

About the United Nations Global Compact

The United Nations Global Compact is a call to companies everywhere to voluntarily align their operations and strategies with ten universally accepted principles in the areas of human rights, labour, environment and anti-corruption, and to take action in support of UN goals and issues. The UN Global Compact is a leadership platform for the development, implementation and disclosure of responsible corporate policies and practices. Launched in 2000, it is the largest corporate sustainability initiative in the world, with over 8,000 companies and 4,000 non-business signatories based in 160 countries. www.unglobalcompact.org

About Business for Peace

Launched in September 2013 by Secretary-General Ban Ki-moon, and identified in Forbes as one of the five areas defining the future of CSR, Business for Peace (B4P) supports companies in implementing responsible practices aligned with the UN Global Compact principles throughout their business and supply chains in conflict-affected/high-risk areas. The initiative catalyzes collaborative action to advance peace in the workplace, marketplace and local communities.

About CDA Collaborative Learning Projects

CDA is a non-profit organization based in Cambridge, Massachusetts (USA). CDA is committed to improving the effectiveness of national and international humanitarian, development, peacebuilding, and corporate actors working in conflict affected and transitional contexts. CDA promotes effective and accountable international engagement through collaborative learning processes, applied research, advisory services and accompaniment. www.cdacollaborative.org

Project team

Anita Ernstorfer
CDA Collaborative Learning Projects

Adrienne Gardaz Cuendet
UN Global Compact

Diana Chigas
CDA Collaborative Learning Projects

Leimer Tejeda
UN Global Compact

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Disclaimer

This publication is intended strictly for learning purposes. The inclusion of company names and/or examples does not constitute an endorsement of the individual companies by the United Nations Global Compact. The material in this publication may be quoted and used provided there is proper attribution.

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A recent Chatham House research study on the potential of the extractive sector in support of peace concluded:

*“Existing guidelines generally stop at ‘do no harm. [...] New approaches are needed: At present there is little in the way of an evidence base or decision making framework to enable stakeholders to assess conflict risk against peace-positive potential. This makes it difficult to reach informed and inclusive decisions on how to proceed in a given context. A transparent, multi-stakeholder process to develop such a framework would, at a minimum, deepen understanding of the links between resource development, conflict and peace – and what constitutes responsibility beyond ‘do no harm’.”*¹

¹ Bailey, Rob / Jolyon Ford / Oli Brown and Siân Bradley. 2015. Investing in Stability - Can Extractive-Sector Development Help Build Peace? Chatham House Energy, Environment and Resources.

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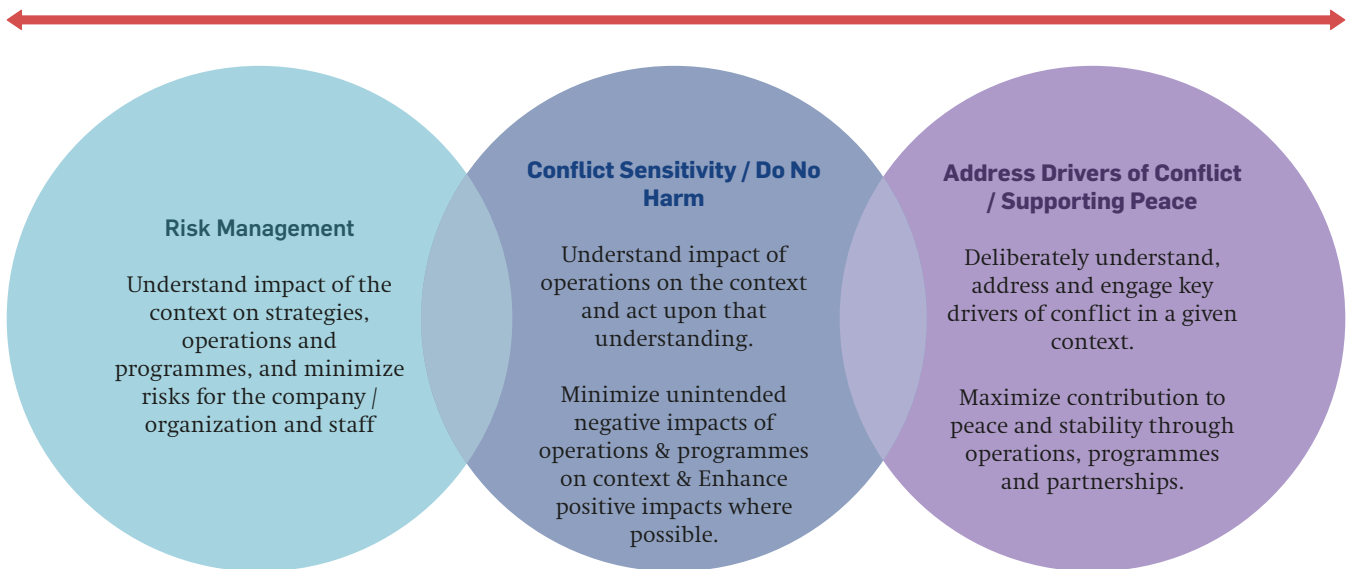
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EXECUTIVE SUMMARY

The launch of the Sustainable Development Goals (SDGs) and the growth of the UN Global Compact Business for Peace platform represent two opportunities for companies to seek ever more ways to have a positive impact on society and to engage in support of peace. This resource seeks to advance the discussion on how business can contribute to SDG 16, specifically providing a foundation for on understanding the role of the private sector in support of peace in conflict-affected and high-risk areas. This document complements existing materials such as the UN Global Compact *Guidance on Responsible Business in Conflict-Affected and High-Risk Areas* with a new perspective on deliberate contributions to peace by companies.

Company engagement in conflict-affected and high-risk environments falls along a spectrum: from risk management, to avoiding negative effects (“doing no harm”) and contributing to positive change, where possible, to, more directly addressing key drivers of conflict and violence.

Spectrum of engagement with conflict affected contexts



Conflict-sensitive operations are critical for all operations in conflict-affected areas, and may serve as a foundation for more direct peace efforts. Companies can then take the next step and leverage their work in conflict-affected contexts and go beyond risk management and “do no harm” to make intentional contributions to peace and develop strategies to measure their impact on conflict drivers.

Companies can make critical contributions to peace if efforts across the entire company operations are aligned: core business, engagement with Government and stakeholders, and social investment. Using the UN Global Compact Management Model, this resource describes different steps companies can take to maximize their contributions to peace. It also outlines types of activities business can and does take to affect drivers of conflict and peace directly—including economic development, social cohesion and dialogue, and contribution to peace processes—and the skills and partnerships needed to implement them effectively.

1. Commit—understanding why contributing to peace is important for business: Contributions to peace include a number of areas that are within the sphere of influence of companies, such as economic empowerment, ethnic inclusion, public-private dialogue, good governance, anti-corruption or security sector effectiveness. The nature of the conflict and the type and characteristics of a company determine whether and how companies can contribute.

2. Assess—using conflict analysis to determine how to make a positive contribution to peace: Conducting a conflict analysis is critical for determining business contributions to peace. Conflict analysis includes identifying underlying causes and drivers of violence and tension. It can be embedded within other assessment and reporting processes, or conducted in partnership with other agencies.

3. Define—setting goals and developing context-relevant approaches for maximizing impacts on peace: Meeting existing standards for corporate responsibility may or may not contribute to peace, depending on whether they are relevant the key drivers of the conflict. Business contributions to peace need to be planned for in context. It is important to include a clear articulation of goals for maximizing impacts on peace. Identifying a robust “theory of change” that explains how and why core business operations, social investment and relations with governmental and non-governmental stakeholders will address drivers of conflict and peace helps ensure that the effort is strategic.

4. Implement—monitoring and evaluating programme effectiveness and peace effectiveness: Monitoring and evaluating a company’s impacts on peace examines how the larger (conflict) context is impacted by business operations. This entails measuring the performance of the company against its own targets and goals (“programme effectiveness”), but also whether it has contributed to changes in the key drivers of conflict (“peace effectiveness”). Given the rapidly changing conditions in conflict-affected contexts, it is critical to also monitor and evaluate unintended results of efforts, both positive and negative.

5. Communicate—reporting on impact and progress towards peace. Companies are encouraged to build into their communication and reporting to stakeholders their impacts and contributions to peace.

As the business community around the world recognizes its potential to contribute to peace, this resource highlights the opportunities, as well as the basics of proactive and strategic engagement, for business to go beyond doing no harm and maximize their impacts on peace.



1

INTRODUCTION & PURPOSE

In September 2015, the United Nations launched the Sustainable Development Goals (SDGs). The 17 SDGs set a 15-year timeframe to mobilize global sustainable development efforts around a common set of goals and targets, aspirations, and priorities. A new and unique feature of this global development framework is the recognition by the international community of the importance of peace and stability as a long-term foundation for development.

During the global consultations that lead to the development of the SDGs, there was a deliberate effort to include the private sector's view in the process of creating the new development framework. Companies are now called upon to play an active role in the implementation and achievement of the SDGs.

Business can be a powerful agent of change in an interconnected world where the private sector, Governments and society have differentiated responsibilities but a shared interest in stability, prosperity, peace and development. That is why the UN Global Compact asks companies to first do business responsibly and then pursue opportunities to solve societal challenges through business innovation and collaboration – both important contributions to the SDGs. Conducting responsible business operations in all areas of the world and taking action to advance peace is in everyone's interest, including business. The SDG 16—to “promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels”— provides a crucial opportunity for companies to align corporate strategies with a new universal goal on peace, and to strengthen responsibilities and commitments to these efforts.

This resource document makes a timely contribution to advance the discussion on how business can contribute to SDG 16, specifically providing a foundation to measuring company actions that can advance peace.



With a view to enabling companies to identify strategic priorities based on responsibilities and opportunities, establish goals, and report on progress- in line with the SDGs- the UN Global Compact launched the SDG Compass. The objective of the SDG Compass is to guide in their efforts to contribute to the realization of the SDGs, and offers a number of online resources to support them in the execution of those steps.

To learn more about the Compass and how to take action in support of the broader development agenda please visit the Compass dedicated website (SDGcompass.org).



