management of the activities and benefit from them.

The development of these resources requires significant capital and expertise which are not always available in the country of intervention. The development is then entrusted to the States or to private or parapublic companies for the exploitation of the resources. States set the operating rules and must ensure that they are respected.

#### **IN CANADA, WITHIN ITS MEANS, CECI COMMITS TO:**

- a)** Participating in dialogue on Canadian public assistance policies on development, related to the management of natural resources;
- b)** Participating in dialogue with the various actors involved in industry, civil society and investigation in order to increase the positive impact of Canadian investments linked to the management of natural resources in countries of the Global South and reduce the negative impacts on communities and the environment;
- c)** Communicating transparently the nature of its interventions in the sector;
- d)** Collaborating with research groups to strengthen knowledge in this area.

#### **IN THE COUNTRIES WHERE IT OPERATES, CECI COMMITS TO:**

- a)** Fostering dialogue between the various actors so that the natural resource management sector increases its contribution to the country's development and to the well-being of populations;
- b)** Working to improve governance and transparency in the management of funds coming from the exploitation of natural resources, so that all parties can assess the impact of the industry on the country's development;



# CECI'S POLICY ON COLLABORATION WITH THE PRIVATE SECTOR



- c) Supporting and building the capacity of communities, civil society organizations and local, regional and national authorities in these countries so they can more fully play their part in the management of natural resources;
- d) Implementing local and regional development projects related to the development of natural resources that benefit communities, provided that the terms of engagement set out below have been met. The projects can include various activities according to the needs and priorities set forth by the local communities; however, CECI, taking into account its expertise, favours actions related to governance and the diversification of the local economy (for the non-renewable resources sector) in order to contribute to a sustainable development that goes beyond the period of exploitation of these resources.

## CECI'S TERMS OF ENGAGEMENT

CECI has five terms of engagement for natural resource development projects:

- a) The assessment of the country's general situation is positive
  - The general conditions in the country allow for CECI to achieve its development objectives: political stability, conflict management, general perception of the industry in the country.
  - The State demonstrates its willingness to regulate the exploitation of natural resources to the greatest benefit of the population and has the tools to do so (national policies, industry codes, environmental laws, human rights, protection of minorities and indigenous peoples, and an economic diversification plan).
  - The State demonstrates its openness to political dialogue regarding the sector and commits to improving its governance and transparency practices for the management of funds generated by the natural resources.
  - The State makes reasonable efforts to ensure that the populations most likely to be affected by the exploitation of natural resources are well informed, protected and eventually compensated for any negative repercussions to which they are subjected.
- b) Local communities are at the heart of the project
  - They are not systematically opposed to the implementation and/or exploitation of the resources.
  - They are open to collaborating with the companies in place.
  - They ask CECI to help protect their interests in the area.
  - The project has institutional support from local governance structures that have also requested CECI's support.
  - Once the project objectives have been defined, CECI begins working with the local communities.

# CECI'S POLICY ON COLLABORATION WITH THE PRIVATE SECTOR



- c) The company has been verified**
  - The decision to collaborate with a company will only be taken after a rigorous verification process based on the principle of due diligence.
  - During this process, CECI will seek to be informed of the terms and conditions of the agreements governing the company's relationship with the State and with local and regional communities affected by the project.
  - The company must promise to follow all existing laws and to show transparency in its payment of all the royalties and taxes imposed under these laws.
  - It must also show its willingness to minimize the negative impacts and maximize the positive impacts of its operations on the communities and the environment.
  
- d) Stakeholders must enter into a memorandum of understanding agreeing to the following:**
  - All parties must adopt a participative approach with the local community, to be applied at every step of the project (governance, planning, implementation, monitoring and evaluation).
  - A multilateral decision-making committee, fostering dialogue, must be put into place. The partners must agree to work through this committee to handle any issues raised by one of the parties, and to work together to resolve any conflict throughout the course of the project.
  - All parties reserve the right to speak, remain independent and function with autonomy.
  - Any party can withdraw from the agreement in the event of non-compliance with the obligations set out under said agreement, or if the status of the company changes, such as a change in ownership during the course of the project, under which there is no promise to uphold the agreement provisions.
  
- e) Regular monitoring must be performed throughout the project:**
  - A multilateral mechanism to monitor project results must be put into place. It must regularly issue public accountability reports on the project's results.
  - There must be regular monitoring in place to ensure that the conditions for collaborating with the companies continue to be upheld.