POLICY FOR THE COLLABORATION
WITH PRIVATE COMPANIES

Zurich / March 2015
INTRODUCTION

HELVETAS recognises the role of the private sector in stimulating economic growth and the fight against poverty. Today, a steadily increasing number of companies are committed to conduct their business in a socially and ecologically responsible manner. They add value to the economies in which they operate by creating employment opportunities, by offering products and services and by operating responsibly. HELVETAS collaborates with private companies to secure the rights of poor and disadvantaged men and women and enhancing sustainable social, economic and environmental development.

HELVETAS has considerable experience in working with private companies. The goal of these collaborations is to enhance development results, achieve greater scale, access particular know how and to increase thereby impact and sustainability. Our collaboration with a private company can take a large array of forms, from funding, sponsoring or social investment relations over project partnerships to technical collaboration.1

Depending on specific situations and contexts, a pure profit-seeking perspective can have negative effects from a development point of view. Therefore, this policy establishes, based on the principles and values expressed in the mission statement, clear principles for engaging with private companies or corporate foundations. It aligns with other policies of HELVETAS.2

The annex to this policy outlines the decision making process for engaging with a private company, including the assessment (due diligence) of reputational risks.

TYPES OF RELATIONSHIPS
WITH PRIVATE COMPANIES

HELVETAS distinguishes different types of relationship with private companies.

**Funding partnership:** Private companies or corporate foundations provide financial or in-kind resources as a gift or donation. HELVETAS utilises the resources according to the agreed terms of collaboration.

**Sponsorship:** A sponsor provides financial resources or conducts services (pro-bono or subsidised) in favour of HELVETAS in exchange for communicative value and reputation transfer.

**Social investment partnership:** Private companies or corporate foundations invest in local enterprises or entrepreneurs by providing risk capital with the aim to generate a positive development impact. HELVETAS links social investors with local enterprises and provides technical assistance.

**Project partnership:** Private companies participate in a project as value chain or supply chain actors, for building capacities or providing business development services. HELVETAS facilitates project partnerships by linking private companies with local organisations, like cooperatives or farmer groups.3

**Contractual relationship:** Private companies or corporate foundations seek technical assistance, evaluation services and advice in different working fields of development. HELVETAS provides advisory services to private sector companies. The policy also applies in the case of HELVETAS relying on relevant and long-term services from a private actor, like in the frame of joint implementation of a development project. Contractual partnerships can be direct or through participation in a consortium.

**Dialogue and Advocacy:** Private companies increasingly embrace the relevance of social, economic and environmental development in their business approach, beyond core business activities, to strengthen corporate social responsibility and reputation. HELVETAS can decide to engage in a dialogue on corporate practice or about concrete improvements for the poor and disadvantaged, also where the conditions for a financial relation are not fulfilled.

KEY PRINCIPLES
FOR COLLABORATION WITH
PRIVATE COMPANIES

These commitments shall include any parent and subsidiary companies of the directly collaborating company.

**Principles for collaboration**

The following principles underpin the collaboration of HELVETAS with private companies and corporate foundations.

> 1. Complementary purpose and added value
Any partnership between HELVETAS and a private company must be based on the shared objective to enhance and accelerate development impact for the poor, vulnerable, and marginalised people. The added value of working together is clear and recognised by all partners. Each partner brings different capacities and resources into the partnership.

Similarly, any company collaborating with HELVETAS shall actively prevent and redress any substantial damage
to the environment, unsustainable exploitation of natural resources and/or the exposure of the population to harmful substances, where these are caused or are likely to be caused by their operations.

> 2. Mutual respect for values and beliefs
Whilst recognising and respecting differences, there must be sufficient common ground in terms of shared values and beliefs as stipulated in our mission and vision statement, strategies and code of conduct. The partners must be prepared to work towards a common position on important issues, including a commitment to gender equality and respect for diverse identities.

> 3. Clarity about roles, responsibilities, and decision-making
The role of each actor will depend on the type of relationship. When the rights and obligations of each side are negotiated, the expected contributions of each party must be clearly stated. Credibility and trust in relationships result from good communication, competence, reliability, and delivery.

> 4. Transparency and accountability
All parties involved in the partnership recognise the need to be accountable to people living in poverty or injustice as well as to other stakeholders including donors and governments. In the process of developing relationships with a private company, it is explicitly defined how HELVETAS and its corporate partner operationalise the principles of transparency and accountability to different stakeholders, including poor and disadvantaged communities. In particular, the partners shall provide transparency with regard to their structure and their relationships with other businesses such as subsidiary entities, and with regard to major suppliers.

> 5. Commitment
Whilst short-term interventions can be appropriate, HELVETAS strives for long-term relationships to strengthen effectiveness and sustainability of our programmes and activities.

HUMAN RIGHTS PRINCIPLES

The corporation shall
a) not have committed and not be complicit in human rights abuses, and have internal policies and processes in place to avoid such abuses
b) have a demonstrated commitment to the broadly recognised fundamental principles and core labour standards of the International Labour Organisations. In particular, the company shall

- commit to the principles of freedom of association and the effective recognition of the right to collective bargaining
- show evidence of non-discrimination with regard to its employment practices
- have policies and processes in place to prevent exploitative child labour or bonded, indentured and forced labour or any other form of servitude within their own operations and have taken steps to ensure such practices are not used by their major suppliers
- demonstrate a commitment to the prevention of all sexual exploitation and harassment across their business activities, including the adoption and implementation of corporate policies and codes of conduct to protect women and children from sexual exploitation or harassment

KEY CONSIDERATIONS FOR COLLABORATION WITH A PRIVATE COMPANY

The following criteria shall guide the engagement of a relationship of HELVETAS with a private company:

- Any collaboration must bring added value. If the added value of the collaboration in development terms is not clear, or if the reputational risk is significant, HELVETAS shall not engage in a relation with this company.
- HELVETAS may only enter into a collaboration with a private company or corporate foundation if the company enjoys a positive public and professional reputation. If the reputational risk is assessed to be low, measures to improve the critical aspects or at

SECTORAL CONSIDERATIONS

HELVETAS will not work with any private company, including any parent and subsidiary companies

- that has a history of producing, trading or investing in any kind of weapons, parts thereof or ammunition.
- that are related to extractive industries, particularly gas, oil, gold, precious stones or minerals.
- that are involved in land or water grabbing activities.
least to further mitigate and manage the reputational risk should be included in the negotiation of the corporate relationship.

- **HELVETAS follows a defined internal process** to assess and maintain a potential new collaboration with private companies or corporate foundations. Once a relationship with a company has been established as per this policy, a regular review of the relationship will be conducted. Typically, such a review will take place annually.

This policy was approved by the Board of Directors on November 29, 2014 and comes into effect on January 1, 2015.

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1 The position of HELVETAS regarding collaborating with the private sector as actor in a specific development context, like a value chain or as service provider, has been outlined in the position paper ‘Collaboration with the Private Sector’ (2013).

2 At present, these policies include: partnership policy, communication policy, fundraising policy, financial investment policy.

3 This relationship is described in more detailed in the position paper ‘Collaboration with the private sector’ (2013).

4 See UN.org: According to the UN classifications of civil and political, social, economic, cultural and collective human rights laid down in the Universal Declaration of Human Rights of 1948 and subsequent UN conventions.

5 See ILO.org: Freedom of association and the effective recognition of the right to collective bargaining; the elimination of forced or compulsory labour; the abolition of child labour and the elimination of discrimination in respect of employment and occupation.