SUSTAINABLE DEVELOPMENT GOALS

1 NO POVERTY 	2 ZERO HUNGER 	3 GOOD HEALTH AND WELL-BEING 	4 QUALITY EDUCATION 	5 GENDER EQUALITY 	6 CLEAN WATER AND SANITATION
7 AFFORDABLE AND CLEAN ENERGY 	8 DECENT WORK AND ECONOMIC GROWTH 	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 	10 REDUCED INEQUALITIES 	11 SUSTAINABLE CITIES AND COMMUNITIES 	12 RESPONSIBLE CONSUMPTION AND PRODUCTION
13 CLIMATE ACTION 	14 LIFE BELOW WATER 	15 LIFE ON LAND 	16 PEACE AND JUSTICE STRONG INSTITUTIONS 	17 PARTNERSHIPS FOR THE GOALS 	 THE GLOBAL GOALS For Sustainable Development

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For queries on usage, contact: dpicampaigns@un.org



16 PEACE AND JUSTICE STRONG INSTITUTIONS

Goal 16: Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels

- 16.1 Significantly reduce all forms of violence and related death rates everywhere
- 16.2 End abuse, exploitation, trafficking and all forms of violence against and torture of children
- 16.3 Promote the rule of law at the national and international levels and ensure equal access to justice for all
- 16.4 By 2030, significantly reduce illicit financial and arms flows, strengthen the recovery and return of stolen assets and combat all forms of organized crime
- 16.5 Substantially reduce corruption and bribery in all their forms
- 16.6 Develop effective, accountable and transparent institutions at all levels
- 16.7 Ensure responsive, inclusive, participatory and representative decision-making at all levels
- 16.8 Broaden and strengthen the participation of developing countries in the institutions of global governance
- 16.9 By 2030, provide legal identity for all, including birth registration
- 16.10 Ensure public access to information and protect fundamental freedoms, in accordance with national legislation and international agreements
- 16.a Strengthen relevant national institutions, including through international cooperation, for building capacity at all levels, in particular in developing countries, to prevent violence and combat terrorism and crime
- 16.b Promote and enforce non-discriminatory laws and policies for sustainable development



Since the inception of the UN Global Compact, efforts have been undertaken with the private sector to explore the role of business in contributing to peace. Recognizing that companies of all forms – small and large, public and private, international and local – face challenges to operating in high-risk environments, the UN Global Compact developed the *Guidance on Responsible Business in Conflict-Affected and High-Risk Areas*. This voluntary guidance joins a range of tools and initiatives to support companies in developing policies and implementing responsible business practices aligned with the UN Global Compact Ten Principles in conflict-affected and high-risk areas.

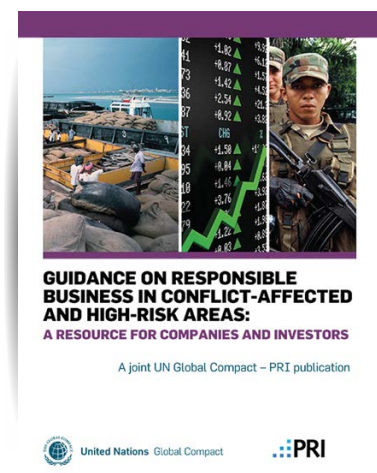
In September 2013, Secretary-General Ban Ki-moon launched the business leadership platform, Business for Peace (B4P), to mobilize greater engagement of business in support of peace as a complement to Government action. Led by the UN Global Compact with a multi-stakeholder Steering Committee, this platform seeks to elevate and strengthen support for business contributions and for public-private dialogue to advance peace. The unprecedented growth of the B4P platform indicates an ever-stronger interest from the global business community to have a positive impact on society and to engage in support of peace. Companies with different motivations and profiles (geography, size, sector and

familiarity with sustainability issues) have joined B4P. Among them, a number have expressed an interest in better understanding and identifying ways to measure the outcomes of their engagement in support of peace. **This resource document makes a timely contribution to the Business for Peace movement by going beyond a risk management and “do no harm” approach to advancing the discussion on intentional contributions to peace and how companies can develop strategies to measure their impact.**

Scope, Structure and Audience

This resource is focused on understanding the role of the private sector in support of peace in conflict-affected and high-risk areas. It intends to stretch the understanding of peace beyond negative peace, or the absence of violence. It seeks to explore how business can contribute to positive peace, which includes constructive relationships, effective institutions, and the creation of social systems that address underlying drivers of conflict and serve the needs of the whole population and the constructive transformation of conflict. This document is a first introduction, and does not provide detailed guidance to companies.

In 2010, the UN Global Compact published the *Guidance on Responsible Business in Conflict-Affected & High-Risk Areas: A Resource for Companies and Investors* that aims to assist companies in implementing responsible business practices in conflict-affected and high-risk areas consistent with the Global Compact Ten Principles. To learn more, please visit www.unglobalcompact.org/library/281



The meaning of “conflict-affected” and “high-risk” in this document:

There is no single definition for the terms “conflict-affected” or “high-risk” areas. This resource may be relevant for a variety of contexts, including countries, areas or regions:

- That are not currently experiencing high levels of armed violence, but where political and social instability prevails, and a number of factors are present that make a future outbreak of violence more likely;
- In which there are serious concerns about abuses of human rights and political and civil liberties, but where violent conflict is not currently present;
- That are currently experiencing violent conflict, including civil wars, armed insurrections, inter-state wars and other types of organized violence; and
- That are currently in transition from violent conflict to peace (these are sometimes referred to as “post-conflict”; however, transition contexts remain highly volatile and at risk of falling back into violent conflict).

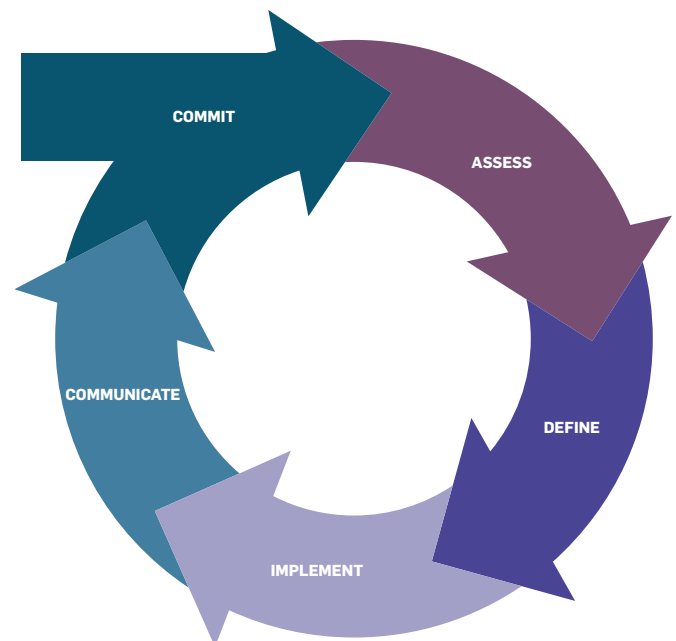
As such, the objectives of this document are to:

- Provide the growing Business for Peace movement with an introduction on how business can make intentional positive contributions to peace;
- Advance understanding of what constitutes business contributions to peace; and
- Help to clarify how business can measure its contribution to peace and how impact can be assessed.

The UN Global Compact Management Model provides a simple, yet broad and flexible guide to companies of all sizes and sectors to align company sustainability strategy with the Global Compact. In this regard, it is also a useful management framework for companies

to plan and assess business contributions to peace. The model has been adapted for this resource to walk companies through the steps and types of issues that need to be taken into consideration when embarking on the process of making positive and intentional contributions to peace.

Designed mainly for companies, business associations and Global Compact Local Networks, the guidance is also useful for local, national and international stakeholders engaging with companies, as well as Governments, development and peacebuilding practitioners, policy makers and academic audiences.



2 SPECTRUM OF COMPANY ENGAGEMENT WITH CONFLICT-AFFECTED AND HIGH-RISK AREAS

Company engagement in conflict-affected and high-risk environments falls along a spectrum: from risk management, to avoiding negative effects (“doing no harm”) and contributing to positive change where possible, to, at the far end of the spectrum, more directly addressing key drivers of conflict and violence. This resource is concerned with the third level of the spectrum – understanding how business can purposefully make a contribution to peace by addressing key drivers of conflict and violence.

