

Draft Guidelines on IIED Business Engagement

1. Background

1. Founded over 30 years ago, IIED is a non-profit international policy research institute working for more sustainable and equitable global development ('sustainable development'). IIED aims to provide expertise and leadership in researching and achieving sustainable development at local, national, regional and global levels. In alliance with others we seek to shape a future that ends global poverty and delivers and sustains efficient and equitable management of the world's natural resources.

2. These Guidelines address IIED's varied relationships with business. They are one of a series of documents that address IIED's relationships with different actors: its research partners; its public sector donors; and (to be developed) representatives of poor people.

3. IIED acknowledges the importance of business in modern society and its potential to contribute positively to sustainable development. We recognize too that many sustainable development challenges need concerted action by all stakeholders, including business. Sometimes partnerships across stakeholder groups are an appropriate way forward. But there are also potentially tensions between IIED's mission and the profit-maximising mandate of most business organizations. Businesses can undermine efforts to pursue sustainable development as well as contributing positively. These are all reasons both for IIED to engage in different ways with business, and to set out clear guidelines for our approach to that engagement.

4. IIED has long worked **on** issues of business and sustainable development. Our focus has been on enhancing the contribution of businesses across a variety of sectors to sustainable development in middle and low-income countries. In a variety of ways, we also work in partnership **with** businesses of various kinds. And just as we occasionally work on consultancy projects for development cooperation agencies or NGOs, we also sometimes work **for** businesses through consultancies that help us to meet the overall strategic goals of IIED or its research Groups.

5. These Guidelines set out the practices and underlying principles that we seek to adopt when we are working with, or considering working with, businesses in four key ways:

- Working with **businesses as partners** in projects where:
 - A) the business partners themselves provide funding for the project
 - B) IIED's costs are funded from other sources
- Working for businesses on **consultancy projects**
- Working on projects with **funding from Company Foundations** that are managerially linked to their parent company or whose goals are strategically aligned with those of the parent company or its core competences
- Seeking, or accepting, business funds or **sponsorship** for projects or initiatives that do not involve the sponsoring businesses in any capacity other than as sponsor seeking through that sponsorship to be associated with the project

The Guidelines do not address in any detail issues arising out of the provision of information or data by businesses to IIED researchers or our collaborators. These issues are tackled by a separate Research Ethics Code which covers the wider range of research ethics issues arising out of our work.

6. We recognize that businesses around the world are not a homogenous community. A large multinational corporation headquartered in one of the world's richest countries is quite different, whatever its sector, from a family-run small enterprise, a cooperative of agricultural producers, a social enterprise established to deliver development benefits, a trade association or a state-controlled enterprise. Each raises its own challenges and opportunities for sustainable development.

7. The purpose of these Guidelines is to improve mutual understanding between IIED and businesses of various kinds on our approach to engagement. They have been designed to address our relationships with business across the board. We have used the term 'business' throughout, but this should be taken to mean all of the different kinds of businesses, and their associations, with which we engage. Section B sets out our basic principles and values in relation to business engagement. Section C sets out in more detail how we seek to apply those principles and values in different circumstances. Many of these Guidelines would apply equally to engagement with other kinds of organization; governments or campaign groups for example. We have sought to bring together in this document the guidance that is most relevant to business. The Guidelines are likely to be amended from time to time in the light of experience. We welcome feedback.

B. Basic Principles and Values

8. Working with businesses in various ways can potentially provide significant opportunities to accelerate progress towards sustainable development. But such relationships should never undermine the values reflected in IIED's Values Statement (see *Annex A*), compromise our integrity or our intellectual independence, or restrict our freedom of enquiry. These are our most basic principles for engagement of any kind. We ask businesses with whom we engage to respect our need to ensure that they are upheld.

9. As a sustainable development think-tank with a public interest mission, IIED works on a presumption of full transparency. Section C explains how the presumption is applied in our relations with business.

10. IIED is a diverse organization. Within the overall boundaries set out in these Guidelines, IIED respects the prerogative of its members of staff to make individual ethical choices about which projects or partners they work with.

11. With the increasing emphasis on the need for multi-institutional and multi-disciplinary approaches, partnerships often become complex. IIED is not always the leader in partnerships or projects that involves businesses or business funding. 'Indirect' engagement is in principle subject to these Guidelines in the same way as direct engagement.

C. Implementing the Principles and Values

Evaluating the sustainable development potential of engagement

12. When we decide whether to engage or to partner with a business or a group of businesses, we are driven principally by a consideration of the potential to make a positive contribution to sustainable development through that engagement. We will establish that potential through discussions with the businesses concerned, supplemented as appropriate by discussions with other stakeholders.

13. IIED works in a variety of ways for sustainable development; for example as broker, facilitator, advocate or catalyst. We will weigh our assessment of the potential positive sustainable development contribution of a particular business engagement opportunity against a range of other considerations related to our overall mission and values. For example, we will want to consider which ways of working are most likely to make the best use of IIED's core skills in pursuit of sustainable development. And we will want, for any given opportunity, to assess the potential impacts of business engagement on future opportunities and ways of working in a given area.

14. We may decline an invitation to engage with a business or a group of businesses, or may choose not to work in partnership, when doing so would present conflicts with ways of working that we have already adopted, or projects that are already under way.

15. On occasion we may want to consult with existing partners or collaborators before making decisions about the shape or extent of any business partnership.

16. We will take care to ensure that business engagement does not undermine work being carried out by local partners with whom we have already developed strong links.

17. In cases where it is not clear at the start of a partnership or a consultancy whether or not our engagement will, on balance, help to advance sustainable development we may want to agree to engage for an initial trial period, or to allow for a 'mid-term review' of progress. This may be for example because we do not have detailed insights into the business's operations, or because we have not worked in the region or country/ies concerned before.

