



Goal 16: Harnessing the Power of Responsible Business to Promote Sustainable Development – Working Towards Accountable Institutions and Just and Peaceful Societies

The United Nations Global Compact (“UN Global Compact”) is a call to businesses to align their operations and strategies with ten universal principles in the areas of human rights, labour, the environment, and anti-corruption (“Ten Principles”). Since its founding in 2000, the UN Global Compact has promoted responsible business practices to support and advance broad UN values and goals, including sustainable development.¹ It has recognized that while governments have primary responsibility for creating and supporting the enabling environment for sustainable development, business also has an important complementary role to play including by leveraging and enhancing that environment to make a contribution to sustainable development. The UN Global Compact’s efforts at the global level (with more than 12,000 signatories) and at the local level (with more than 85 country networks) have included mobilizing responsible business to tackle corruption, operate responsibly in contexts of violent conflict and high-risk areas, and to take action to help strengthen the rule of law. By embracing corporate sustainability, which is defined by the UN Global Compact as “a company’s delivery of long-term value creation in financial, social and environmental, and ethical terms”,² business can support accountable institutions, and just and peaceful societies.³

This Statement elaborates on the UN Global Compact’s contribution to such efforts through three of its related workstreams⁴ – Anti-Corruption, Business for Peace (“B4P”), and Business for the Rule of Law (“B4ROL”) – and is addressed to UN Member States, businesses, civil society, and other stakeholders.

I. UN Global Compact and Goal 16

Goal 16 of the draft Sustainable Development Goals (“Goal 16”) works towards “promoting peaceful and inclusive societies for sustainable development, providing access to justice for all, and building effective, accountable, and inclusive institutions at all levels” and includes sub-goals relating to anti-corruption, peace, and the rule of law. The UN Global Compact recognizes the role responsible business can play in helping to

¹ The UN General Assembly has given the UN Global Compact its mandate “to advance United Nations values and responsible business practices within the United Nations system and among the global business community.” G.A. Res. 68/234, U.N. GAOR, 68th Sess., U.N. Doc. A/RES/68/234, at 3/6 (Feb. 7, 2014).

² U.N. Global Compact, *Corporate Sustainability and the United Nations Post-2015 Development Agenda*, 3 (June 17, 2013).

³ Indeed, as UN Secretary-General Ban Ki-moon has stated, “securing [the] future requires [the private sector’s] resources and capacities..., advocacy and...leadership. It calls for the unique contributions that only private enterprise can make to the creation of public value, at home and abroad.” Secretary-General’s opening remarks at the UN Global Compact Leaders Summit, New York, 24 June 2004.

⁴ The UN Global Compact has workstreams across all dimensions of corporate sustainability, including social sustainability, environmental sustainability and on financial issues. Other workstreams not discussed in this Statement include those engaging business on climate, water, human rights and labour, supply chain, women’s empowerment, children’s rights etc. See www.unglobalcompact.org



achieve Goal 16, and seeks to support business in fulfilling that role through fostering increased engagement between business and government.

II. Business' Role

Responsible business contributes to sustainable development at both the micro and macro levels. At the micro level, responsible business integrates principles of corporate responsibility and sustainability into its operations, relationships, and governance, making these more transparent, accountable, and inclusive and addressing adverse impacts with which the business might be involved. At the macro level, responsible business promotes accountable institutions, and just and peaceful societies by respecting and supporting the rule of law, modeling good business practice, and upholding the norms and standards in the areas of human rights, labor, environment, and anti-corruption. Finally, responsible business contributes to the economic development of the societies in which businesses operate, itself a significant factor in promoting sustainable development. They do this through the decent jobs they create, the economic activity that they foster through their value chain, and through the goods and services that they produce that meet the needs of individuals, other businesses, governments and others.

III. UN Global Compact's Workstreams Relevant to Goal 16

The UN Global Compact's Anti-Corruption, B4P, and B4ROL workstreams advance Goal 16 because they encourage business to be responsible as well as to take action to help bring about accountable institutions and just and peaceful societies.

A. Anti-Corruption

Corruption causes inefficiencies in markets because it renders transaction costs uncertain, negatively impacts business operations, and hampers businesses' ability to comply with human rights and other obligations. Businesses that sign on to the UN Global Compact commit to working with governments and civil society to eliminate corruption in all its forms. Through a global, multi-stakeholder working group, the Anti-Corruption workstream collaborates with businesses to develop and integrate anti-corruption and transparency policies into their operations, communicate best practices and engage in collective action to stem the tide against corruption. The UN Global Compact through its multi-stakeholder working group, has produced resources for businesses on how to conduct corruption risk assessments, report on anti-corruption, and tackle corruption scenarios.