Spectrum of engagement with conflict affected contexts

	Definition:	Main Objective:	Who?	Required Analysis:	Measure of Effectiveness:	Partnerships:
<p>Risk Management</p> <p>Understand impact of the context on strategies, operations and programmes, and minimize risks for the company / organization and staff.</p>	<p>Company Risk Management in Conflict-Affected Areas</p> <p>Identification, assessment, prioritization of risks and allocation of appropriate resources to minimize, monitor and mitigate financial, operational, legal and reputational risks related to the conflict environment.</p>	Determine viability of business operations in conflict-affected areas, or take actions to assure business continuity, if possible, and secure safety of people and assets.	Companies implement risk management strategies in conflict-affected contexts.	Requires an understanding of the main conflict risks in the given context, with a focus on their implications on safety and security, legal compliance and reputation risk.	Company is able to continue operations, and people and assets are safe and secure (or company suspends operations).	Exchange with other companies and the authorities is useful to keep up to date on conflict risks. Risk mitigation measures may be undertaken together with other companies, Government authorities, security services, labour unions or others.
<p>Conflict Sensitivity / Do No Harm</p> <p>Understand impact of operations on the context and act upon that understanding.</p> <p>Minimize unintended negative impacts of operations & programmes on context & Enhance positive impacts where possible.</p>	<p>Conflict Sensitivity / Do No Harm</p> <p>Ability of a company to ensure that core business operations, government relations, stakeholder engagement and social investments “do no harm”, i.e., do not inadvertently intensify existing conflicts or create new ones, mitigate risks and, where possible, help ameliorate conflict.</p> <p>A conflict-sensitive approach is one in which a company:</p> <p>a) understands the context and relevant conflicts in which it operates; b) understands the interaction between its operations and the conflict context; and c) plans and implements all of its activities in a manner that avoids negative impacts on conflict and maximizes positive ones.</p>	Work IN the context of conflict to ensure that core business operations, social investments, government relations and stakeholder relations do not exacerbate conflict and that they have positive impacts and help reduce tensions where possible.	All companies, all sectors, at all stages of conflict should conduct business in a conflict-sensitive way.	Requires an adequate understanding of the positions and interests of local actors (including the company itself), the relationships among them, dividers and connectors, and social and environmental impact assessments and human rights due diligence.	At a minimum, company operation does not exacerbate the conflict and, ideally, makes positive contributions to mitigating conflict.	In addition to integrating conflict sensitivity into individual company operations, partnerships with other companies, Government, labour and civil society actors may be required to understand and address conflict risks.
<p>Address Drivers of Conflict / Contributing to Peace</p> <p>Deliberately understand, address and engage key drivers of conflict in a given context.</p> <p>Maximize contribution to peace through operations, programmes and partnerships.</p>	<p>Business Contributions to Peace</p> <p>Deliberate measures undertaken by business actors to (i) end violence and address the key driving factors of conflict, and (ii) forge alliances and partnerships to coordinate and advocate for comprehensive and multi- sectoral strategies to promote peace.</p> <p>Key drivers of conflict are factors that influence heavily the existence and nature of the conflict. These can include grievances, resources and capacities to wage violent conflict, relationships and attitudes, and structures (social, economic, political and cultural) that drive conflict or peace, and the dynamics among them.</p>	Work ON conflict dynamics, seeking to address key drivers of conflict and peace and to contribute to larger socio-political peace efforts, through companies’ own operations, collective efforts or support for other initiatives.	Companies in areas affected by conflict and fragility that have an objective of reducing violence and addressing underlying drivers of conflict, and have the skills, trusted relationships and adequate history of engagement in a given setting.	Requires a robust understanding of the key micro and macro drivers of conflict and conflict dynamics, including an understanding of key actors and stakeholders, as well as opportunities for companies to influence the drivers.	Business initiatives reduce the potency of key driving factors of conflict and strengthen dynamics for peace.	Requires strong alliances with other businesses, business associations, labour, Government, civil society and/or intergovernmental organizations (UN, regional organizations) and other international peacebuilding entities at every step of the process.

Figure 1: The conflict spectrum (adapted from CDA, September 2014)

Table 2 above illustrates key differences in approaches between risk management, conflict-sensitive business policy and practice and deliberate efforts to maximize business contributions to peace:

Partnerships to Address Key Drivers of Conflict in the Niger Delta

One oil company's work in the Niger Delta, Nigeria, is one such case where the company identified key drivers of conflict – such as high unemployment and weak governance capacity – which were affecting not only its operations, but also a large number of communities. After identifying the key drivers of the conflict, the company first negotiated a Global Memorandum of Understanding with local communities. Recognizing, however, that resolving certain long-standing issues were beyond the capacity of the company, it established the Foundation for Partnership Initiatives in the Niger Delta (PIND), which developed partnerships with Nigerian state and local governments, international donors, NGOs and communities to bring together appropriate technical expertise and state and community buy-in for programmes that addressed those problems at a regional level. In doing so, PIND has been able to address key drivers of the conflict in the Niger Delta region and contributed to a reduction in violence.

While conflict-sensitive operations are critical for all operations in conflict-affected areas, and may serve as a foundation for more direct peace efforts, companies are

called upon to pro-actively explore how they can go beyond “doing no harm” and maximize their contributions to peace.



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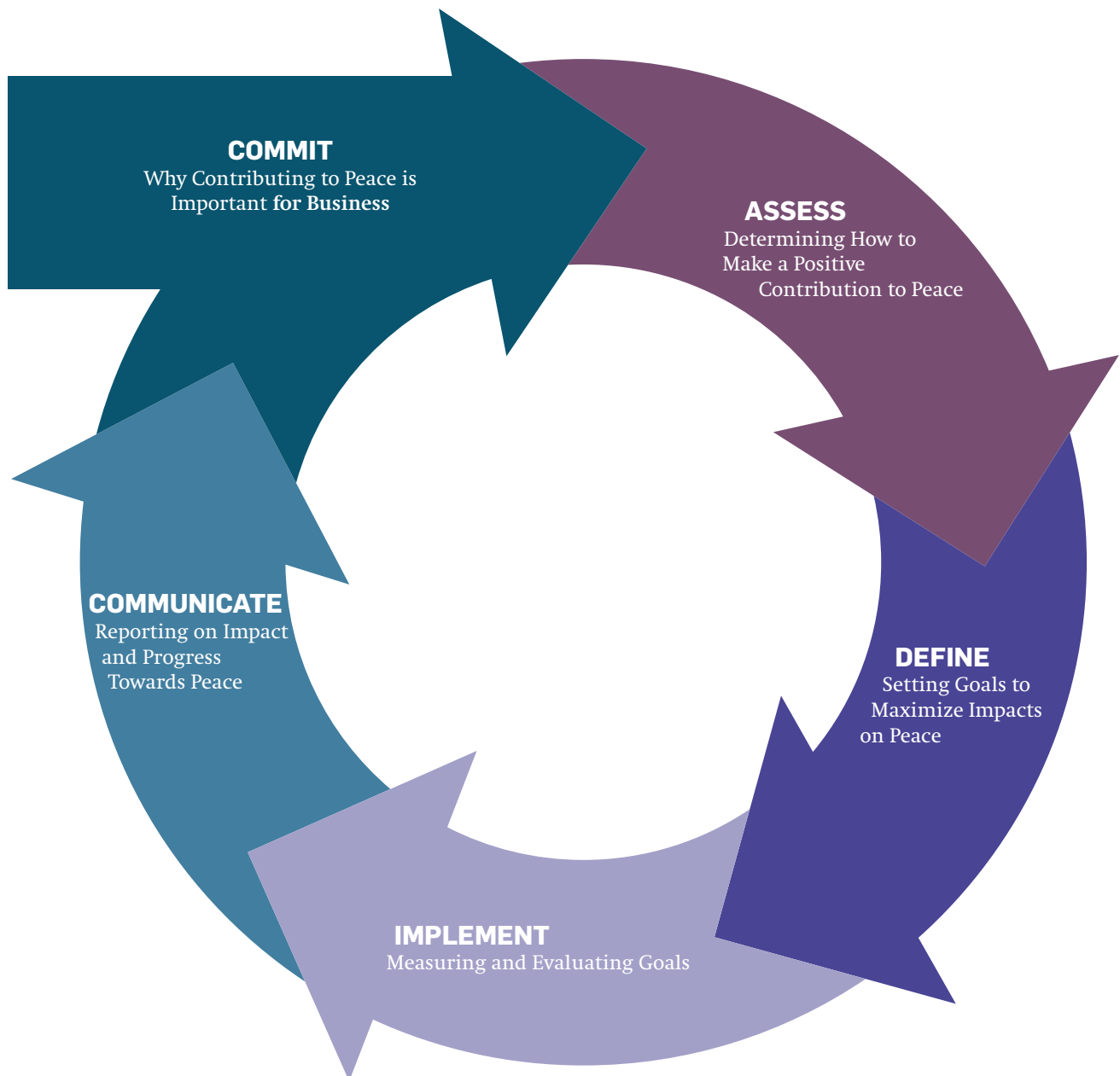
BUSINESS CONTRIBUTIONS TO PEACE

Different Steps for Companies

The process of implementing strategies that address key drivers of conflict and contribute to peace can be a difficult and complex effort that requires strong leadership. As a company begins the journey to make intentional and measurable contributions to peace, company leadership may find the UN Global Compact Management Model as a useful framework.

The model is an iterative process for continuous improvement recognizing that private sector contributions to peace evolve over time and

need to be adapted to changes in conflict dynamics. While each of the steps provides an essential piece to support a company's efforts, companies might benefit from customizing the order of steps to meet their specific needs, depending on the context. For example, a company might communicate the findings of its assessment to stakeholders, prior to defining measurement and evaluations mechanism to contribute to peace.

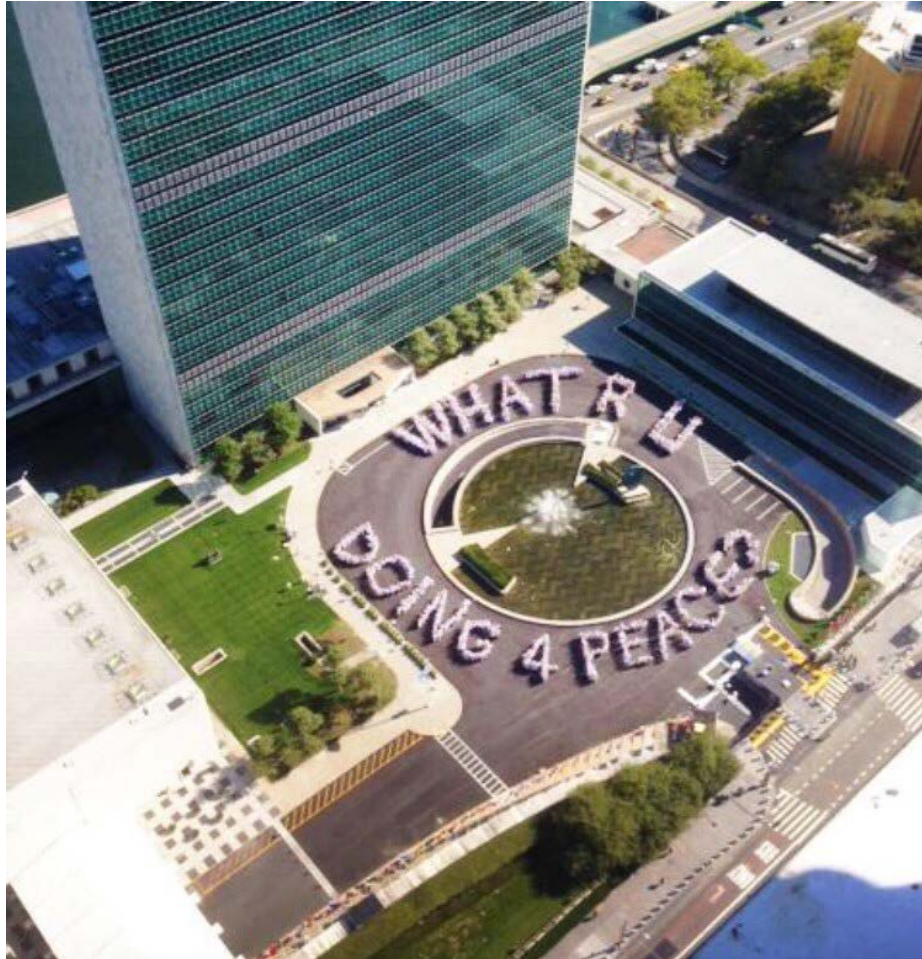


3.1 Commit: Why Contributing to Peace is Important for Business

Conducting responsible business operations in all areas of the world and taking action to advance peace is in everyone's interest, including business. Conflict and instability not only impact people and the environment; they also pose risk to all parts of the business sector.

