



Foto: Flurina Rothenberger

POLICY FOR THE COLLABORATION WITH PRIVATE COMPANIES

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Private sector engagement in development cooperation is essential for reaching the Sustainable Development Goals. Therefore, Helvetas seeks collaboration with private partners based on its long experience and proven skills, while respecting due diligence requirements. Helvetas collaborates with private companies who respect human, social, and environmental rights and whose drive for profit is balanced by the interest of society at large. At the same time, Helvetas advocates for corporate justice.

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 is 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 to foster sustainable development.

Helvetas has considerable experience in working with private companies. The goal of these collaborations is to enhance development results, achieve greater scale, find innovative solutions, and thereby increase impact and sustainability.

Based on a stocktaking of ongoing collaborations with private sector companies, a capitalisation of experiences gained, which has been summarised in a [factsheet](#), and a public symposium “[Private Sector Engagement – from Aspirations to Reality](#)” the document at hand updates and replaces the former Helvetas Policy “For the Collaboration with Private Companies” from 2015. While the policy’s overall orientation remains unchanged, Helvetas’ key principles for collaboration with private companies are newly aligned to the “[Kampala Principles](#)” on effective private sector engagement in development co-operation issued by the CSO Partnership for Development Effectiveness. The Kampala Principles provide a framework to observe and judge the quality of collaborations between private sector partners and development organisations. In addition, the new policy explicitly refers to Helvetas’ advocacy for [corporate justice](#) and its engagement in constructive dialogues with private sector companies.

While the private sector undoubtedly is the driver for employment and income, a pure profit seeking perspective can have negative effects from a development point of view, too. Based on the principles and values expressed in the Helvetas’ mission statement, this policy establishes principles for engaging with private companies or corporate foundations. It aligns with other policies of Helvetas such as the Partnership Policy, Communication Policy, Fundraising Policy and Environmental and Social Safeguards Management Policy for Climate Finance.

TYPES OF COLLABORATIONS WITH PRIVATE COMPANIES

Helvetas distinguishes different types of collaborations with private companies.

Project partnerships: Based on a shared vision private companies engage through cash or in-kind contributions in a joint initiative. They may fund project activities, act as value chain or supply chain partners, provide investment or risk capital, build capacities, or provide business development services. Helvetas facilitates project partnerships by linking private companies with local organisations, like cooperatives or farmer groups. Such initiatives can be fully led and funded by the private sector partners, can be co-funded, or the funding can stem from the Corporate Social Responsibility (CSR) divisions of a company.

Private sector funding: Private companies or corporate foundations provide financial or in-kind resources as a donation. Helvetas utilises the resources according to the terms of collaboration that have been agreed on in a donation contract.

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.

Provision of services: Private companies or corporate foundations seek technical assistance and evaluation services in different working fields of development. Helvetas provides advisory services to private sector companies. Vice-versa Helvetas may also seek services from specialised service providers. Either way, such services are contractually agreed and described in terms of references.

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 responsibility and reputation. Multi Stakeholder Initiatives provide the platforms for exchange and learning to this end. Helvetas engages in such dialogues for the sake of disadvantaged people and the planet, but also to expand its outreach in favour of Helvetas' primary stakeholders. Helvetas for example is a member of the United Nations Global Compact Network Switzerland and of several other multi-stakeholder initiatives. Thereby Helvetas may also engage with companies where the conditions for financial or contractual relationships are not fulfilled. Beyond this, Helvetas advocates for corporate justice in Switzerland and globally including robust corporate liability that holds business accountable, improved access to justice and remedies for victims of corporate abuse, and greater corporate transparency based on meaningful social (human rights), environmental and country by country business reporting.

PRINCIPLES FOR THE COLLABORATION WITH PRIVATE COMPANIES

The following principles define the collaboration between Helvetas and private sector companies – including their subsidiary companies and their corporate foundations. They are guided by the human rights, Helvetas' mission to reach development impact and are geared to protect Helvetas. In the context of the collaboration with the private sector, human rights particularly refer to those expressed in the International Bill of Human Rights and the fundamental rights set out in the ILO's Declaration on Fundamental Principles and Rights at Work. Helvetas' principles are:

1. We work with private companies that are committed to respect and comply with the human rights and international standards.
2. In the collaboration with private companies, we pay particular attention to leave no one behind.
3. We engage in partnerships with private sector companies if there is clear added value for the achievement of development goals and reputational risks – if any – are manageable.
4. We base partnerships with private sector companies on shared values.
5. When working with private partners we assure clarity about roles, responsibilities, and decision-making.
6. In our collaboration with private companies, we ensure transparency and accountability.
7. We align our initiatives in collaboration with private sector partners to the Sustainable Development Goals and country development plans.

These principles and their alignment to the Kampala Principles are further detailed in Helvetas' Private Sector Engagement Manual¹ (2023).

SECTORAL CONSIDERATIONS

Helvetas will not work with any private company including any parent and subsidiary

- that has a history of producing, trading or investing in any kind of weapons, parts thereof or ammunition
- that engages in extractive industries, particularly gas, oil, gold, precious stones or minerals
- that is involved in land or water grabbing activities.

FROM POLICY TO ACTION

With the intention to provide guidance for all Helvetas staff in the country offices and at head-office who may at some point engage with the private sector Helvetas has issued a "Private Sector Engagement Manual". The purpose of this manual is to provide people working for Helvetas with guidance on how they can help to strengthen collaborations with the private sector in a successful and trustful manner always with the aim to foster sustainable development. The guidance, instructions, case examples and tools aim to support staff with establishing solid partnerships with private companies more easily.

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¹ The internal document "**Private Sector Engagement Manual**" (Helvetas, 2023) is replacing the former Annex to the Private Sector Policy called "Process to assess and decide on a funding relationship with a private company".