



## **Terms of Reference**

### **EMP 103.101 – Bi-Regional Cooperation on Corporate Social Responsibility**

#### **1. INTRODUCTION**

The EU-LAC Foundation is launching a call for tenders for the conclusion a contract for the provision of expertise for the above-mentioned activity.

#### **2. BACKGROUND**

##### **The EU-LAC Foundation**

The EU-LAC Foundation has 62 members: the 33 states of Latin America and the Caribbean, the 28 Member States of the European Union, and the European Union itself. The objectives of the Foundation are to: a) contribute to the strengthening of the CELAC-EU bi-regional partnership process involving participation and inputs of civil society and other social actors; b) encourage further mutual knowledge and understanding between both regions; c) enhance the mutual visibility between both regions, as well as of the bi-regional partnership itself. The EU-LAC Foundation's permanent offices are located in Hamburg, Germany. An Agreement to establish the Foundation as an international organisation was signed in October 2016, and is in the process of ratification.

##### **Work on competitiveness and sustainability**

The EU-LAC Foundation has been working on themes linked to the bi-regional economy which have been highlighted as key for the strategic partnership in the recent EU-CELAC Summits and Action Plans<sup>1, 2</sup>

The Foundation has organised its work on economic and business activities along two main lines: competitiveness and sustainability. In the first line of activities the programme seeks to identify players and practices that favour bi-regional economic dynamics, and the reinforcement of the position of both regions in the world economy; this covers clusters, innovation, and entrepreneurship. The second line of activities looks into elements that ensure wider and better economic inclusion, and it includes Corporate Social Responsibility (CSR), and Vocational Education and Training. Both lines are intertwined and complement each other. There is also a special focus on SMEs and a territorial approach.

##### **Features of the bi-regional economic context**

The EU, Latin America and the Caribbean share a long-lasting economic tradition. Numerous trade or association agreements link the two regions, as well as solid trade and a stock of European investments that is bigger than those accumulated in China, India and Russia together. Many cooperation programmes have allowed a variety of players to engage with each other, ranging from social workers to SMEs.

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<sup>1</sup> Chapters 44-55 of the 2015 Brussels declaration [http://eulacfoundation.org/en/system/files/EU-CELAC%20Brussels%20declaration\\_es\\_corr.pdf](http://eulacfoundation.org/en/system/files/EU-CELAC%20Brussels%20declaration_es_corr.pdf)

<sup>2</sup> <http://eulacfoundation.org/en/system/files/EU-CELAC%20action%20plan.pdf>



In spite of this, both regions are facing the similar challenge of a shrinking relative position in the global GDP due to a loss of competitiveness particularly vis-à-vis the USA or China.

The reasons for this declining position are multiple and vary from one region to the other. Nevertheless, studies such as those published by ECLAC<sup>3</sup> and the EU-LAC Foundation<sup>4</sup> in 2015-16 point at low productivity, lesser innovation and a lack of internationalization, especially for SMEs, as key factors. Others reasons may be the high dependency of Latin American and Caribbean economies on commodities, and an enduring aftermath of the 2008 crisis in the EU.

Both regions also possess great and complementary assets and many exceptions exist where resilience and innovation drive the economy towards interesting prospects: *multilatinas*<sup>5</sup> companies operate at global level; decentralised cooperation is thriving; actors of the European Industry Revival show interest for Latin America, where most countries have engaged in processes aiming at developing added value through more processing and service, at connecting their companies to international value chains.

### 3. CORPORATE SOCIAL RESPONSIBILITY

#### Corporate Social Responsibility in the EU-CELAC context

Since the EU-CELAC Summit in Santiago de Chile in 2013, CSR has been pointed as an essential and crosscutting factor of the bi-regional relationship. The Brussels Summit in 2015 reinforced this both in the Declaration and the Action Plan as can be seen as follows:

#### **Declaration**

50. We commit to increase our joint efforts on **corporate social responsibility**, and in this context encourage the implementation of policies, National Actions Plans and other initiatives aiming at promoting and strengthening the compliance with **corporate social responsibility** dispositions, principles and processes within the framework of the relevant international fora.

#### **Action Plan**

Chapter 3. Regional integration and interconnectivity to promote social inclusion and cohesion

f. Support the development of more effective public social policies as well as policies aiming at strengthening local entrepreneurial environment and **corporate social responsibility**, promoting national and foreign investment and technological transfer.

