



I propose that you,
the business leaders,
and we,
the United Nations,
initiate a
global compact
of shared values
and principles,
which will give a
human face
to the global market.



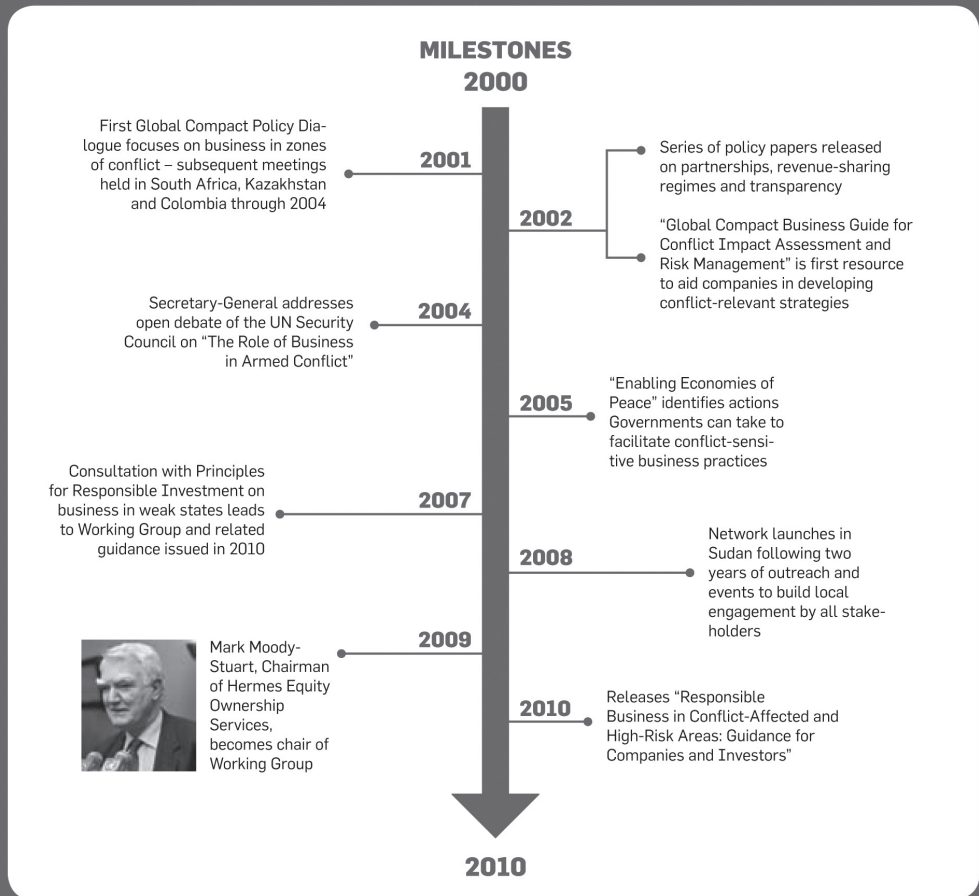
PEACE

Systematic human rights abuses, inhumane working conditions, environmental scarcity and corruption can each be an outcome or trigger of conflicts. By following specific processes for doing business responsibly in difficult settings, all companies – regardless of size or sector – can work to ensure that their practices do not contribute to violence.

In recent years, the Global Compact has intensified work to advance conflict-sensitive practices in business, notably through the development of guidance in collaboration with the UN-backed Principles for Responsible Investment (PRI). Released in June 2010, "Responsible Business in Conflict-Affected and High-Risk Areas: Guidance for Companies and Investors" helps to clarify what constitutes responsible business, as well as identifying and mitigating risks.

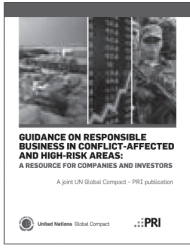
At the local level, the Global Compact has provided opportunities for stakeholders to enhance capacity in this realm, including in Japan, Nepal, Pakistan, Sudan and Turkey. A key development was the strengthening of the Global Compact Network Sudan, with an international event held in Khartoum that served to highlight the network's role as a neutral platform for advancing conflict-sensitive business practices in the country.

Looking ahead, the Global Compact plans to enhance collaboration with PRI and our Local Networks to enable far-reaching dialogue among concerned stakeholders and support widespread implementation of the new responsible business guidance by companies and investors.





Guidance for Companies and Investors



Stemming from a 2007 Global Compact-PRI meeting on responsible investment in weak or conflict-prone areas, an expert group comprised of company representatives, investors, civil society leaders, UN representatives and others was created to explore the issue of divestment versus engagement. Following an extensive consultation process by the group, voluntary guidance was developed for release at the Global Compact Leaders Summit in June 2010.

The primary purpose of “Responsible Business in Conflict-Affected and High-Risk Areas: Guidance for Companies and Investors” is two-fold:

1. Assist companies in implementing responsible business practices by living up to the Global Compact principles in conflict-affected and high-risk areas so they may maximize their long-term financial performance and make positive contributions to peace and development, while minimizing risks and negative impacts to both the business and society.

