

STRATEGIC PARTNERSHIPS BETWEEN NGOS AND BUSINESS

INTRODUCTION

Relationships between NGOs and business are traditionally seen as rather argumentative, or even hostile. The 1990s were marked by major campaigns of censure that held business responsible for damage to the environment as well as for working conditions in the developing countries. However certain NGOs sought to go beyond this attitude of criticism alone and to bring influence to bear in a different way. The conflict gradually turned into a sort of rapprochement, and exchanges took a new direction. Although close monitoring and argument remain at the heart of the NGOs' approach, the introduction of partnerships made it possible

for these two worlds – that nothing, it seemed, would ever bring together – to cooperate in well-defined areas.

Companies, for their part, having originally considered the arguments of the NGOs to be dangerous, came to see that they could not be ignored.

Strategic partnerships now constitute an actual alliance between the organisations. They are related to their particular interests, and include exchanges of information and expertise, joint efforts in one and the same direction, and the building of lasting relationships.

NGOS LIABLE TO EMBARK UPON A PARTNERSHIP

Since the early 1970s, the number of NGOs has grown steadily and exponentially. Moreover, just like companies, the NGOs are becoming international. The 2004 issue of the directory of those involved in the international solidarity movement, published by the Development Cooperation Commission, lists 329 organisations with an international dimension.

Traditionally the NGOs have covered the fields of environmental protection, development aid, health and education, human rights, the fight against poverty, the protection of consumers, and so on. However their field of influence is so extensive that it is now essential to classify them according to the way in which they work:

<i>Type of links between NGOs and companies</i>		<i>Examples</i>	<i>Role of the NGO</i>
Pressure	Institutional	Lobbying in national and international institutions	Critical
	Informal	Demonstrations	
	Targeted	Campaigns, boycotts	Support/expert
Partnership	Focused on the company's activities	Labels, codes of conduct, certification	
	Focused on the NGOs' activities	Sponsoring, marketing	
Review	Indirect	NGO actions taken into account by review bodies	Expert
	Direct	NGO carries out reviews or cooperates with review bodies	

According to a study carried out by the Development Cooperation Committee in 2003, 62% of NGO resources come from private funds and 38% from public grants.

This difference is tending to widen owing to reduced public investment in matters related to community life.

As a result, the NGOs are becoming increasingly professional and are tending to make fund raising a full time activity.

One factor driving this trend is that the partnerships want the respective representatives to be able to talk the same language, meaning that the permanent

staff of these associations must be increasingly qualified.

Also, certain NGOs are linked to companies through sponsorship links, although these exclude the idea of any counterpart proportional to the donation.

COMPLEMENTARY OBJECTIVES AND MUTUAL CONTRIBUTION OF SKILLS

An NGO that commits itself to a partnership with a company expects its schemes to be fully integrated in the company's strategy as regards responsible and sustainable investment. This calls for a commitment in all parts of the company, clearly defined goals and resources, and regular self-assessment of the partnership that may occasionally lead to external audits.

The NGOs therefore want to be able to work with sincere companies on a basis

of long-term trust, in a balanced relationship that involves management at the highest level.

Companies, for their part, want to move away from mere crisis management towards socially responsible commitments. They want to promote their own values while adopting those of civil society together with the issues of sustainable development.

In this they also see a way of improving internal dialogue, as well as their image

and credibility. In addition, companies are mounting an overall search for expertise and skills that they are not accustomed to applying.

Because the NGOs have a firm understanding of civil society and related issues, they are providing guidance and pathways for companies in respect of other parties involved, such as governments or local authorities.

<i>The NGOs' aims in dealing with companies</i>	<i>The companies' aims in dealing with NGOs</i>
To be able to move their ideas forward	To be able to open up to civil society
To encourage companies to adopt a vision of sustainable development rather than managing crises one by one.	To avoid or escape from crisis situations
To encourage companies to improve the way they act in social, societal and/or environmental contexts.	To signal their willingness to become involved in socially responsible practices and/or those that are environmentally more satisfactory.
To be involved in determining strategy as well as in its monitoring.	To improve their internal management practices between all parts of the company as a result of the partnership.
To get more people involved in its cause as they become better known.	To become a stakeholder in the community and civil society as a result of the NGOs' special understanding.
To gather financial, human and technical resources for carrying out a specific project.	To benefit from expertise on the issues of sustainable development and how to tackle them.
To develop relationships with other companies.	To improve their image within the company and outside.

ASSESSING THE RISKS OF BOTH SIDES

A company cannot protect itself from attack by an NGO by engaging in a partnership with it: indeed it runs the risk that its exposure may be even greater. The NGOs in fact claim that they will not offer additional concessions to a partner company.

