

An Approach to Strategic Engagement with Companies

By The Corporate Engagement Program

CDA Collaborative Learning Projects

For

Constructive Engagement with Companies in Conflict Contexts

This document describes a strategic approach to constructive engagement with companies, rather than detailing an individual case of constructive engagement with companies. It refers to the Corporate Engagement Program “Site Visit”, the most common form of bi-lateral engagement that CEP has with companies, as a way of illustrating the way in which the approach works in practice. CEP’s approach to constructive engagement has guided CEP’s activity since the Program was established in 2000. To date, CEP has conducted more than 35 site visits with more than 65 different companies in over 20 countries, covering a range of unique contexts.

Purpose of Engagement

CEP’s work focuses on the relationship between companies, primarily in the extractive industries, and the local communities and stakeholders where those companies operate. A site visit is a form of assessment of that relationship at a particular project site. The aim of site visits is twofold: 1) to work towards sustainable local development and peace; to this end, CEP uses each visit as the basis for developing options for companies to improve their relationships with communities and ensure they have positive, rather than negative impacts on local people; and 2) to learn about best practices in this area so as to disseminate them widely to companies and other audiences.

Approach to Engagement

CEP was established for the purpose of working collaboratively with companies to improve their social impacts. The principles according to which we engage companies were defined at the outset of the program expressly and strategically, for the purpose of enabling constructive, open dialogue with companies. They have not changed since CEP was established. They are:

1. That the company agree to make a good faith effort to improve its social impacts;
2. That the company be open to an independent visit by CEP;
3. That the company provide access to its staff, to the project site, relevant company documents, and other information and/or people that will help CEP establish an accurate and complete understanding of relevant issues;
4. That the company contribute funding to CEP, in essence becoming a donor to the project;
5. That CEP publish a report of the engagement online. Reports are sent to the company prior to publication to ensure they do not potentially cause harm to company staff, operations or

external stakeholders, and to ensure that they do not misstate facts. CEP does not otherwise modify the content of the report at the behest of the company;

6. That CEP neither condemns nor condones company actions, and acknowledges the company's good faith efforts to improve its impacts. CEP reports focus on substantiating causal connections between practices or policies, on the one hand, and impacts, on the other hand. These observations are framed as cause and effect relationships, but not as moral, ethical, or legal judgments. CEP reports always suggest options for companies that augment positive impacts and/or reduce negative ones.

Finances and Independence

The financial arrangements that CEP enters into with companies are consistent with the principles above. CEP works *with*, but not *for*, the company. The company is not a client, and CEP is not hired by the company. Instead, the collaborative work between CEP and the company takes place in a space defined by the interest we share with companies in a constructive company-community relationship, and in building knowledge of best practice in that domain. The company is a CEP donor and a partner in a project that is designed to generate learning about best practices in community relations management.

CEP requests contributions from companies on this basis. As we have public funding in addition to corporate funding, we are sometimes able to conduct site visits with little or no company donation. In most cases, though, company donations exceed the total cost of the site visit, preparation, and post-visit report writing, and thus fund other elements of the Program. Company financial contributions to CEP thus also embody the company's commitment to the project. During the course of an engagement, companies also pay directly for CEP's in-country transport and accommodation.

CEP's financial and expense reporting practices also reflect the nature of our relationship with companies. In the case of field site visits, CEP does not send invoices for work performed, count billable hours, or submit expense reports to the company. We receipt our expenses against our own program funds, and the company meets its obligations (payment for CEP's in-country transport and accommodation) directly. Similarly, CEP's practice of reporting publicly on site visits and learning projects is not solely in the interest of transparency. It also reflects the fact that CEP does not work for companies. Companies do fund our work, but our work products are public goods, not private resources belonging to the company. Therefore, we make them available publicly.

Assessment Approach

The engagement process entails 2-3 CEP staff, sometimes including an external expert contacted as a consultant by CEP, traveling to the company operations site and holding conversations with a broad range of stakeholders, both internal and external to the company, at local, regional, and national levels. The process typically takes 7-14 days. CEP often contracts a local guide with relevant experience to serve as a translator and as a "context expert" for the duration of the engagement.

During a site visit, CEP's main aim is to collect a very broad range of perspectives on the company and the extractive industries in that region. This involves, among other things, holding conversations with both company staff and management and a broad range of stakeholders external to the company. External stakeholders with whom CEP dialogues almost always include relevant government officials, NGOs, and civil society groups that have a vested interest in either the company itself, the project area as a location, or the industry generally, as well as ordinary people both within and outside of the project footprint area. These conversations are, whenever possible, arranged directly by CEP. The purpose of engaging a large number of stakeholders is to understand and analyze local perspectives on the company-community relationship, the presence of the extractive industry, and the opportunities and options for ensuring that the industry supports poverty alleviation and sustainable development while avoiding provoking or worsening conflict.

Following the visit, CEP produces a report that presents findings and analysis of the context, including the company project, relevant company policies, practices, and internal structures, and the impacts of the forgoing on the company-community relationship. Reports conclude with a presentation of options that the company can implement in order to better its relationship with its external stakeholders.

Results and Outcomes

The outcomes of this process are a series of individual reports that are published on CEP's website (www.cdainc.com). Collectively, these reports form the basis of a learning project that has as its objective the identification, articulation, and dissemination of best practices in company-community relations. CEP's learning methodology is inductive: the existence of multiple case studies makes it possible to look across contexts to see what works and what doesn't work in principle, and CEP identifies best practices through analysis of a group of cases. Dissemination has taken several forms: the book *Getting It Right: Making Company-Community Relations Work*, as well as a number of smaller publications and tools; presentations and addresses to a range of audiences; trainings and workshops for company staff; and multi-stakeholder initiatives that have company participants.

Lessons Learned About Engaging Companies

CEP's engagement model has been successful in that it has made possible a large number of constructive engagements with a broad range of companies; these, in turn, have formed a foundation for the production of substantial public knowledge about the dynamics of company social impacts in the extractive industries. At the same time, however, the model has also limited the number of companies that are willing to engage with us. Public reporting is a key aspect of CEP's independence, particularly in view of the fact that we accept funding from companies as well as bi-lateral donor agencies. Yet, in our experience, many companies see collaboration with an organization that reports publicly as an unacceptable risk. This has commonly been a sticking point in our partnership discussions, and cannot always be resolved in a mutually acceptable way.

CEP acts in the interests of sustainable development and peace and measures its own success, in part, by its ability to influence the 'behavior' of companies. Yet CEP's engagement model has succeeded, in part, by restricting the range of actions that CEP undertakes to achieve that goal. A formal principle of

“neither condemn nor condone” helps to establish trust and credibility as a partner to companies precisely because it expressly excludes public judgments of a moral or ethical nature. While CEP does engage in public arenas in order to disseminate its learnings, the latter focus on effectiveness. We do not engage in campaigns or any kind of public advocacy that might seek to change the behavior of a company or an industry by means of public pressure.

Conclusion

Our history of constructive engagement with companies illustrates the utility and mechanics, as it were, of one particular approach to constructive engagement with companies. We do not suggest that our model is better or worse than any other. Ours was designed for a specific purpose. It has served that purpose well, though for a dissimilar purpose it might be entirely ineffective. In defining a particular strategy and set of protocols for engagement, the model has enabled and limited both relationships with companies and opportunities for influencing their behavior.