Chapter 5. Education and employment to promote social inclusion and cohesion

*The main objectives in this area are to promote education, life-long learning and training (including technical and vocational education and training (TVET) with a view to develop, in both*

<sup>3</sup> The European Union and Latin America and the Caribbean in the new economic and social context <http://www.cepal.org/en/publicaciones/la-union-europea-y-america-latina-y-el-caribe-ante-la-nueva-coyuntura-economica-y> ; see also The European Union and Latin America and the Caribbean vis-à-vis the 2030 Agenda for Sustainable Development <https://eulacfoundation.org/en/documents/european-union-and-latin-america-and-caribbean-vis-%C3%A0-vis-2030-agenda-sustainable>

<sup>4</sup> CELAC-EU, Reinforcing Production Cooperation & Dialogue Spaces: the role of SMEs <http://eulacfoundation.org/en/documents/celac-eu-reinforcing-production-cooperation-dialogue-spaces-role-smes>

<sup>5</sup> <http://www.elpais.com.uy/economia-y-mercado/multilatinas-continuan-creciendo-desafian-multinacionales.html> and [http://www.revistasice.com/CachePDF/ICE\\_859\\_21-32\\_AB6E846F8E555C313551E3D3F54FCE10.pdf](http://www.revistasice.com/CachePDF/ICE_859_21-32_AB6E846F8E555C313551E3D3F54FCE10.pdf)

<sup>6</sup> <http://www.emiconference2014.regione.lombardia.it/background-documents/>



regions, skills for employment, promote decent and dignified job creation, thereby increasing income and contributing towards the overall objective of poverty eradication. The pursuit of these objectives should take into account the diverse levels of vulnerability, different realities of countries, as well as to improve the functioning of labour markets, including through triangular cooperation, ensuring the involvement of employers and workers, while also considering the important role of social dialogue and **corporate social action**. This should lead to easier access to employment, decent, dignified and productive work and job opportunities, in particular for women and young people, as well as for other vulnerable groups, and should contribute to increased social inclusion and cohesion.

## Chapter 8. Investments and entrepreneurship for sustainable development

- i. Include, when possible, the guidelines and internationally recognised principles of **corporate social responsibility** (CSR) in the definition of policies and national plans to promote good corporate behaviour, such as encouraging the timely payment to suppliers, particularly (MSME) by the public and private sectors.

As a consequence of this commitment, several high level conferences were organized, including in Brussels and Costa Rica under the EU-CELAC co-presidency.<sup>7</sup>

The bi-regional meetings on CSR have highlighted that asymmetries exist between both regions, but also that there is a shared interest on the subject. The most significant differences between the EU and LAC regions lie in their level of institutionalization. While the EU has an institutional mechanism to coordinate the creation of National Action Plans (NAP) and for addressing the issue in different countries, in the LAC region actors are less coordinated and differ on how to advance the CSR agenda. In the EU, the CSR NAPs were led by national government agencies, while in LAC, the approach taken by governments on CSR varies from country to country, according to national priorities. In general, there is little inter-ministerial coordination to address the issue.

### Corporate Social Responsibility and the EU-LAC Foundation

The work of the Foundation on CSR is part of the competitiveness/sustainability axis of the economic relationship.

In 2014, as a contribution to the EU-LAC context, the Foundation published a study on CSR in order to enhance the level of understanding on the interest and the potential for establishing a legal framework and best practices in CSR, particularly as an element for competitiveness for companies of both regions.

The study reported on the progress of the countries of the European Union (EU) and the Community of Latin American and Caribbean States (CELAC) in the construction of their CSR National Action Plans (NAPs) or in the integration of CSR in their public policies, and proposed some guidelines for a roadmap of bi-regional cooperation within each zone and between the two regions.

Among the study's conclusions, it found that in order for CSR to progress in both regions, the perspective of different stakeholders, such as communities and workers, should be integrated to the agenda, otherwise CSR has a high risk of not being implemented effectively, of generating conflicts and disagreements rather than improvements in the quality of life and developing of countries. Therefore, any strategy for bi-regional cooperation between the EU and the CELAC should consider as a key objective the creation

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<sup>7</sup> See, for example, [http://www.ilo.org/empent/Eventsandmeetings/WCMS\\_230275/lang--en/index.htm](http://www.ilo.org/empent/Eventsandmeetings/WCMS_230275/lang--en/index.htm) and page 67 in the 2015 study on CSR in Latin America and the Caribbean, [https://eulacfoundation.org/en/system/files/EU\\_LAC\\_CSR\\_EN.pdf](https://eulacfoundation.org/en/system/files/EU_LAC_CSR_EN.pdf)



of NAPs processes and public policies, and include dialogue and the search for greater harmonization between these actors.