Launched in June 2014, the *Call to Action: Anti-Corruption and the Global Development Agenda* ("Call to Action") calls on governments to implement and promote sustainable development and anti-corruption policies, including transparency in public procurement, and to adhere to commitments to anti-corruption made through international instruments such as the UN Convention Against Corruption.



As of June 2015, more than 260 businesses and 29 investors with assets of USD 3.5 trillion have signed the Call to Action.

B. Business for Peace

Business thrives in peaceful environments where operating costs are predictable and working environments are stable. Failure to implement responsible business practices can result in additional costs and risks to the business itself, and, can exacerbate tensions and instability in society. On the other hand, a responsible business can make meaningful contributions to lasting peace, development and prosperity while ensuring long-term business success. Building on over a decade of work in this area, in 2013 UN Secretary-General Ban Ki-moon launched B4P which is anchored in the *Guidance on Responsible Business in Conflict-Affected and High-Risk Areas* ("Guidance"). Aligned with the Ten Principles, the Guidance advises businesses and investors on how they can contribute to peace and stability in conflict-affected and high-risk contexts through core business, strategic social investment, community engagement, and government relations. B4P seeks to take the next step in leveraging responsible business to support development and peace by hosting multi-stakeholder dialogues and workshops, during which businesses share best practices, engage with governments, and foster partnerships to contribute to local priorities. With a focus on the implementation of SDG 16, B4P is engaging companies, Local Networks and other stakeholders in a timely discussion to explore how business contributions to peace can be understood and measured. Monitoring and evaluation of contributions to peace are critical to understand which business strategies really work to reduce violence and under what conditions.

Recognizing that sources of instability vary according to the local context, B4P is rooted in the actions of 18 Global Compact Local Networks from all regions of the world who support companies in this area and foster collective action. To date, more than 130 businesses have joined B4P.

C. Business for the Rule of Law

The absence of the rule of law presents many challenges for businesses and individuals. For businesses, a society which is governed by the rule of law provides the foundation for long term investment and growth by ensuring, among other things, peace and stability, absence of corruption, certainty of contractual and other rights, and fairness and transparency in dispute resolution.

In 2013, the UN Secretary-General announced the B4ROL initiative; recognizing these benefits to businesses and the role responsible businesses can play in respecting and supporting the rule of law. Thus far, B4ROL has facilitated multi-stakeholder dialogue on the rule of law through 19 consultation workshops, which have sought to build understanding of the rule of law, identify the business case for respecting and supporting the rule of law, and gather examples of the actions business can take to support the rule of law. A compilation of



examples of business action already taken has been prepared and includes action to support birth registration and legal empowerment of those living in poverty, boost compliance standards in the legal profession, advocacy efforts towards law reform, and support for the strengthening of local and national justice systems. Output from the workshops has informed the development of the *Business for the Rule of Law Framework* ("Framework") which aims to guide businesses in understanding why and how to take action to support the strengthening of the legal framework where they operate as a complement to government's own action in this area.

The Framework was initially launched at UN Global Compact headquarters on 24 June 2015 with the view of hosting similar launch events and ongoing multi-stakeholder discussions around the globe led by our Global Compact Local Networks and other strategic partners to ensure appropriate prioritization of rule of law efforts at the local level.

IV. A Shared Goal: Fostering Accountable Institutions and Just and Peaceful Societies

The three UN Global Compact workstreams mentioned above contribute to the creation of accountable institutions, and just and peaceful societies by supporting business practices that address three interrelated challenges: corruption, violent conflict, and weak rule of law. Central to their efforts is the understanding that promoting sustainable development is a multi-dimensional challenge. Anti-corruption is essential to the rule of law and peace-building because corruption negatively impacts state capacity, social inclusion, and the management of natural resources. Peace is an enabler of sustainable development and is a pre-condition for the full-fledged achievement of the rule of law and efforts to reduce corruption. Rule of law is necessary to effectively address the drivers of violent conflict, illicit financial flows, and impunity; and to provide the legal framework and certainty that business needs to operate. By focusing on the ways responsible business contributes to advancing these three dimensions of sustainable development, the UN Global Compact harnesses the power of business to support accountable institutions, and just and peaceful societies for sustainable development.

V. The Way Forward

The UN Global Compact's workstreams, including the three mentioned in this Statement, help to engage business to play its part as a complement to governments own actions to bring about sustainable development. One important avenue open to UN Member States for engaging the private sector on topics covered in Goal 16 is through the UN Global Compact. Through coordination and cooperation, government, business, and civil society can work together towards the goal of achieving accountable institutions, and just and peaceful societies.