There is overwhelming evidence of the cost of conflict to the economy. Peaceful and stable operating environments are conducive for business; they feature more and better investment opportunities, and reduce operational and security costs and risks. Companies operating in conflict-affected contexts require a solid understanding of conflict dynamics to create shared value, recognizing that societal needs ultimately define markets.

Contributions to peace are multi-faceted and can include a number of areas that lie within the scope of influence of the private sector, such as economic empowerment, ethnic inclusion, public private dialogue, effective Government institutions, corruption or security sector effectiveness. If and how these areas can be relevant for peace will depend on a context specific understanding of the drivers of conflict. Local and international companies have an important role to play not just to bring revenue and technical know-how, but also to help find solutions to national, local and regional challenges that, at the same time, also promote their longer-term business interests and scope of operation.



Regional Business Collaboration in the South Caucasus ²

In the South Caucasus, at a regional level, collective efforts by local businesses have been organized through the Caucasus Business and Development Network (CBDN), which seeks to facilitate regional economic cooperation based on a shared vision of an economically connected and cooperating, peaceful South Caucasus. It consists of business people, civil society activists and academics, and has been supported by International Alert since 2005. In an environment with few channels for interaction across the conflict divides, CBDN is the only functional network engaging with private sectors and economic actors across the region, including in the disputed territories of Abkhazia, Nagorny Karabakh and South Ossetia. The basic underlying assumptions and theories of change for this work are the following:

- (i) shared economic interests and trade relations provide a common interest across divides;
- (ii) business and economic development are common interests and a (perceivably) less politicized topic to gather around; and
- (iii) small- and medium-size enterprises have been identified as strategic change agents regarding their role as relatively independent actors.

Although cooperation among local businesses never stopped among Armenian, Turkish, Georgian, South Ossetian, Abkhaz and Azerbaijani businesses during the various stages and levels of conflict in the region, it has not necessarily always happened with an aim to contributing to conflict transformation. Mutually acceptable legal and regulatory frameworks were introduced in order to overcome corruption, shadow economies, rent-seeking and in order to increase trust among the population. The impact of private sector actions on a political resolution of the conflicts in the South Caucasus is limited. Nevertheless, efforts such as CBDN represent an important aspect of contributing to trust and regional collaboration.

²See International Alert. 2012. Mediation and Dialogue in the South Caucasus. A reflection on 15 years of conflict transformation initiatives.

3.2 Assess: Determining How to Make a Positive Contribution to Peace

3.2.1 Conflict Analysis

A company determining to make a positive contribution to peace needs to consider the nature of the conflict as well as its specific role in a given context.

Understanding the nature of the conflict: the need for a conflict analysis

The conflict dynamics and the nature of the

company are decisive factors in determining possible business contributions to peace. Conducting conflict analysis and gaining an in-depth understanding of the context is thus critical, along with analyzing opportunities, constraints and approaches for engagement.

Key Questions for Conflict Analysis:

Conflict Context: What is the general socio-economic and socio-political context? What are important regional, cross-border and international dynamics that influence the situation? What areas / regions /communities are particularly affected by violent conflict?

Structural conflict causes, conflict drivers and triggers: What are deep-rooted structural causes of violent conflict? Which events and conflict triggers could further exacerbate tensions? What are the patterns of behavior and strategies that fuel violence? What is the relationship between different conflict factors, how do they interrelate?

Actors: Who are the “key people” in the conflict situation – who has power and can say “yes” or “no” to peace? Who are the main actors that perpetuate violence? Who are the champions for peace? What is the relationship between key actors and the main conflict dynamics? Who are the “hard to reach” and who has access to them?

Capacities for peace: What factors are/can contribute to peace and stability? What currently brings people together across divides and can be built upon or reinforced? What are the existing mechanisms in society that play constructive roles for conflict transformation? Which of those make a significant difference for peace and conflict?

Scenarios: What are possible/likely scenarios in the current conflict situation? What are current trends? What is the impact of these scenarios on the conflict drivers and peace potentials?

Relevance Assessment

Identifying and evaluating business contributions to peace requires clearly defined relevance criteria grounded in an analysis of the key drivers of conflict and peace. **Conflict analysis** along with an analysis of the **relevance** of the company and business initiatives to the conflict, are therefore key to assessing business contributions to peace. **Conflict analysis** helps to understand key driving factors of conflict and peace and the evolution of those drivers over the time period covered. **Relevance analysis** identifies whether the broader changes targeted by business initiatives, policies or actions are connected to the needed changes specified in the conflict analysis; in planning, it helps to ensure that activities are strategic, and in evaluation, to assess whether business have made an impact to peace.

In planning, companies should decide where and how they can make the greatest contribution in a particular context, based on: the **characteristics of the company**; their **position** in the context; how they are being **perceived** by stakeholders given their mandate, interests, values, nature and history of business operations; and their resources, skills, constraints, networks and relationships. National and local businesses will, in most cases, have very different characteristics, relationships, interests, incentives and entry points than multinational companies with global operations. Different **histories** and **relationships** at the national and local levels, different **corporate decision-making processes**, or different available **resources** all play a role in determining the types of possible engagement.

Doing conflict analysis can place an additional burden on staff. In order to reduce this burden, it can be helpful to embed conflict analysis within other assessment and reporting processes and to partner with other agencies (such as the United Nations, World Bank, bilateral donors or civil society) in conflict analysis processes. The Voluntary Principles on Security and Human Rights (VPs), for example, require an understanding of the root causes and nature of local conflicts, as well as the level of adherence to human rights and international humanitarian law standards by key actors under the principle of a risk assessment. Similarly, the United Nations Global Compact *Guidance on Responsible Business in Conflict-Affected and High-Risk Areas*

suggests that companies need to use a conflict analysis in an ongoing manner that allows the company to continually understand the context.³ Processes used to conduct analyses for these could easily be built upon to generate analysis of key drivers of conflict and peace at a broader level, including how these drivers influence local dynamics in companies' area of operation.

Other frameworks that focus on reporting social and human rights risks can also be used to inform conflict analysis. These include: the IFC's Performance Standards and the environmental and social impact assessment (ESIA) or cumulative impact assessment (CIA) conducted to implement IFC Standard 1 (Assessment and Management of Environmental and Social Risks and Impacts); the UN Guiding Principles on Business and Human Rights (UNGPs)'s Reporting Framework - the Human Rights Reporting and Assurance Frameworks and Initiatives (RAFI); and GRI's G4 Reporting Framework.

Partnering on Conflict Analysis Processes—for example, country-wide assessments by the United Nations system or the World Bank or bilateral donor, civil society or NGO-led analyses—can also reduce the burden on companies and offers good opportunities for companies to work together with other actors to enhance their expertise and their impact.

³UN Global Compact Guidance on responsible business in conflict-affected and high-risk areas https://www.unglobalcompact.org/docs/issues_doc/Peace_and_Business/Guidance_RB.pdf

3.3 Define: Setting Goals for Maximizing Impacts on Peace

Having an understanding of the key drivers of conflict and company relevance enables companies to understand the nature of

opportunities to positively influence conflict dynamics.

3.3.1 Identifying Areas for Influence and a Robust “Theory of Change”

Business contributions to peace need to be planned for, including a clear articulation of goals, assumptions about change and a plan for how to measure outcomes. For many companies, a clear and well-articulated business case for their operational activities is their “theory of change” for achieving business

objectives. The same must be true for an initiative aiming to contribute to peace: the company needs to clarify a theory of change regarding peace-related activities to ensure that its effort is strategic and contributes to larger change. Identifying a valid “theory of change” is therefore an important aspect of planning

Theory of Change

A theory of change is an explanation of how and why an action is believed to be capable of bringing about its planned objectives, i.e. the changes it hopes to create through its activities, thereby revealing underlying assumptions. A clear theory of change helps to articulate the logical flow from the starting point (analysis) to the action (goal) to the change the company wants to make.

In order to capture contributions to peace, the following questions should be considered:

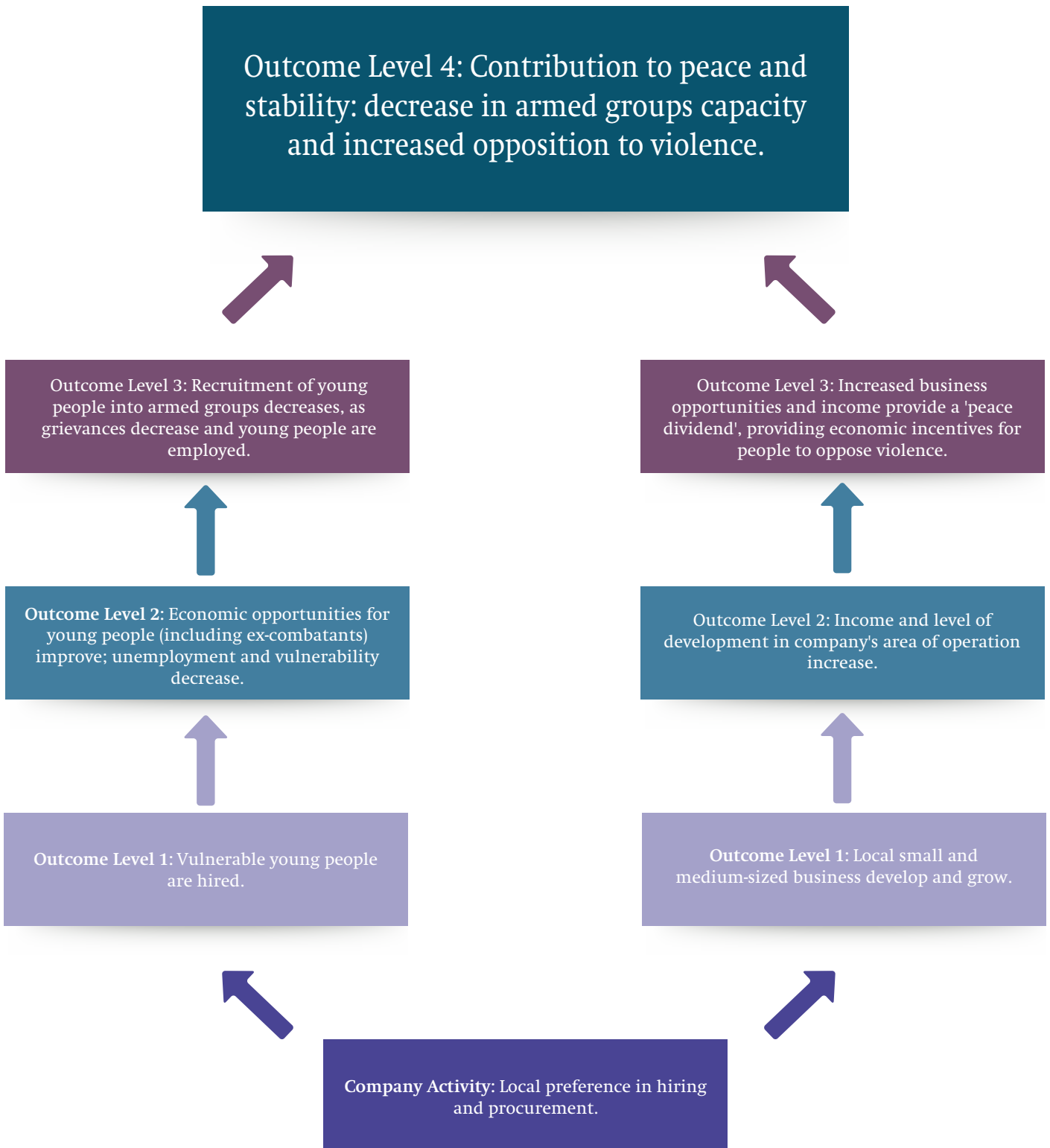
What drivers of conflict or peace is the business aiming to influence—through specific core business operations, social investment, government relations or stakeholder relations? In other words, what is the goal in relation to peace? Is it clear, concrete and grounded in the context?

How will the business policies, practices, operational and social investment activities and relationships lead to the desired change? In other words, what is the theory of change of how the activities will contribute to peace?

Figure 4 illustrates a simplified theory of change for business contribution to peace based on generating income and employment opportunities that increase support for peace and reduce incentives to engage in or support violence. It includes the direct outcomes of

business activities (jobs/hiring, small business growth) and the further outcomes that explain how those programs will affect key drivers of conflict.

Figure 4: Theory of change – example of Business for Peace strategy



3.3.2 Benchmarking and Measuring Success

Being explicit about company goals to make a contribution to peace is helpful for *planning*, *monitoring* and *evaluation* because it allows for the creation of specific **benchmarks** and **indicators** to measure progress and impact at each level of the theory of change. **Planning for and assessing impacts on peace entails understanding the relationship of programme goals to conflict drivers.** In the example above, benchmarks and indicators would be developed to:

Track the number of jobs filled by local hires, or number of local suppliers contracted by the company (company activity).

Assess the *relevance* of the goal and activities (providing local jobs and greater income to local business) to the conflict. Are unemployment and economic incentives for peace in the company's area of operation, for example, significant in this context?

Track whether economic opportunities for young people improve (i.e. were young people hired, and did unemployment decrease—Outcome level 2, and did their sense of grievance and/or their attitudes toward violent groups change—Outcome level 3?).

The following general principles should be taken into consideration in developing indicators:

Identify relevant conflict indicators. Conflict indicators track changes in key drivers of conflict that a company intends to influence and other drivers that affect the business. They provide a basis for evaluating changes in the context to which business may contribute and for deciding when and how to adapt or change policies and activities; worsening conflict trends should trigger inquiry into whether a change of strategy is needed, and whether business is contributing to those trends.

Draw from a range of indicators. No single indicator can tell a full and accurate story

about progress. Consequently combinations (“baskets”) of indicators are useful to minimize the risk that particular indicators suggest misleading results. In addition, a balance of objective (e.g., # homicides) and subjective and experience-based (perceptions of insecurity, experiences of discrimination, etc.) measures and sources of data should be included.

Disaggregate data. Examining how different policies and actions affect differing groups can be gathered by disaggregating data on other indicators (e.g. employment, income and access to services, etc.) by ethnicity, religion, geographic region, gender or other salient group division. As disaggregation may carry political sensitivities/risks for vulnerable groups, confidential and impartial data gathering mechanisms are preferable.

Consider data collection limitations. In developing monitoring and evaluation processes, including selecting indicators, it is important to consider the challenges of data collection in conflict-affected and high-risk areas contexts. Constraints range from availability of basic statistical data on services or income, to limited access to people and places (due to security or other reasons), and lack of organizational capacity (human resources, budget, skill). Data collection needs to be done in a way that respects confidentiality, especially in situations where it may put stakeholders in a difficult or dangerous position.

Monitoring and Evaluation to Improve Impacts

Since the democratic Government in South Africa was established in 1994, the Government has enacted legislation for Black Economic Empowerment (BEE) in order to redress a significant injustice and potential source of renewed violent conflict: economic marginalization of the majority population. The legislation promoted black ownership and management control of businesses, as well as employment equity, skills development, preferential procurement, enterprise development and socio-economic development. A BEE scorecard enacted into law in 2007 with clear criteria and weighting of mechanisms allowed for practical assessment of a company's BEE performance. While not explicitly designed as a "peacebuilding" initiative, Black Economic Empowerment was relevant to peace in that it addressed a key driver of conflict—exclusion of the majority population from economic development. From a monitoring perspective, the application of a BEE "scorecard" in South Africa has clear criteria and weighting of priorities to assess companies' performance in promoting black economic empowerment. This played an important role in strengthening the commitment and contribution of a South African industrial tool and equipment company to addressing black economic marginalization. The company had received an initial score of "non-compliant" in part because it did not track its social performance well enough even to know where it stood against the BEE criteria. As the company developed clearer goals, policies and practices for promoting economic justice, it instituted systems for tracking progress, using the BEE scorecard, as well as additional monitoring of accomplishments and challenges, including individual performance by management. The clarity of the monitoring and evaluation provided led to the integration of social performance into normal management conversations and the development of innovative and effective strategies that matched business goals with the social goal of addressing inequality.

Indicator-based monitoring and evaluation could be supplemented with processes grounded in more open-ended inquiry and

processes to surface the mechanisms by which change has happened.

Using Participatory Processes

Local people—whether at the community or national level—are often best placed to identify what an improvement in the conflict situation would look like, and to identify positive and negative company impacts on the conflict, especially unanticipated ones. Broad consultation with people from a range of perspectives, and engagement of stakeholders in the development of indicators can be useful in monitoring and evaluation.

3.4 Implement: Monitoring and Evaluating Goals

The following section is intended to provide an overview of key considerations for monitoring and evaluation the implementation of

activities that contribute to peace and the differences between programme effectiveness and peace effectiveness.

3.4.1 Distinguishing Operational & Programme Effectiveness and Peace Effectiveness

Assessing a company's deliberate attempts to contribute to peace – whether they do indeed make a contribution, and if so, how these contributions are achieved – requires distinguishing operational and **programme effectiveness** from **peace effectiveness**:

- *Monitoring and evaluating operational & programme effectiveness* entails assessing whether a project is achieving its intended goals in an effective manner. This kind of evaluation asks whether the operation

and/or programme was successful on its own terms—for example, whether the company provided jobs, affected unemployment, or effectively implemented an anti-corruption policy.

- *Monitoring and evaluating peace effectiveness* entails investigating whether an initiative addresses any of the key drivers of conflict identified during the conflict analysis.

Five mid-level Criteria for Peace Effectiveness

CDA's Reflecting on Peace Practice programme has developed several criteria for assessing mid-level impacts on the socio-political situation, based on extensive experience working with and assessing peace efforts globally. CDA found that an effort is making a meaningful contribution to the broader peace if it is addressing key dynamics of conflict and peace and it:

1. Results in the creation or reform of political institutions to handle grievances in situations where such grievances genuinely drive the conflict;
2. Contributes to a momentum for peace by causing participants and communities to develop their own peace initiatives in relation to critical elements of context analysis;
3. Increasingly prompts people to resist violence and provocations to violence;
4. Results in an increase in people's security and in their sense of security; and
5. Results in meaningful improvement in inter-group relations.⁴

⁴For a full discussion of RPP's Criteria of Peace Effectiveness, sometimes called the Building Blocks Toward Peace, see Anderson, M.B. and L. Olson 2003. *Confronting War: Critical Lessons for Peace Practitioners*. CDA.

See also Chigas, D., M. Church and V. Corlazzoli. 2014. *Evaluating Impacts of Peacebuilding Interventions: Approaches and Methods, Challenges and Considerations*. CCVRI Guidance Product. London: DFID. Available at <http://www.cdacollaborative.org/media/181401/Evaluating-Impacts-of-Peacebuilding-Interventions.pdf>.

3.4.2 Monitoring and Evaluation (M&E) of Business Contributions to Peace

A framework for monitoring and evaluating a company's impacts on peace supports an understanding of how the larger (conflict) context is impacted by business operations; it does not look only at specific conflict dynamics and triggers in which the company might have a direct stake.

Monitoring of business contributions to peace involves:

Continuous data collection on the evolution of key causes or drivers of conflict, peace and fragility in the country or area of concern; and

Continuous data collection on how companies (or the private sector as a whole) affect these drivers through their core business operations, social investment, relations with government and stakeholder engagement.

Evaluation of contributions to peace is often a one-time, or periodic, assessment at particular stages of the outcomes of business efforts in relation to the key driving factors of conflict and peace.