The work on CSR covers several dimensions: the legal framework and public policies; the business dimension and the need to maintain or strengthen competitiveness parameters; and the socio-environmental dimension with the notions of protection of the environment, climate change, social inclusion and innovation.

Based on its mandate, and from this multiple perspective, the EU-LAC Foundation wishes to contribute to the dynamics already undertaken and to promote bi-regional CSR cooperation, with a view to:

- Involve diverse stakeholders in a movement for concerted action, exchange of practices and models, and dissemination, to accompany the process of public policies on CSR in EU-CELAC. Stakeholders concerned are national and regional governments, the private sector, business chambers, NGOs, labour organizations and civil society across the two regions.
- Identify concrete actions to be taken in the implementation of public policies and possible CSR support plans in EU-CELAC, in particular those mechanisms, including business services, which would make it possible to use CSR as a factor of shared competitiveness between the two regions based on environmentally sustainable production methods and technologies and a labour market energized by improved skills. This could include sustainability standards and certification in diverse aspects (e.g. fair trade, sustainable forestry, organic, etc.).

#### **4. DESCRIPTION OF THE PROJECT**

##### **a) Global Objective**

Creation of a bi-regional working group of experts and practitioners in the area of Corporate Social Responsibility (CSR), building on the previous activities and study conducted by the Foundation, to define what joint actions could be started between CSR actors in both regions at national, regional and bi-regional level, in terms of practices and policies.

##### **b) Themes/planned activities**

- Identify key actors in the definition of CSR policies (public and private) in the EU and CELAC;
- Identify the CSR focal points in the countries, particularly those responsible for monitoring the progress of the *EU-CELAC Action Plan 2015* in this area;
- Develop a bi-regional Working Group of experts and practitioners in this area, based on the existing regional networks. This WG could seek to promote dialogue and shared experiences in CSR policies and practices in the two regions;
- Define joint actions between CSR actors in both regions at national, regional and bi-regional level, in terms of practices and policies;
- Establish a benchmark of good practices in promotion of CSR;



- Establish a repository of information, which would continue to operate after the end of this specific project. Explore other mechanisms to ensure sustainability, including promoting formal links between the existing regional networks.

#### c) Expected Results/impact of the activity

- Listing and mapping of the key actors in each of the countries and those that could contribute to a bi-regional link;
- Develop a report on progress in the commitments of the *EU-CELAC Action Plan 2015* in this field, in each country;
- Develop a report on the current state of CSR in the two regions, with emphasis on the activities that civil society (foundations, NGOs, business chambers, other private institutions) are undertaking to promote the adoption of good practices in this field.
- Creation of a repository of information on best practices and experiences in the two regions.
- Further develop links between existing CSR networks in the two regions (and sub-regions within them, such as the Caribbean); explore the possibility of creating a sustainable bi-regional network.

This project would be complementary and contribute to the efforts carried out by the European Commission and other partners to work with national governments in LAC to establish CSR National Action Plans (NAPs), and for the implementation of Corporate Social Responsibility (CSR), Responsible Business Conduct (RBC) and Human Rights standards and guidelines; and the efforts to foster business partnerships focused on CSR between companies of the two regions.

#### d) Profile of the experts

##### Qualifications and Skills

- University Degree in economics, political sciences, social sciences, business management or related areas,
- Training in CSR,
- Ability to work at a bi-regional level and understand the differences between the two regions,
- Ability to identify points of convergence from which to establish a base of relations between EU and LAC at the level of public policies and also of the other actors, both in the role that they have been able to play in the establishment of public policies as well as in the CSR practices,
- Ability to participate in the formulation of positions and a synthesis between the positions of several actors,
- Ability to favour the expression of divergent opinions and at the same time to integrate them from what they can have in common,
- Communication skills,
- Ability to write and work in Spanish and English; Portuguese or French is an advantage.



