

Practical Action

PUBLIC AND PRIVATE ENGAGEMENTS POLICY

Version 0001.00
Date 01.04.20
Scope All employees

Approval required from	Board of Trustees	
Policy Owner:	Head of Partnerships and Philanthropy Unit	
Responsible Director:	Director of Fundraising, Marketing and Communications	
Approval date	March 2020	
Queries:	Contact the Policy Owner	
Exceptions:	Contact the Responsible Director	

1 Introduction

Our Strategic Intent to 2030 commits us to diversifying our funding base and building our profile. To do this we work with a wide range of funders and donors and also with other organisations in non-financial arrangements such as media partnerships. These make up an important way of achieving added value and wider impact.

We see engagements with the public and private sectors not just as a means to build a larger, more balanced income portfolio but also to leverage funds from third parties, to help us increase our profile and influence and to bring additional skills to bear on our work.

2 Purpose of this policy

This policy is designed to

- i. Ensure that such engagements are in keeping with our vision, mission and strategy and values of Practical Action
- ii. Minimise risk to Practical Action

It sets out which types of organisation need to be assessed and what form that assessment will take.

It sets out how these assessments are approved, who approves them, how this links to Delegated Authorities, and how they are reported to the Board.

3 Which organisations come under this policy

3.1 In scope

This policy covers engagements with organisations and individuals (which will be referred to as organisations) where they provide donations, grant agreements and consultancy contracts or where we develop joint marketing campaigns.

Those that are in scope of this policy are listed below:

- Companies and corporate foundations
- Trusts and foundations
- Individuals
- Institutional donors (including governments and bi/multi-lateral donors)
- Academic institutions, think tanks and other NGOs are in scope of this policy only when we are engaging with them as a funder of our work, including consultancies.

3.2 Out of scope of this policy

This policy is not intended to cover Practical Action's engagements in formal or informal networks and coalitions developed for advocacy or knowledge sharing purposes including, for example, with academic institutions, other NGOs, trade bodies such as BOND.

Nor does it cover our relationships with organisations that are suppliers of goods and services to Practical Action.

Nor does it cover community based partnerships in the Regional Country Offices – whether these are formal or informal, or whether we are a grant funder to them or not.

- In summary: Programme implementation partners, companies providing goods and services to us on a commercial basis, academic institutions, think tanks and other NGOs (other than when they are providing funding to us) are out of scope.

4 Requirement to assess and approve organisations

Before we enter into an agreement with any organisation in scope of this policy, and before we expend resource to explore or develop such an engagement, the organisation must be screened and approved using an Assessment Report.

The process is designed to ensure that we are confident that an engagement will offer clear benefits to Practical Action and that, on balance, the overall potential impact of an engagement outweighs the risk.

5 Principles for assessing organisations

The starting point for the assessment is whether the organisation operates in line with:

- Our vision: *A world that works better for everyone.*
- Our purpose: *Practical Action puts ingenious ideas to work so people in poverty can change their world.*
- Our positioning: *Practical Action is a change-making organisation that works in unconventional ways. We bring people together in bold collaborations, using knowledge and innovation, to build futures free from poverty and help shape a world that works better for everyone.*

In particular, given that these are areas of most concern in delivering our charitable aims, we will focus on assessing the organisation's record in the areas of

- **Environment** including environmental reporting, climate change, pollution and habitats;
- **People** including human/workers' rights and supply chain management.

We will assess each organisation on a case by case basis against six factors.

- Would an engagement with it be in line with our principles and purpose as set out in our vision, purpose and positioning statements and in our Change Ambitions?
- Would an engagement with it help advance our strategy?
- Would an engagement with it expose us to legal, financial or dependency risks?

- What are the reputational risks and opportunities of an engagement especially in relation to the organisation's record on people and environmental issues?
- Would an engagement embody the spirit in which we carry out our work as characterised in our brand values?
- Would the impact outweigh the risk?

6 Policy for carrying out assessments

This section explains when assessments of organisations must be carried out and updated, how they are completed and who is responsible for completing them.

6.1 When assessments are carried out

- An assessment must be carried out prior to starting substantial conversations with a prospective organisation.
- The assessment must be updated at the point that we enter into a more formal agreement engagement with the organisation.
- The assessment must be reviewed and updated annually thereafter, for as long as we continue to work with the organisation.
- The assessment must also be updated in the event of a new risk emerging relating to any changes or the activities of an organisation we are engaged with.

6.2 The assessment format

An Assessment Report must be completed and approved for any organisation in scope of this policy, using an approved template.

There are two levels of assessment: *basic* and *extended* reflecting different levels of risk and financial value, or potential financial value, of engagement (see table on 6.3).

- The Basic Assessment is a short form and follows a simple methodology which enables the reviewer to determine the level of risk associated with an organisation. If the risk is low and the potential or actual financial level is low, then only the Basic Assessment is needed. (The level of risk will be determined, where the organisation is listed, from an online service which provides an ethical score or rating for an organisation.)
- The Extended Assessment is used where the risk level is high and/or where the financial level of the engagement is over £100,000. The Extended Assessment requires the review team to provide more detailed information about the organisation being assessed and to make a recommendation as to whether the organisation be approved. It is a longer and more nuanced form.