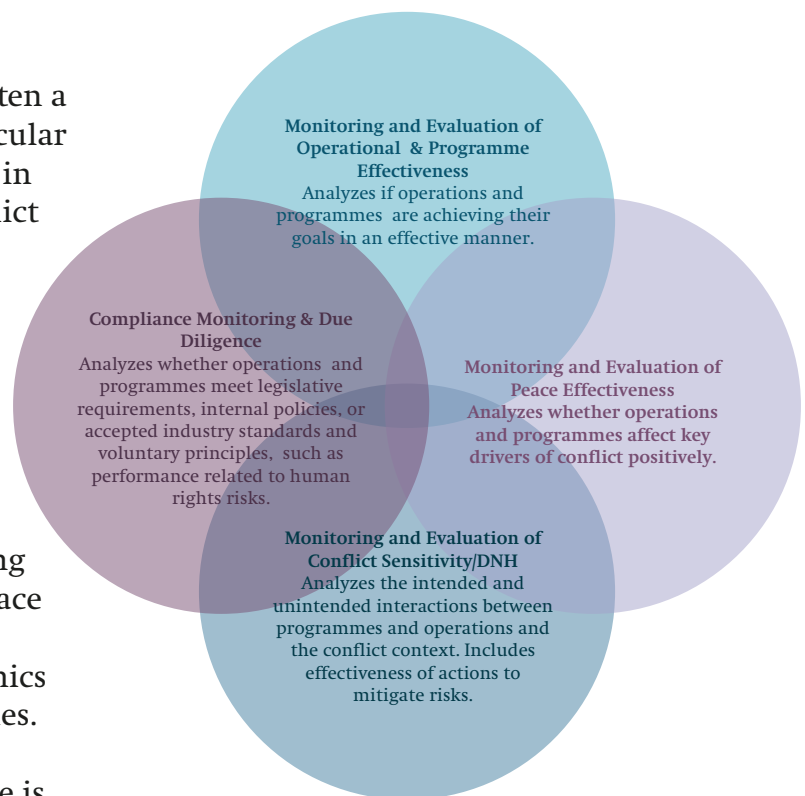
Solid data collection on the results of activities and the validity of the theories of change is important to measure the impact of peace efforts. Impact on peace is not represented by project activities, such as, for example, construction of a school, or the implementation of a training programme. "Results" and "impact" in peace efforts go beyond activities toward more sustainable changes in the conflict dynamics that might be catalyzed by certain activities.

Having a good **monitoring system** in place is critical to understand impact. As one evaluator has observed, *"If staff are not collecting and analyzing relevant monitoring data, then they'll just end up with a lot of small projects which seemed like a good idea at the time. Not easy to evaluate. You're going to need to see the data they used to make their decisions, and make your own judgment*

*about its quality."*⁵ The theory of change provides a starting point for developing the monitoring system.

Various monitoring and evaluation approaches exist for differing levels of engagement with conflict along the *spectrum of business engagement with conflict* (see Figure 1). The nature of the company's aims, operations, and specific efforts in conflict-affected environments will determine which is most appropriate. Figure 3 below illustrates the specific purposes of different types of M&E approaches for companies in conflict-affected areas, as well as their overlapping nature on some elements, which will be explained further below.

Figure 3: Different M&E Approaches



⁵See Kessler, A. and Tanburn, J. 2014. Why Evaluations Fail: The importance of good monitoring. DCED Paper.

Adopting and Implementing International Standards – Opportunities and Limitations to Maximize Business Contributions to Peace

A wide range of **international frameworks, guidelines and standards** exist to aid companies to support responsible business within a number of domains. Established to identify and mitigate negative corporate impacts, these non-binding standards benchmark responsibilities, while international guidance and frameworks provide recommendations and options for operations. Both are designed to address issues ranging from human rights (such as the UN Guiding Principles on Business and Human Rights, or the Voluntary Principles on Business and Human Rights), sourcing (such as the Kimberley Process), transparency and corruption (such as the Extractive Industry Transparency Initiative – EITI, or the Transparency International and Social Accountability International Business Principles for Countering Bribery), social and environmental impacts and risks (such as the International Finance Corporation’s Performance Standards and Guidance Notes), corporate impacts on conflict-affected and fragile states (such as the UN Global Compact Guidance on responsible business in conflict-affected and high-risk areas or the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High Risk Areas), as well as broader guidelines across multiple areas of impact (such as the OECD Guidelines for Multinational Enterprises or the UN Global Compact Ten Principles). Similarly, various **national guidelines** have been developed to improve upon a range of social impacts.

In some cases, potential areas of convergence and overlap between international frameworks and reporting mechanisms and the broader peace agenda do exist. For example, if a company’s adoption of anti-discrimination policies or anti-corruption policies serves as a model that catalyzes debate or if the governance of natural resources, specifically relating to issues of revenue transparency, is a key driver of conflict of a given situation, then there is a chance that adherence to the Extractive Industries Transparency Initiative (EITI) may impact on the broader socio-political situation. To have any certainty that revenue management addresses a key driving factor of conflict, however, and to understand how the company’s actions affect conflict dynamics, the company would have to conduct a conflict analysis and monitor the relevant drivers over time.

However, in many cases, successful implementation of standards or guidance, such as the Voluntary Principles or the UN Guiding Principles on Business and Human Rights, will not mean that a company has contributed to peace. It is important to understand areas of potential synergies between the existing standards and guidelines and the larger objective to discern the private sector’s impact on peace in the areas of their operations. None of the existing frameworks, guiding principles and voluntary standards is designed to reflect or identify contributions to peace, and most reporting on existing standards and frameworks relates to company activity vis-à-vis the standard, without capturing the broader outcomes on socio-political issues in the given situation. Adoption of a strong anti-corruption policy, with training and accountability mechanisms, within a company and throughout the supply chain, could ensure that a company does not reinforce corruption in society. To understand whether this effort is peace-promoting, one would need to identify whether and how corruption was a driver of conflict, and how the company’s actions affected the broader dynamics of conflict and peace.

At the same time, establishing industry-wide and multi-stakeholder business standards might also be a powerful means to establish joint accountabilities between business, Governments and civil society regarding global and regional issues that affect conflict dynamics.

A leading Colombian hydroelectric company sought to develop its operations in a region where guerilla groups were dominant and the state had no institutional presence. After a thorough conflict analysis of the Río Amoyá region, the company established a Human Rights Working Group that engaged local communities, local and regional government authorities and national armed forces representatives, and a Human Rights Observatory. The Observatory is in charge of receiving and doing a follow up to human rights violation complaints filed by local communities. The company does not have a direct participation in the working group besides being an observer, but its social investment plays a key role in the provision of resources and logistic requirements for the meetings. These mechanisms illustrate how the private sector can create and adopt mechanisms that contribute to peace building and dialogue between divergent and distrustful actors, while ensuring a sustainable and viable environment for their operations.

3.4.3 Monitoring and Evaluating Unintended Results

Even when initiatives are well-designed and implemented as planned, human behavior and responses are not always predictable.

Moreover, in conflict-affected and high-risk areas conditions are constantly changing. In this context it is important also to monitor and evaluate **unintended** results of efforts, both positive and negative.

Some *unintended consequences*, especially unintended negative impacts, can be anticipated and planned for. Guidance on conflict-sensitivity and risk assessment tools and processes highlighted earlier in this guidance can help identify potential negative conflict-related risks at each level of the theory of change. The risks and mitigating measures developed to address them can then be identified and monitored.

Some consequences, however, are both unintended and unanticipated. These are often outside the field of vision of a peace effort, and need “eyes wide open” M&E processes⁷ to capture them, such as:

- Developing diverse sources among and beyond a company’s stakeholders, and checking who is providing information, and who is being left out;
- Developing creative ways to get information on and about non-participants or beneficiaries of business operations (employees, suppliers, beneficiaries of social investment programmes, etc.);
- Complementing indicator-driven monitoring to include open-ended questions in monitoring and evaluation processes. Grievance mechanisms and other stakeholder engagement mechanisms for the company can also provide useful information about unanticipated impacts; and
- Exchange and cooperation with other peacebuilding actors in the region—from international organizations and donors to NGOs.

⁶ Example provided by the Global Compact Local Network in Colombia. For more information, see <http://www.ideaspaz.org/tools/download/59644>

⁷ Bamberger. 2012. “Unanticipated consequences of development evaluation: a blind spot for evaluation theory and practice.” http://www.ipdet.org/files/2012%20Guest%20Lectures/Bamberger_Guest_Lecture.pdf.

3.5 Communicate: Reporting on Impact and Progress Towards Peace



Companies are encouraged to build into their communication and reporting to stakeholders their impacts and contributions to peace. Small, medium and large companies benefit from publicly reporting and communicating their commitment and contributions to peace.

The indicators that a company defines in the process of assessing impacts and setting goals against conflict drivers- are important starting points for selecting the relevant indicators for reporting. Such indicators and reports enable shareholders and other stakeholders to make well-informed decisions about investments in or relationships with the company. These practices can also lead to the development of standardized information for assessing risks and opportunities to make a positive contribution to peace.

In addition to international reporting mechanisms, companies must consider the reporting requirements from both their home country (in the case of multinational companies) and the country of operations. U.S. companies operating in Myanmar, for example,

have a compulsory Responsible Investment Reporting Requirement, which must be submitted to the U.S. State Department. Making all or some of the specific goals and targets on how the company intends to make a positive contribution to peace public can be an effective communication tool to express a company's aspirations. Doing so may inspire and engage employees and business partners and can provide a good basis for constructive dialogue with external stakeholders and partners.

Companies can announce goals aligned with SDG16—and other SDGs—on the United Nations web site, using business.un.org. This includes a transparency requirement in the form of a commitment to communicate annually—about the progress made towards achieving goals using existing channels like sustainability or integrated reports.

4

APPROACHES OF PRIVATE SECTOR CONTRIBUTIONS TO PEACE

What are ways in which business can proactively contribute to peace? Conflict dynamics are complex, shaped by many forces, factors and actors, and thus do not lend themselves to “easy” or standardized solutions. Nonetheless, it is possible to identify a number of ways, or approaches, for business to make a positive contribution to peace in different circumstances.

