

VUFO-NGO Resource Centre

Corporate Engagement Working Group Terms of Reference – December 2014

Overview

The private sector¹ plays an important role as an engine of economic growth and job creation in developing countries. It provides goods and services, generates tax revenues to finance essential social and economic infrastructure, develops new and innovative solutions that help tackle development challenges and plays a central role in climate change mitigation and adaptation. As such, the private sector is an important strategic partner to help countries eradicate poverty and reduce inequalities and exclusion within a broader strategy for sustainable development. The private sector is the major driver of the Vietnam's economic miracle. Private enterprises now contribute close to 90% of total employment and about 75% of capital. This compares to only about 40% of total employment and just 35% of capital back in 2000². Vietnam, which became a middle-income country in 2010, is now facing a rapid decline in Official Development Assistance (ODA). Direct development is no longer the main priority of bilateral and multilateral donors; while the loans that Vietnam will continue to receive will be less preferential. In this new context, both domestic and foreign corporate actors have started playing a significant role in Vietnam's development.

Humanitarian, scientific and developmental civil society organizations are looking for ways to respond to these changes in the funding environment. Traditional sources of development assistance have shifted, both for the government and civil society organizations, and turned to the private sector. For many, the focus has been on the private sector as a source of funding. In recent years, the private sector has begun to play different roles in supporting humanitarian, scientific and developmental goals. This support is done through the following: social enterprises; social impact funds; sharing of skills and labour; advocacy for policy; regulatory change; *'paying it forward'* through value chain development; and in kind contributions. New initiatives are required to promote ethical practices concerning worker's rights, tax, environment and good governance.

The Corporate Engagement Working Group (CEWG) was established in late 2014, under the VUFO-NGO Resource Centre (NGORC), as a forum for international non-governmental organizations (INGOs), Vietnamese non-governmental organizations (VNGOs), international agencies, governmental agencies, the private sector and interested individuals. The aim is to exchange ideas, experiences and good practices; create partnerships; stipulate discussions; and advocate for policy changes – all of which would benefit both the private sector and the people of Vietnam.

Goal

The main goal of the CEWG is to nurture an environment conducive to good corporate engagement – through shared learning and collaboration between international, local and governmental entities, by addressing and resolving emerging development challenges in Vietnam.

Objectives

1. Sharing and Dissemination of Information and Resources

The CEWG provides a forum for discussion on development issues related to the private sector in Vietnam. The CEWG disseminates information regarding private sector engagement, international and local laws, policies, research results, project documentation and content of programmes.

¹ Our definition of the private sector includes private, semi-private and state owned enterprises

² Concept Paper on *Private Sector Development* – Vietnam Development Partnership Forum 2014

2. Improving Development Practices

The CEWG participants share their experiences, lessons learned, good practices, theories and approaches from abroad and from within Vietnam – in order to improve the impact and effectiveness of their interventions, both in quality and quantity. The CEWG promotes good practices of the corporate sector to ensure access to basic services such as clean water, sanitation, housing, health, communication, energy and education – particularly in low-income communities.

3. Policy Dialogue

The CEWG creates a dialogue with relevant government agencies, donor institutions, other organizations, researchers and the private sector to support good policy-making process and implementation.

4. Proposed Topics

Based on the scope of engagement of the Core Group members and their partners, there are six proposed topics / areas that will be the focus of the CEWG:

- Small and Medium Enterprises (SMEs) support / Social Impact Funds and Social Enterprises
- Rights / Legislation / Policy development / Advocacy
- CSR³ / Social Responsible Business: awareness raising, education and partnerships
- Value Chain Development
- Direct Financial Support / Philanthropy: resource mobilization
- International Trade Policies and practices – World Trade Organization, Trans-Pacific Partnership

Approach

The CEWG members meet on a monthly basis to share information and to plan activities to contribute to achieving the CEWG objectives. The CEWG members organize workshops, research and other events to identify new opportunities and to address current and arising issues. The CEWG engages expert speakers in the above mentioned topics who may contribute to discussions on topics of current interest to the CEWG members. The CEWG agrees to take a systematic approach in addressing problems and issues; as well as exploring opportunities and potentials that will enable the group to focus on producing tangible and measurable results.