However pressure on a company from an NGO frequently leads to active cooperation, and an NGO is more likely to warn a company of an imminent campaign if their partnership is robust in another field.

Of course if NGOs get involved with companies that do not meet the expectations of their members and colleagues, they are putting their reputation at risk.

Certain NGOs, in order to avoid threats to their credibility, apply their own criteria for becoming involved in a partnership, and introduce strict conditions when this is made formal.

It is possible for an NGO to be manipulated by an unscrupulous company which might be trying to destabilise a competitor, by moving the organisation into areas that might be harmful to the latter.

Dialogue with an NGO can overshadow relationships with the unions, being more profitable and less argumentative.

The unions are liable to set clear boundaries and to denounce the temptation of "soft law" in society by comparison with the "hard law" they, the unions, recommend.

Certain trades union confederations have started to react by taking actions themselves or getting together with NGOs. Others are going so far as to set up partnership agreements with the NGOs, encompassing objectives as well as complementary aims.

When a company wishes to start a partnership with an NGO, the latter must satisfy a number of basic conditions:

- It must demonstrate competence and good results over time
- It must have a development capability in order to be able to advance the project to a bigger scale (geographically, as well as in terms of extent and impact).
- It must have a stable and reliable reputation
- Its structure must be professionally managed
- It must hold a predominant position in its sector
- It must be capable of forming multilateral partnerships
- It must enjoy complete independence from the company or the authorities

And of course, it must be interested in opening a dialogue.

1. Take the time to get to know one another

First of all it is a matter of getting to know one another, and feeling that the official positions of the one and the ethics of the other are in fact compatible enough to achieve a common, well-defined aim. This phase of initial contact and mutual understanding is fundamental and should not be subject to time constraints. It could well take from 6 months to 2 years. It serves to help the two bodies to learn to work together, and to agree on clear goals. Taking the time to establish mutual trust is a key factor in success.

2. Comprehensive discussion, with complete frankness

During the initial phase, a process of together laying down realistic objectives from the outset, and setting out all one's expectations, avoids any misunderstanding and limits the risks for both partners. It is essential to tackle all the weak points and any areas of disagreement.

Next, for the NGO and the company to establish a continuous dialogue reassures each that the opposite number has entered into a long-term commitment. It is crucial for communications between the parties to be transparent and regular throughout the process.

3. Putting a clear and precise partnership on a formal basis

Once links have been well established, with the benefits of joint action clear to each party and a source of total confidence, the next step is to place the cooperation in a legal framework, whether this is a convention, a written agreement or a contract.

This should set out the objectives clearly, if possible quantified and limited in time, with responsibilities given to named individuals. It is of course out of the question to form links with a single person in the NGO, since the entire structure is involved. One advantage of a written agreement is that it sets out a commitment on the part of the management, still binding if the latter should change. A section covering non-competitiveness can also be valuable on both sides. Provision should also be made for the conditions governing renewal, the consequences of non-renewal, and the conditions governing and consequences of any early cancellation.

Some NGOs do not wish to enter this type of contractual relationship, while being prepared to take part in gatherings of all concerned or in bilateral meetings. In this case, complete transparency is even more necessary to bring about a climate of trust.

If the complementary aspects of the parties are not clearly identified at the outset, the partnership will not really bring any added value compared with a similar approach handled alone.

Similarly, if the partnership project is not coherent with the core activities of the NGO or the company, failure will result.

In some cases, conventions setting out the main principles can be agreed at international level, leaving a degree of independence as regards quantified and precise activities locally.

4. Commitment as the highest level

The company should enter into these commitments at a high management level so that decisions and undertakings are properly followed up. The same applies to the NGOs which, having activities in countries of different cultures, need to make sure that their entire network is in favour of the partnership. The signatories should enter into the undertaking at such a level as to ensure their commitment throughout their organisation.

As regards international companies or NGOs, it is important that the leadership itself should be international, even though the issues are identified nationally. Problems can arise when the main headquarters is not informed of particular initiatives taken by the national entities.

A firm commitment by both managements, in full awareness of the facts, is fundamental to "stay the distance."

5. Ensuring the support of all concerned

The two partners should meet as soon as possible with staff and trades union representatives, whatever the purpose of the partnership, so that they may understand how it relates to the company's approach to its societal responsibility.

It is important for the end product of the partnership to be clearly identified to the representatives of the employees who, after all, are continuously present in the company, and for them to be kept informed of changes in the project so long as the partnership lasts.

Outside the company, the local authorities (which may or should be in the forefront) should be made aware of their responsibilities.

When projects are in developing countries, the involvement of local authorities may be a problem when these are incompetent or corrupt. To counter this situation, the United Nations Institute for Training and Research (UNITAR) has drawn up decentralised cooperation agreements.