2. Provide a common reference point for constructive engagement between companies and investors linked to operations in conflict-affected and high-risk areas, as opposed to divestment.

This guidance is designed to stimulate learning and dialogue, and to promote collective action and innovative partnerships through Global Compact Local Networks and other initiatives. It was informed by good corporate practices from around the world, as well as a series of multi-stakeholder events (Istanbul, New York, Khartoum and Tokyo). Global Compact Board members and Local Networks were also involved in the process.

G8 Encouragement of Work

In 2009, the Group of Eight (G8) provided explicit support for the Global Compact’s work in the area of business and peace. In its Leaders Declaration “Responsible Leadership for a Sustainable Future”, the group encouraged the Global Compact to “engage with key stakeholders to further develop practical guidance for business operating in countries with weak governance”.



Global Compact Network Sudan: International event convened in Khartoum

In March 2010, the first ever joint Global Compact–PRI event was held in Sudan. Hosted by the Global Compact Network Sudan, the meeting focused on responsible business and investment in conflict-affected areas and brought together over 120 representatives from all key stakeholder groups, including government. Discussion focused on identifying responsible practices in the context of Sudan with a view to building common understanding. The meeting served to strengthen the Sudanese network, with a series of recommendations developed for how the Local Network can continue to provide a neutral platform for collaboration in order to advance key issues.



Case Examples

There are many ways that business can make a positive contribution to peace and development through their core business, strategic social investment, and advocacy. Actions may include implementation of the ten principles, engagement with communities, public-private partnerships, post-conflict reconstruction efforts and helping to build a culture of peace.

Implementing the global compact principles

Satemwa Tea Estates (Malawi, Food Production) actively supports the strengthening of crime prevention activities. Its efforts have helped to prevent crimes affecting workers, their households, and other members of the community. Satemwa has been a key player in ensuring collective security, with its policing programme increasing community ownership of the security process and improving communication among the community. Satemwa's work to help maintain a peaceful community has created goodwill among the local population and translated into higher productivity among its workforce.

Public-private partnerships

The Coca-Cola Company (US, Beverage) has contributed to the improvement of education in the Palestinian Territories through a variety of initiatives in partnership with the National Beverage Company (NBC), its local bottling partner which is an independent, privately-held company managed by local, Palestinian employees. NBC has partnered with the Government and various NGOs on programmes such as the "Back to School" campaign, which provides thousands of school bags and supplies to children from low-income backgrounds and "We Are All Able", which provides scholarships for students to attend business schools. Also, NBC developed "Schools.com", a campaign to bring computers and technology to over a dozen rural schools.

Post-conflict reconstruction efforts

Energoinvest (Bosnia and Herzegovina, Construction & Materials) developed a project to improve domestic power infrastructure, boost the industry and the business environment. By connecting the three separate power utilities in the country into one electric network, more streamlined infrastructure resulted in increased connections with neighbouring countries Serbia, Montenegro and Croatia. Additionally, 500 workers were employed. Through this project, business relationships with pre-war partners in the region were restored.

Komatsu (Japan, Construction & Materials) developed a demining machine for anti-personnel landmines, capable of clearing 500 square meters of land per hour, almost 50 times faster than manual clearance. The demining machines are supplied to Afghanistan, Angola and Cambodia. Together, the Japanese Mine Action Services (JMAS) and Komatsu remove landmines and focus efforts on community development through activities such as constructing agricultural water sources and elementary school buildings. These activities are coordinated with the respective relevant governments and organizations.

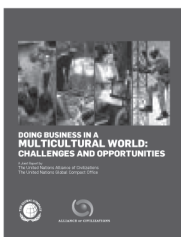
Building a culture of peace

Safaricom Limited (Kenya, Mobile Telecommunications) partnered with the UN Office in Nairobi to implement a "Text for Peace Campaign" in Kenya, where citizens sent text messages of peace. These were subsequently presented as the Messages of Peace from Kenyans at the 63rd UN General Assembly in New York, International Day of Peace. Through the campaign, customers were given the opportunity to unite around a common message, and the role of mobile technology in promoting peace and healing communities became evident.

New Resources

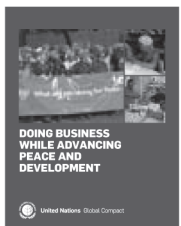
Doing Business in a Multi-Cultural World: Challenges and Opportunities

Launched at the Second Forum of the UN Alliance of Civilizations in 2009, the publication helps companies address cross-cultural issues in the workplace, marketplace and communities. A high-level reception was also organized coinciding with the General Assembly to further promote the publication.



Doing Business While Advancing Peace and Development

Provides illustrative examples of the ways in which companies from a variety of sectors are making a positive contribution to development and peace while operating in conflict-prone or post-conflict environments.



Sustaining Business and Peace: Resource Pack for Small and Medium-Sized Enterprises

Developed by International Alert with input from the Global Compact Network Sri Lanka, the guide outlines a three-step cycle of understanding and analysing, planning and doing, and checking and improving corporate responsibility activities for SMEs. Applicable to SMEs around the world.