18. Where we decide, after due consideration, to withdraw from engagement in a partnership or a consultancy we will always offer to provide written reasons to the business concerned. We would expect to be free to make our reasons for withdrawing public, though we would not compromise any agreement we might have reached on respect for commercially confidential information.

Internal Decision-making Procedures and Traffic lights

19. We aim to proceed in a timely fashion in discussions with business partners and funders, and to keep businesses that we engage with informed on our relevant internal decision-making procedures and progress. We ask that businesses with whom we engage do the same.

20. IIED has adopted an informal 'traffic lights' system to assist internal decision-making on issues that concern the collective 'voice' of the Institute (e.g. signing on to certain NGO position statements or coalitions) or raise questions of research ethics or reputational impact. This 'traffic lights' system is at the heart of our internal decision-making process in cases where the application of these Guidelines to individual circumstances may be in doubt or unclear.

21. Based on the self-assessment of IIED researchers, 'amber light' decisions or circumstances are discussed with line managers. 'Red light' decisions or circumstances are notified and/or brought for decision to monthly meetings of IIED's Strategy Team. IIED's Director holds final decision-making authority.

22. In very limited cases, IIED's Director may wish to seek feedback from members of IIED's Board of Trustees before a decision is made.

Transparency

23. We aim to maximize our ability to discuss our projects, our research findings and our relationships with partners and interlocutors of various kinds. As a minimum, we will always want to be able to tell others what we are doing and for whom. And we will want to be able to be able to inform other IIED staff, board members, partners and collaborators about the general course of our conversations with business partners and/or sponsors before projects or initiatives get under way.

24. We will always want to ensure that key partnership details such as financial commitments, human resource inputs, decision-making processes and expected outcomes as agreed between the partners may be made publicly available.

25. There are circumstances when we recognize that we may need to agree to maintain confidentiality in respect of communications or insights from businesses. We are used to treating sensitive information with discretion, whatever its source. We will discuss and seek to agree on treatment of confidential information, and include provisions to reflect our agreement in memoranda of understanding, contracts, or other project governance structures. We are currently developing a Research Ethics Code for IIED as a whole that will be applicable to the conduct of research work of all kinds.

Contracts and Memoranda of Understanding

26. A written agreement will always form the basis of a funding relationship with a business.

27. We may also seek to establish a memorandum of understanding as a basis for establishing understanding on our relationships in other kinds of business engagement, for example where a project involves collection of data from a business.

28. Within the overall boundaries set out in these Guidelines, we will never agree to any contractual provision that restricts our freedom of enquiry by preventing us from engaging with others or asking their views.

29. We will always want to retain the prerogative to disclose the terms of any memorandum of understanding and/or contract to others where this is necessary or appropriate.

Project methodology and design

30. In project design, we will always seek to ensure that whatever approach is adopted allows us to defend our research and analysis scientifically, and maintains the high quality of IIED's research and analysis.

Separating engagement from research outputs

31. When partnership projects involve funding from businesses that also provide skills, time, or insights in the execution of the project, we will take particular care that the business's provision of funding for the project is not linked to any differential treatment in the project's implementation. We may seek to clarify this through memoranda of understanding, contracts, or other project governance structures.

32. Where a project envisages the publication of a research report based on our research, or advocacy on the results or outcomes of a project, we will not agree to make funding contingent on reaching consensus with funders on the findings or outcomes of the research.

33. Business partners or funders may wish to comment on draft research reports or other project outputs, or to ask for changes or for a staged approach or a delay in publication (e.g. where the publication of findings might compromise commercial interests, or where the overall impact of publication for the businesses concerned might be enhanced by linking it to particular dates in the business calendar). We may wish to agree in advance on a 'long-stop' date for publication.

34. We may seek to agree in advance on an appropriate comment period before publication of a research report. For example, in a major multistakeholder research project we would usually want to allow a 30 day period for comment prior to publication of any final product, and a potential further 30 day delay period on request. In all cases these periods should be negotiated and agreed before any partnership or funding agreement is signed.

35. Our commitment to transparency and our public interest goals mean that our strong preference is for IIED to retain full intellectual property rights (including copyright) in our work. Where necessary, we will discuss this issue with prospective business partners or funders in advance and clarify intellectual property rights through contracts with partners and funders.

Diversity of funding

36. However many safeguards are in place, having project funding for research work from a single source – be it public or private sector - can be controversial. And controversies over funding sources can sometimes mean that precious research or advocacy time is re-directed to defending our reputation.

37. Where businesses are a potential source of research funding, we may want to seek multiple funders and collaborators – particularly where the research in question is directly connected to the core business of the business funder. But this may be difficult to achieve in a consultancy relationship or single-company partnership, and we will always seek to weigh up all the circumstances in any particular case.

Sponsorship

38. Very rarely, IIED may consider company sponsorship as a funding option. In these circumstances potential sponsoring businesses are likely to have made a decision that an association with the 'IIED brand' or our products may, however indirectly or philanthropically, help the company to pursue its commercial goals.

39. We will want to agree what representations may be made by the sponsoring party or its agents about the sponsorship of our activity or initiative.

40. We will seek to discuss, and agree in advance, on the positioning of any company logos or statements on project outputs or initiatives that are associated with IIED.

41. We will not under any circumstances allow sponsorship to 'buy' the sponsor any editorial or content control over the substance of an IIED initiative.

Use of IIED's name and logo and media relations

42. IIED must always give prior consent to any use of its name and logo.

43. In national and international media and press relations, IIED will discuss press statements, releases and other material intended for the media with business partners to ensure clarification on mutually sensitive issues.

Annex A: IIED Values Statement
http://www.iied.org/docs/exec/dir_Values.pdf