Finally, the NGO should be in a position to report to its principal members about the satisfactory completion of the partnership.

6. Satisfactorily defining the human and financial resources of the partnership

Amongst the manpower resources of each structure, one person is responsible for monitoring the project.

7. Properly managed communications

Internally, the partnership agreement should be known to everybody, and reported on the local networks. This is the opportunity to explain the origin of the project, the process whereby it was set up, and the expected benefits.

Externally, the media should be informed of the agreement.

The two partners will have taken care, in putting their cooperation on a formal basis, properly to define the conditions governing the use of the other partner's trademarks for all communication or advertising operations.

The NGO must also be able to retain its independence from the company, by maintaining confidentiality on certain aspects, while requiring transparency in respect of others.

8. Remaining vigilant throughout the partnership

The state of progress will be verified regularly using a monitoring and review system, for which it is frequently necessary to nominate a section with clearly defined responsibilities and skills.

If a special section is set up, regular meetings should be planned, without too great an interval between. It is also possible to make provision for a mediation body in the event of dispute.

Summary table of strategic partnerships

Purpose of the company	Contribution of the NGO	Contribution of the company	Typical partnership
Fighting corruption	Help in defining policy Help in defining management and monitoring indicators Employee awareness and training	Provision of human, technical and financial resources	Transparency International France/Lafarge Transparency International/Hydro
Purchasing, supply	Help in drawing up a code of conduct referring to the ILO conventions. Monitoring the implementation of standards Help in drawing up progress indicators Employee training/awareness Possibility of independent verification.	Provision of human, technical and financial resources	Amnesty International/Casino FIDH/Carrefour
Regional management	Support with expertise on the local environment Knowledge of local population Employee awareness, establishment and introducing professionalism to local government structures.	Provision of human, technical and financial resources. Participating in conceiving and implementing a project Support for business creation and credit	Secours catholique/Véolia Secours catholique / Crédit coopératif Pro-natura / Total Croix-rouge / Microsoft
Environment	Expertise on matters of climate, reducing greenhouse gases, managing natural resources, water quality, recycling. Rehabilitation of a site at closure.	Provision of human and financial resources Supply of expertise for conceiving innovative products (particularly in the field of renewable energies)	WWF/Lafarge WWF / Unilever Greenpeace UK/ Npower
Health (AIDS, malaria)	Help in drawing up a policy to control AIDS. Assistance in implementing the policy Employee awareness, training	Provision of human and financial resources Expertise and advice in management	Care / Lafarge Natexis Banques Populaires / Plan France

ENSURING THE TRANSPARENCY OF NGOS AND EVALUATING THEIR PROJECTS

The better the public image of NGOs and the more they reflect a certain ethic, the more likely they are to demonstrate irreproachable management.

Accordingly the donors, public authorities, partner companies and beneficiaries want them to be reliable at all costs. There are many standards and ethical codes, illustrative of transparency, in France and internationally, that simply need to be taken on.

Analysis of these different initiatives shows that the requirements of NGO transparency mainly cover the following topics:

- Governance of the NGO
- Financial transparency
- Relationships with those involved
- Management of human resources

As pointed out in Coordination Sud, “these authorities and instruments are all factors or indices from which it is possible to form an opinion about an NGO, but none provides an absolute standard. An NGO that is not a member of any federation and which has never been funded by public bodies is, on the

other hand, more difficult to analyse, since there are few checks external to the organisation. However, no instrument or authority is a substitute for reading the NGO’s documents... any potential partner of the NGO should make up his/her own mind without blindly committing himself/herself to external initiatives.”

Assessing the quality of projects managed by the NGOs

Companies that contract partnerships, particularly when financial undertakings exist, are concerned that they should benefit from a “return on investment” that goes beyond a simple improvement in their image (that some people have criticised under the term “green washing”).

The NGOs, for their part, have become aware of their responsibilities not only to their funding providers but also to the project beneficiaries. They have had to overcome their reluctance to submit to external inspection, which they may encounter when they rely on volunteers, and which they could regard as a form of competition, by bringing in the need

for a result.

In this connection the choice of a standard is not neutral and assessment criteria may conceal strategic choices or cultural models.

Once the principle of an evaluation has been raised in principle, the question is to determine who should do it: the NGO itself, a professional and independent third party, or the funding provider.

In France, certain initiatives come from the NGO circle, wishing to have their evaluation approach seen both as an ethical requirement but also as an engine for imposing a dynamic of continuous improvement.

To conclude, it does not seem desirable to define a “statute” or a formal partnership framework, because the richness of the associative fabric in France is the diversity of the ways in which the NGOs act and their independence from the other parts of society.