6.3 Assessment levels for different types of engagement

Engagement type/ value £	Basic Assessment	Extended Assessment
Funding – likely level		
< £10,000	No	No
£10,000-99,000	Yes	Only where basic assessment risk score is high
£100,000+	n/a	Yes
Non financial: Media, marketing or advocacy	Yes	Only where basic assessment risk score is high

6.4 Assessment teams - roles and responsibilities

This section of the policy explains how assessments are to be carried out, by whom and how they are approved.

The Fundraising, Marketing and Communications Director must ensure

- That a robust and transparent assessment process is in place.
- That a methodology is in place for scoring and assessing organisations and that this takes into account the criteria in section 5. This includes maintaining budget for a subscription to a relevant supplier and that this is in line with procurement and data protection policies.
- That SLT is aware of and ensures assessments are being carried out in line with this policy
- That an annual update is brought to the Board setting out which assessments have been carried out during the year, their outcomes and any feedback received on any subsequent engagement.

The Assessment will be led by the principal relationship holder with the organisation (The Assessor). The Assessor must:

- Familiarise themselves with the Policy and the Assessment Report template.
- Determine whether, and at what level, an assessment is required based on the Policy.
- Convene an assessment team based on the location and type of prospective work with the organisation (using guidance contained in the assessment form and this policy).
- Carry out an assessment using the process and template provided, score it, make a recommendation and submit it for approval.
- Save the assessment to SharePoint.

Assessment Teams

- Basic assessments should be carried out by the primary relationship holder.
- Where a potential engagement is clearly related to specific countries, then a representative from each country should be consulted as part of the process and specific local perspectives noted in the report.
- Extended Assessments should be carried out by the primary relationship holder and a second reviewer from another team.
- A relevant Head of Change Ambition should join the assessment team where the risk is assessed to be high and the potential financial value is >£100,000.
- For multinational companies or global trusts/foundations, the review team must consult the Partnerships & Philanthropy Unit (PPU) in case PPU has any further intelligence to add that may strengthen the assessment. This applies to basic and extended assessments.

7 Evaluating and approving assessments:

Following carrying out the assessment, the assessment team will provide a recommendation with a rationale for approval which will follow the Delegated Authorities as shown on the table below.

Risk level	Primary Authoriser	Secondary Authoriser
Low risk Financial value £10-99k	SMT responsible for business development (RCOS) Corporate Partnerships Manager or Major Gift Manager or Head of PAC International (UK)	Head of PPU (Individuals, corporates, foundations) Head of IFT (Institutional Donors, Academic Institutions, NGOs) Head of Communications (media partnerships)
Low risk– financial value >£100k	Line Director	Head of PPU (Individuals, corporates, foundations) Head of IFT (Institutional Donors, Academic Institutions, NGOs) Head of Communications (media partnerships)
High risk	CEO	Marketing Director

- Recommendation options include, **Approve**, **Terminate**, or **restrict the relationship to dialogue only** (*this would include instances where we are involved in a forum for joint advocacy or sharing our knowledge but are not in receipt of funds from the organisation and do not have a direct contractual relationship*).
- Recommendations to approve or restrict must be clear and defensible to a range of stakeholders including but not limited to the people we work with and for, the board, staff and senior management, our funders and supporters and the organisation that has been assessed.
- In a small number of cases, the assessment team may not be able to make a recommendation (for example if there is disagreement in the team). Where the value of the potential engagement is, or is likely to be, >£100,000 the GMT will be asked to

make a recommendation prior to submission for approval to the CEO and Marketing Director per Delegated Authorities. If the financial value is lower than £100,000 the default recommendation in such cases would be to Restrict to dialogue only.

- Any engagement, agreement or resulting award must also be managed in line with other related policies and specifically the Delegated Authorities.

8 Reporting and review

Organisations restricted to dialogue only may be reviewed after 12 months of the decision.

The assessor must review approved engagements on an annual basis.

All assessments must be uploaded to the SharePoint Due Diligence site.

We will publish the policy online on Practical Action's public website.

We will share a list of all engagements and the outcomes of the due diligence assessments annually with the Board of Trustees with rationales for approving or not approving extended assessments.

Key reference documents:

- i. Practical Action Delegated Authorities Policy
- ii. Practical Action UK Fundraising Policy and Fundraising Compliance Handbook
- iii. Fundraising Regulator Code of Fundraising Practice October 2019
- iv. Due Diligence Processes for Potential Donations, National Audit Office, July 2017
- v. Protecting Practical Action from Terrorist Financing, September 2018
- vi. Practical Action Environmental Policy
- vii. Practical Action Brand Policy v1 (see overview)

Date of next review: within 12 months of the date of first publication and thereafter every 3 years.

...Policy Ends/