The CEWG members design and operate two sub-groups at a time which deal with individual, yet linked, problems/issues and work on supporting the CEWG in providing input in order to find the best possible solution/way to deal with the discussed issues/problems. The two sub-groups serve to motivate organizations and individuals to take more ownership of the CEWG and deal with concrete issues/problems at hand. Once the work of a sub-group(s) is concluded, the current sub-groups will be terminated and new sub-groups will be open. There are no more than 2 sub-groups at a time giving enough space for various interests of the member organizations while still maintaining focus for the whole working group.

The CEWG promotes joint dialogues concerning the private sector with other NGORC working groups, Vietnamese governmental agencies and donors. The CEWG welcomes all interested individuals and other organizations to attend the CEWG meetings. Meetings are organised in close coordination between the CEWG Chair and the Senior Working Groups Coordinator. The latter is a member of the NGORC team; while the chairperson gets elected on an annual basis. The CEWG Chair facilitates regular meetings of the group. All activities, workshops and other events are managed by the CEWG Core Group.

³ Corporate Social Responsibility (CSR) is a management concept whereby companies integrate social and environmental concerns in their business operations and interactions with their stakeholders. CSR is generally understood as a way through which companies achieve balance of economic, environmental and social imperatives (*Triple-Bottom-Line Approach*), while at the same time addressing expectations of shareholders and stakeholders. It is important to draw a distinction between CSR in a form of strategic business management concept and charity, sponsorship or philanthropy. Even though the latter can also make a valuable contribution to poverty reduction, the former will directly enhance reputation of a company and strengthen its brand. The concept of CSR goes beyond the latter (from 'What is CSR?' by UN Industrial Development Organization 2014)

Structure

1. Membership

The CEWG membership is opened to INGOs, VNGOs, governmental agencies, mass organizations, donor agencies, the private sector and other interested professionals.

2. Core Group

The CEWG is managed by a core group of INGOs actively engaged in the private sector in Vietnam. These organizations are expected to participate in the CEWG Core Group meetings regularly. The founding members of the CEWG Core Group are: The Asia Foundation, Adventist Development & Relief Agency, ActionAid, Netherlands Development Organization (SNV), Batik, CARE International, Catholic Relief Services, Oxfam, Save the Children, Australian Foundation for the Peoples of Asia & the Pacific, Winrock International and Vredeseilanden (VECO). The existing Core Group members may invite new members to join the Core Group. The CEWG Core Group has the following responsibilities:

- Defining the annual CEWG priorities and directions;
- Planning of the CEWG events and activities;
- Organizing regular meetings, which includes selection of topics; identifying speakers; coordinating logistics; facilitating meetings; and assigning taking minutes;
- Ensuring that the CEWG activities cover the needs of the CEWG members;
- Resolving any differences and disagreements that may arise between the CEWG members.

3. Management Structure

The NGORC Managing Co-Director is responsible for overall supervision of the CEWG activities and management of all NGORC working groups. The CEWG Coordinator is a liaison between the CEWG and the NGORC; while supporting preparation of annual plans, regular meetings and other activities. The NGORC Co-Director from PACCOM provides advice and guidance to the NGORC Managing Co-Director.

4. Chairmanship

The CEWG Chairmanship is assigned to one of the Core Group members on a rotating basis. The Chair (chairing organization) must be a paying member of the NGORC and may be elected for a period of 1 year. If the Core Group decides, an additional Co-Chair may be elected among other CEWG members. The election process must reflect basic principles of voluntarism, democracy and transparency. The CEWG Chair is instrumental in facilitating all meetings of the CEWG. The Core Group reserves the right to offer the Co-Chairmanship for a period of time to an external partner which can provide additional value to the advancement of the work of the CEWG. The same principles apply to the two sub-groups under the CEWG.

5. Participation

The Core Group members are the most active participants in the CEWG activities. They are mostly representatives of INGOs actively involved with the private sector. The Core Group members attend regular monthly meetings and take active part in other events. At the same time, the CEWG is open to participation of other interested organizations or individuals concerned about the private sector issues. The extended CEWG may get involved in the following:

- Participation in strategic discussions on the CEWG goals and objectives;
- Taking active part in the Core Group meetings, with agreement of all Core Group members;
- Taking part in planning of the CEWG annual events and activities;
- Proposing joint events, activities and speakers;
- Participating in joint CEWG annual events and activities;
- Supporting the CEWG events and activities, financially or with human resources;
- Providing feedback on the CEWG's work and impact.