The following section provides some examples of possible activities that business can undertake to contribute to peace -looking to

positively affect key drivers of conflict. To be effective, they must address drivers of conflict and peace in the particular context and be implemented in conflict-sensitive ways, i.e. through identifying and minimizing possible unintended negative side effects.



4.1 Fostering Economic Development

It is important to understand how economic development interrelates with key drivers of conflict:

Economic development undoubtedly can play a very important role in reducing incentives for confrontation and violence. However, these processes cannot address the multitude of inter-related drivers of conflict alone.

Economic processes do not by themselves achieve sustainable peace. Political processes are essential in order to provide for political arrangements in which people have confidence. Economic processes can support political arrangements. It is therefore important for companies to go beyond the assumption that core operations – such as job creation, or paying taxes – and their spillover effects, and development-promoting social investments are the only contributions to peace they can make. Companies are well-positioned to do more than that and to have a greater impact on peace. **In seeking to make a positive contribution to peace, it is important to understand how economic development interrelates with key drivers of conflict:** Are economic factors key drivers of conflict, and, if so, how (and how not)? And how might the introduction of resources and economic benefits exacerbate or promote, rather than ameliorate, conflict?

Poverty, economic deprivation or lack of services may or may not, in a particular context, be a driver of conflict.

For example, if unequal access to job opportunities and unemployment is a key driver of conflict in a given situation, it might well be that companies trying to provide equal access to jobs and investing in training and mentoring stand a good chance of making a significant contribution to peace in that context. Yet even in this case, whether

employment generation by the company affects peace (or not) will depend on the types of inequalities in the society, existing skill sets and gaps, an understanding of which societal groups might have been favored over others in the past and for what reason, and understanding of what constitutes socially desirable employment, and what the incentives are for certain groups to take up specific kinds of employment. In this connection, many post-conflict youth employment programmes “miss the mark” in terms of positive contributions to peace, because unemployment is not a key driver of conflict in the first place, or because core concerns motivating youth to turn to violence—such as respect, status or justice—are not addressed.

Additionally, **how a company operates** – how it provides jobs, awards contracts, decides on social investments, interacts with stakeholders, etc.—can be as important as the economic benefits themselves. If employment generation, social investments, or contracting, for example, benefit some groups or marginalize others, they can exacerbate rather than improve conflict, even while they provide aggregate positive benefits for society.

Economic Benefits Are Important – but Don't Necessarily Always Make a Significant Contribution to Peace⁸

Greek and Turkish Cypriot business people participate in cross-island dialogue and business practices to enhance economic cooperation across Greek and Turkish communities, hoping to advance a peaceful settlement of the conflict. There is no doubt that business plays an important role for cross-border trade and collaboration and those economic gains are important for both sides.

There is some evidence that efforts such as enhancing trade across the Green Line, cross-border employment and labour union cross-training contributed positively to the overall situation. However, the actual economic impacts on both sides as well as the impacts on peace of these business practices have been modest.

One of the main reasons is the fact that business engagement in Cyprus does not necessarily address some of the key underlying drivers of conflict in Cyprus, such as dynamics around identity – and that economic issues themselves do not seem to be the key drivers of the conflict.



⁸Katsos, John / Forrer, John. Business practices and peace in post-conflict zones: lessons from Cyprus. *Business Ethics: A European Review*, Volume 23, Number 2, April 2014

4.2 Promoting Social Cohesion and Dialogue

Businesses can be well-positioned to make positive contributions to social cohesion and inter-group dialogue and relationship-building in societies emerging from violent conflict. Businesses provide unique spaces where diverse sets of people can (and must) interact, work with each other and learn to understand each other—between groups, across conflict lines, or between state and local authorities and citizens. By adopting hiring practices that promote diversity in the workplace, integrate multi-ethnic groups and support employment for marginalized groups, for example, businesses can promote relationship- and trust-building across conflict lines, and help address inequalities that can drive conflict. Business support for initiatives to promote

diversity, dialogue and cooperation across conflict lines can also provide needed resources and credibility, as well as protection, to these initiatives in polarized environments.

In post-conflict environments, reintegrating ex-combatants into communities and helping them disengage from armed groups can be a significant challenge. By supporting and providing employment for these key people, businesses can also contribute to peace and contribute to social cohesion. At the same time, other incentives that people might have to join or re-join armed groups also need to be addressed in order to ensure that employment is accepted and sustained.

Supporting Social Cohesion in Conflict Contexts

In the Balkans, a company sought to promote improved inter-ethnic relations in the area by bringing people from Serbia, Kosovo and Bosnia together to work on rebuilding war-damaged electricity infrastructure. In another conflictual context, companies lent support to Peru's Ombudsman's office and to the creation of a mediation commission within the Ministry of Energy and Mines to strengthen Government capacity to resolve disputes and maintain social cohesion. In another post-conflict environment, a company leader made concerted efforts – despite initial resistance from company employees – to contribute to demobilization and reintegration efforts by hiring ex-combatants and building their skills as repair technicians. The technician's loyal employees who took the company's repair services into formerly underserved areas helped to normalize daily life for many more communities.⁹

As with economic development approaches, whether these efforts in fact have impacts on conflict dynamics will depend on whether and how inter-group relationships and attitudes, and state-citizen relations, are related to the drivers of conflict, as well as the depth and sustainability of the changes brought about in these initiatives.

⁹Jenkins, B. & J. Nelson. 2009. and Ganson, Brian. 2013. *Management in Complex Environments: Questions for Leaders*

4.3 Contributing to Peace Processes

Companies can also play important roles in peace processes more directly, e.g. during the negotiation of peace agreements or transition processes following a peace treaty or major shift in power dynamics in a country. In addition to putting pressure on politicians to negotiate, companies do under certain circumstances, engage in “track two” (informal) dialogue to prepare the ground for negotiations, and directly facilitate and

provide services and logistical (as well as financial) support to peace negotiations. It is important to highlight the role companies can play in such situations given the linkages with longer-term peacebuilding efforts. In most instances, companies will not “go at it alone” but work in close collaboration with other businesses, business associations, as well as Government and civil society actors and networks.

Business Facilitation of Negotiations in South Africa¹⁰

The Consultative Business Movement (CBM) in South Africa was founded in 1988 by a group of executives from companies throughout South Africa dedicated to eliminating apartheid. The group facilitated interactions among the different political parties. With the South African Council of Churches and civil society organizations, it developed and facilitated the process that led to the National Peace Accord in 1991, a key turning point in the peace process. The CBM acted as secretariat to the constitutional negotiation process that followed, and in 1994 managed and supported mediation efforts that eventually led to agreement among the parties to hold elections as scheduled. It helped resolve deadlocks in the process by bringing local and international experts to discuss the issues with both sides and develop options.



¹⁰ The Portland Trust. 2013. *The Role of Business in Peacemaking: Lessons from Cyprus, Northern Ireland, South Africa and the South Caucasus*. London.

Business Supporting Peace Negotiations in Colombia¹¹

The Colombian business sector has been involved with peace negotiations and the peace process in the country for a long time. Its roles and types of participation have evolved over time and become more professional due to its accumulated experience and knowledge of the challenges involved in peacebuilding. At the same time, the incentives for companies to contribute to peace efforts have shifted. At times, the impact and costs of conflict on the overall economic conditions in the country have been the main factors behind business support. At other times, other aspects, such as awareness of opportunities linked to business activities in peace efforts and foregone investments, have played a role in enhancing corporate backing of peace negotiations. Between 1998 and 2002, the business sector became an important ally of the Government. Business members participated in the negotiating team, served as facilitators, and assumed an important leadership role in the ongoing peace efforts. Some of these business people had had their first exposure to peace talks in the 1980s. Even though the military success of the Colombian Government between 2002 and 2010 undermined the private sector's commitment to peacebuilding, some core activities continued, such as participation in Government-led demobilization and reintegration programmes. Today, the corporate sector is again playing an active role in promoting dialogue as part of the renewed peace process in Colombia launched in 2012. The business community has, for example, served as facilitators between the Government and armed non-state groups and contributed to confidence building.



¹¹Rettberg, Angelika. 2013. *Peace is Better Business, and Business Makes Better Peace: The Role of the Private Sector in Colombian Peace Processes* – GIGA Hamburg.

4.4 Skills and Partnerships to Contribute to Peace

The **skills, resources and relationships** companies have and are willing and able to invest in are important to consider in determining what to do. Figuring out what it means for a company to contribute to peace requires specialized expertise in areas such as conflict analysis, the ability to establish comfortable, trusting and transparent relationships with a wide range of local, national and international stakeholders, facilitation and mediation skills, good listening skills – and the required internal mechanisms to adapt company operations accordingly. Companies with existing internal capacities related to social and community engagement might be able to build on those.

Another critical skill is the ability to develop and sustain ongoing **partnerships** – with local stakeholders, international partners, Governments and civil society. Leveraging these existing relationships and partners provides an important basis for larger collaboration on peace impacts. Impact on peace cannot be achieved by one single actor – not by one single company, government, or a single NGO. Existing experience indicates that the private sector might be best positioned to maximize its contributions to peace at a larger socio-political level if it acts collectively with other business partners, as well as Government and civil society.



Public - Private Partnership: Addressing Law & Order, Conflict Resolution and Governance Strengthening in Papua New Guinea¹²

In 2014, a conflict broke out between two tribes in the Porgera District of Enga Province in Papua New Guinea. Two people were killed in the initial fighting, and more violence seemed certain to follow. This happened in an area with a history of violence, which, in the past, cost many lives and impacted communities as well as economic activity.

In response, a group of business and community leaders, together with the local police commander and the magistrates of the village courts, intervened. They brought the warring tribes together and mediating the resolution of the conflict before it could further escalate, and the all too familiar consequence of tribal warfare could occur. This group of local stakeholders, established over the past three years, is now known as the Restoring Justice Initiative Association (RJIA). The RJIA works with a broad network of stakeholders and partners who all contribute to an improvement in community safety and security and governance strengthening.

While now an active NGO, RJIA represents a successful **public-private partnership** emerging from the extractive industries. RJIA started as a partnership between an international extractive company and the local community in response to serious concerns about the breakdown of law and order in and around the Porgera Mine. The Porgera District is located in one of PNG's most socially complex, remote and undeveloped regions. It is faced with issues such as poverty, crime, tribal conflict, gender-based violence, sorcery and illegal mining. All of these problems have been exacerbated within a context of limited law enforcement capability and access to government services.