## **General professional experience**

- 10 years of experience in economic cooperation between the EU and LAC countries,
- Working with companies and intermediary organizations in LAC and EU,
- Working with governments or public authorities in the EU and LAC,

## **Specific professional experience**

- 5 years of experience in projects related to CSR, in the public or private sector:
- Practical knowledge of the major CSR norms, initiatives and programs in the EU and CELAC and in the rest of the world (ISO 26000, Global Compact, ILO, OECD, etc.);
- Practical knowledge of events in which work can be organized to promote and disseminate the results of this work

## **e) Methodology**

Candidates must propose a methodology consisting of:

- a concept note demonstrating their understanding of the situation and problems as well as the ways in which progress can be made towards meeting the commitments of the EU-CELAC action plan;
- stages and calendar of development of the activity.

## **5. LOCATION AND DURATION**

Planned starting period: June 2017

Planned Duration: until October 2018

Location(s) of assignment: EU and LAC countries

## **6. AMOUNT OF FUNDING AVAILABLE FOR THE PROJECT**

The project will be undertaken with a limit of maximum 50,000 Euro (plus value-added tax to be paid directly by the EU-LAC Foundation as regulated by German Law).

Expenses must be justified in a draft budget to be submitted to the Foundation with the other documents of the proposal (see application documents). The disbursement of the expenses will proceed according to a calendar of payments agreed upon in the contract signed between the EU-LAC Foundation and the researchers/consultants.

## **7. APPLICATION DOCUMENTS**

All application documents must be written either in English or Spanish.

The following documentation must be submitted:

- Filled Application form
- Filled Detailed project outline
- Filled CV form - one per participating researcher/consultant (incl. head researcher,



- assistants, doctoral students, etc.)
- Filled draft budget form
  - Scanned copy of the signed declaration of honour - one per participating researcher
  - Confirmation of institutional affiliation, signed by the institution to be referred to as "the contractor", - one per participating researcher/consultant.

You can download all necessary documentation from the EU-LAC Foundation's website at

<https://eulacfoundation.org/en/tenders>

Please provide all application documents in MS Word/Excel format or PDF. For sending larger packages of documents, please use only zip-files.

### **Exclusion from award of contracts**

In order to demonstrate their eligibility, applicants must submit as part of their application documents, the declaration of honour on exclusion criteria and absence of conflict of interest duly filled and signed (see Application Documents).

For reasons of fairness, any applicant can only apply with one research proposal (as part of one research team) for the present call; the Foundation will not consider applications from the same person who submits more than one application or who is part of more than one research team under the present call.

### **Selection Method and Award Procedure**

The contract will be awarded to one team of experts based upon a competitive selection procedure. All complete proposals that fulfill the eligibility criteria, and are received by the deadline, will be considered for the award procedure. A selection panel constituted by three members of the EU-LAC Foundation will evaluate all eligible proposals according to the following criteria:

- Relevance of the proposal with respect to the objective and main topics delineated in this Call for Proposals
- Adequacy of proposed methodology , concept note and work programme
- Potential policy impact of and sustainability of proposal
- Experience and composition of team of experts (relevant publications; representation of experts from Caribbean, Latin American and European institutions).
- Appropriateness of submitted draft budget

Selection Criteria will be rated on a scale from 1-100, with an equal weight for each criteria.

The technical score for each proposal will be calculated as follows:

$T_i = \text{score for offer under consideration} / \text{score for best technical offer} * 100$

The financial score for each proposal will be calculated as follows:

$F_i = \text{best financial offer (lowest price)} / \text{price of the offer under consideration} * 100$

**The contract will be awarded to the "best value for money" proposal, namely the one obtaining the best overall score  $P_i$  calculated as follows:**



$$P_i = 0.80 * T_i + 0.20 * F_i$$

where

$P_i$  is the total score for the tender in question (out of 100)

$T_i$  is the number of points (between 0 and 100) obtained in the technical evaluation

$F_i$  is the number of points (between 0 and 100) obtained in the financial evaluation.

The proposal assigned with the highest score in the evaluation process will be selected by the EU-LAC Foundation for the award.

### **Deadline for applications**

26 May 2017, 23:59 German time

Please send eventual inquiries and applications to: [call@eulacfoundation.org](mailto:call@eulacfoundation.org) - stating in the subject: CALL CSR

All complete proposals received by this deadline that fulfil the eligibility criteria will be considered for the award.