Among the positive achievements the RJIA network has delivered in the past three years has been the establishment and growth of four RJIA civil society groups. The Leaders Interest Group, Business Interest Group, FSV Steering Committee and Porgera Schools Disciplinary Committee, are driven by respected local community leaders, with committed membership support from formal justice agencies such as the police, and district and village courts. Successful Government advocacy from these groups has led to more effective law and justice services. Members of the civil society groups have also been active in peacemaking efforts in response to the many tribal conflicts that occur in different parts of the district. Anecdotal evidence suggests that tribal fights and fatalities have reduced in Porgera District in recent years and that the initiative has played an important role.

In many situations, the business and the peacebuilding communities operate separately with often overlapping goals in certain settings. There is a tremendous opportunity for more proactive and strategic engagement between the two, through NGO-hosted fora, Global Compact Local Networks, United

Nations cluster systems and other coordination mechanisms, as well as on specific projects or activities where companies feel they do not have all the skills needed. Such engagement will, in most cases, be most effective when it concerns a specific conflict situation, a shared goal, and when engagement is ongoing.

¹²Example provided by Barrick.

Public Private Alliances for Electoral Violence Prevention in Kenya ¹³

After the disputed presidential elections in Kenya in 2007-2008, which led to widespread violence across the country, there were fears that the 2013 election would lead once again to death and displacement. But the election turned out to be among the most peaceful in Kenya's history. This was due to various reasons, including institutional and legal reforms undertaken within the 2010 constitutional reform framework, strong civil society, church and media mobilization for peaceful elections, as well as the establishment of particular national bodies responsible for monitoring the rhetoric of politicians and other public figures and the media. At the same time, private sector actors also played an important role. Business representatives became engaged in public communication and media campaign activities and organized themselves through umbrella business organizations such as the Kenya Private Sector Alliance (KEPSA), which includes industry associations for small and large businesses. One of the most prominent peace campaigns ("Mkenya Daima" meaning "Kenyan Forever.") involved engagement with development partners, media owners, civil society, and inter-faith groups. The Mkenya Daima campaign and other initiatives used key private-sector actors – as well as leaders from civil society and faith based organizations - to work with key political candidates and Government officials to make a commitment to a peaceful election. Three aspects seem to have been critical determinants of the positive contribution to peace by private sector actors:

- (1) Information sharing among various actors working towards peaceful elections (government, business, civil society, and faith based organizations);
- 2) Fostering strong alliances between business representatives and other stakeholders to leverage business impact on peace; and
- 3) Countrywide and local leadership among businesses.

Clearly, more work lies ahead for Kenya to address ongoing internal divisions and polarizations on its path to fully consolidate a peaceful future for the country. The private sector seems to be an important partner in these efforts.

¹³Owuor, Victor / Wisor, Scott. 2014. The Role of Kenya's Private Sector in Peacebuilding: The Case of the 2013 Election Cycle. One Earth Future

The SDGs offer a framework for all actors in society to advance sustainable development, peace and stability. Underscoring the importance of peace, their adoption is an unprecedented opportunity for business to engage and make a positive contribution to their achievement.

As the business community around the world recognizes its potential contribution to peace, this guidance sets out the basics of a proactive, strategic and positive engagement –beyond risk management, and “do no harm” – in support of peace. As an introduction to the discussion on how business contributions to peace can be identified, monitored and

evaluated, it provides the conceptual foundation to move the business for peace movement to scale. As next steps, exploring and articulating a more practical understanding and sharing experiences will be key.

Together with other stakeholders, the UN Global Compact, the Business for Peace platform, and Global Compact Local Networks are committed to support companies in their journey to uncover the most effective ways the private sector can contribute to peace and thus helping to achieve the most fundamental of UN goals.

Further Research

Some of the key questions for further research and evidence collection include the following:

- Under what conditions do the various approaches to business led efforts contribute to peace?
- What are the opportunities and constraints for companies engaging in peace? How can activities that contribute to peace flow from and be integrated into core operations and management systems?
- Given the different roles business can play, how can local and international companies collaborate for the best possible impact on peace?
- Which of the existing voluntary standards, guidance and reporting frameworks are most conducive to enhancing business contributions to peace, and under what conditions?
- How can existing social impact assessment and other risk management tools incorporate ongoing conflict analysis, in order to identify and then build upon areas where they can have an impact on peace?
- What can the business and the peacebuilding communities learn from each other and what are the most constructive and feasible avenues for collaboration?
- What are the entry points at policy level for greater inclusion of business actors in peacebuilding for and to leverage partnerships and alliances?

This document is a result of an engagement between the UN Global Compact Business for Peace platform, CDA Collaborative Learning Projects, and an Advisory Group (AG). The AG members were selected based on their experience and expertise to provide inputs and share their views on business contribution to peace. They engaged in a dialogue between March and June 2015. The outcomes of the AG deliberations and discussions are reflected in this guidance document.

Companies

Barrick Gold Corporation	Jonathan Drimmer	Vice-President, Deputy General Council
Barrick Gold Corporation	Mark Wall	Vice-President
Dal Food	Shimaa Abdelfadeel	Corporate Responsibility and Sustainability Manager
Holcim	Ariane Luethi	Human Rights Specialist
Holcim	Stefanie Koch	Head of CSR
Kosmos	Reg Manhas	Senior Vice-President, External Affairs
Pacific E&P	Alejandro Jimenez	CSR & Sustainability Corporate Manager
Pacific E&P	Pamela Gomez	Sustainability Coordinator
Telefonica-Movistar Colombia	Maria M. Rodriguez Reyes	Sustainability Manager
Unilever	Marcela Manubens	Global VP for Social Impact

Civil Society Organizations & Experts

American University	John E. Katsos	Assistant Professor, Business Law and Ethics
Business for Peace Foundation	Per L. Saxegaard	Founder and Executive Chairman
Business for Peace Foundation	Anne Jorun Aas	Managing Director
Business for Peace Foundation	Pilar Castillo	Manager
Global Reporting Initiative	Andrea Pradilla	Director of GRI Focal Point in Colombia
Institute for State Effectiveness	Ali Dahlin	Research Officer
International Alert	Roper Cleland	Senior Programme Officer - Corporate Engagement
International Alert	Yadaira Orsini	Senior Programme Officer - Latin America
Saferworld	Tim Midgley	Senior Conflict and Security Advisor
swisspeace	Rina Alluri	Head, Business & Peace
swisspeace	Andrea Iff	Senior Researcher

United Nations and International Organizations

Organization for Economic Co-operation and Development	Donata Garrasi	Coordinator, International Dialogue on Statebuilding and Peacebuilding
UN Global Compact	Sir Mark Moody-Stuart	Foundation for the Global Compact and Chair of the Business for Peace Steering Committee
Global Compact Colombia	Anamaria Vargas	Coordinator, Institutional Relations
Global Compact Sudan	Nasser Ahmed Bur	Network Contact Point

This guidance document uses the following definitions:

Negative peace- is the absence of violence.

Positive peace-which includes constructive relationships, effective institutions and the creation of social systems that address underlying drivers of conflict and serve the needs of the whole population and the constructive transformation of conflict.

Conflict- is a natural part of human interaction; it is not intrinsically negative. What are of interest are the means and mechanisms through which conflicts and tensions within a society are being prevented, managed and transformed. These mechanisms can be peaceful or violent. In many situations, conflict is a force for positive change when it is addressed proactively or mediated. Violent conflict, in most cases, is based on a fundamental breakdown of constructive relationships within and/or between different groups in society. This may occur for a variety of reasons (e.g. power struggles, instrumentalization of ethnicities or religion, competition for resources) and may manifest itself at national, local, community or cross-border levels.

Peacemaking- is focused on processes that are directly related to the establishment of a ceasefire agreement or a peace agreement. The main objective is to end open violence and military operations, through dialogue, negotiation, or mediation.

Peacekeeping- are operations aimed to maintain a ceasefire or peace agreement between nations or communities, through deployment of international military forces, mainly by the United Nations.

Peacebuilding- includes the following two meanings of peacebuilding: “Direct work that

intentionally focuses on addressing the factors driving and mitigating conflict”; and “Efforts to coordinate a comprehensive, multi-leveled, multisectoral strategy, including development, humanitarian assistance, governance, security, justice and other sectors that may not use the term peacebuilding to describe themselves.”¹⁴

Risk management requires a close analysis of the context regarding direct and indirect threats a company might face in a given environment.

Conflict-sensitive business practice extends beyond compliance with host country and home country legislation, international standards and agreements. It involves efforts to ensure that the company does not inadvertently cause or exacerbate conflict through its core operations, social investment, government relations or stakeholder engagement.

Contributing to peace focuses on understanding the role of a company in relation to the overall socio-political situation in a country or region. It extends beyond risk management and conflict-sensitive business practice to engage directly and intentionally with drivers of conflict and peace, and addressing key driving factors and dynamics of conflict and peace. Key drivers are factors that influence heavily the existence and nature of the conflict. These can include grievances, resources and capacities to wage violent conflict, relationships and attitudes, and structures (social, economic, political and cultural) that drive conflict or peace, and the dynamics among them.

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The Ten Principles of the United Nations Global Compact

The UN Global Compact asks companies to embrace, support and enact, within their sphere of influence, a set of core values in the areas of human rights, labour standards, the environment, and anti-corruption:

HUMAN RIGHTS

- Principle 1 Businesses should support and respect the protection of internationally proclaimed human rights; and
Principle 2 make sure that they are not complicit in human rights abuses.

LABOUR

- Principle 3 Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
Principle 4 the elimination of all forms of forced and compulsory labour;
Principle 5 the effective abolition of child labour; and
Principle 6 the elimination of discrimination in respect of employment and occupation.

ENVIRONMENT

- Principle 7 Businesses should support a precautionary approach to environmental challenges;
Principle 8 undertake initiatives to promote greater environmental responsibility; and
Principle 9 encourage the development and diffusion of environmentally friendly technologies.

ANTI-CORRUPTION

- Principle 10 Businesses should work against corruption in all its forms, including extortion and bribery.



United Nations
Global Compact