



“Responsible Business & Investment in Conflict-Affected Areas”

Burj Elfateh Hotel Khartoum, Sudan
1-2 March 201

Executive Summary:

The Global Compact Network Sudan, in collaboration with the UN Global Compact Office and the Principles for Responsible Investment (PRI) initiative convened a first-of-its-kind meeting of stakeholders in Khartoum to discuss “responsible business and investment.” Under the patronage of Sudan’s Vice President, H.E Ali Osman M. Taha, the meeting was a pioneering summit of more than 150 participants, including representatives from the Sudanese and global business community, international investors, the UN, government, civil society, academia, and media.

The event aimed to foster a common understanding of what “responsible business practices” means in Sudan today, and began a discussion about how the private sector can make a unique and positive contribution to sustainable peace and development in Sudan.

Participants made many valuable contributions toward the “Guidance on Responsible Business in Conflict-Affected and High-Risk Areas: A Resource for Companies and Investors”, currently under development by the UN Global Compact Office. The Guidance aims to assist companies in implementing responsible business practices in conflict-affected or high-risk areas and to support a constructive and long-term dialogue between investors and companies to ensure added value for all stakeholders.

Key Outcomes

- The Sudan Network was urged to play an active and continuing role in providing a multi-stakeholder forum where risks and opportunities highlighted in the Guidance can be discussed and challenges examined.
- More dialogue around a definition of “responsible business and investment” is appropriate, as well as a continuous sharing of best practices and lessons learned among operating companies.
- Feedback and input was provided for the Guidance so it may be better applied and understood by companies in areas affected by conflict.
- More efforts to report and share information are needed to dispel misunderstanding and bridge communication gaps. The Global Compact Network Sudan was encouraged to continue addressing this.
- The Sudanese Businessmen and Employers Federation declared an initiative encouraging all members to contribute a percentage of their profits to be invested in conflict-affected areas.
- The Minister of Energy and Mining encouraged all oil operating companies to join the Global Compact and declared their support for registering the Global Compact Local Network as a legal entity.
- Participants emphasized the role responsible investors can play to ensure the future reconstruction and development of the country as a whole and stressed the role of the private sector in the transition from short-term recovery to long-term development.

Opening Addresses:

Mr Ali Mohamed EL Hassan Abarsi, Sudanese Businessmen and Employers Federation Vice President welcomed the audience on behalf of the Sudanese Private Sector and expressed the Federation's pleasure in hosting such an important meeting between the different stakeholders to discuss corporate responsibility, responsible investment and challenges and opportunities of operating in conflict-affected areas. He emphasized and highlighted the important role that businesses have played and will continue to play to achieve prosperity, development and peace in the country. Mr Abarsi presented some background on the launch of the Global Compact Local Network Sudan (officially launched on Dec.1st 2009) and the leading role the Sudanese Businessmen and Employers Association played because of their inherent belief in the importance of the ten principles of the Global Compact and the fact that the ten principles are not foreign to Sudanese culture and its religious faiths. They are also in alignment with their practices and objectives. He asserted the positive role the network is playing and will continue to play and the need to establish a solid framework to ensure coordination between all of the important sectors to promote the ten principles, define responsible investment and its promotion, and thus contribute to sustainable development of the country. He also noted that this meeting comes at a time when many areas in Sudan are only now beginning to open to investment after long years of conflict and they are ready to reap the benefits of peace. He asserted the Federation's commitment to the principles and the ongoing support to the Global Compact Local Network in Sudan. He concluded by declaring an initiative of the Federation by calling on all its members and the broader private sector in Sudan to put aside a percentage of their profit for investment in rural and conflict-affected areas of the country, to promote sustainable development and support peace.

Sir Mark Moody-Stuart, Vice Chair of the UN Global Compact, discussed the various initiatives

of the Global Compact including the Principles for Responsible Investment (PRI) and stressed the importance of local networks. He then provided an overview of how the different stakeholders work together to promote the principles according to their particular contexts, priorities and challenges. Sir Mark affirmed the importance of identifying issues that people in Sudan can work together to address through the local network and highlighted the increasing need to share knowledge and experience between Sudan and countries in the West. Sir Mark gave an example of his visit, with a group of investors, to Heglieg, an oilfield area operated by Greater Nile Petroleum Operating Companies. The group was very impressed with what they witnessed: the water clean-up operations, community projects, and the number of people positively affected. The Vice Chair asserted the positive role that the local network can play to help build trust and understanding between the various stakeholders, to share facts and provide opportunities for dialogue. He highlighted the need for stakeholders to come together to learn about and evaluate achievements and stressed the local network's ability to provide a neutral space. He noted that people are gathered in this meeting to learn from each other and hear what has worked in other nations and what works here in Sudan. Sir Mark concluded by stressing the need for registering the network formally. He called on the Minister's support to ensure that is accomplished soon.

Mr. Claudio Calderone, UNDP Country Director expressed his thanks first and foremost to the Sudanese Businessmen and Employers Federation for their continued commitment and support to the network since its launch in Dec. 2009. Mr. Calderone highlighted the privilege of serving UNDP Sudan at such an important point in time, not only in terms of the upcoming elections but also due to the substantial shift of focus from humanitarian assistance towards development support in Sudan. He asserted that in this time of increasing emphasis on economic development, the role of the private sector cannot be emphasized strongly enough. He added that local and international investment plays a vital role for the improvement of the lives of all sectors of the population, including the poorest of the poor. Mr

Calderone spoke about Sudan's great potential and called on the companies operating in the country to nurture and coach entrepreneurs, a vital step for the development of the country in the next phase. The UNDP Country Director mentioned how his agency has a long history of working with the private sector. Currently in Sudan they are embarking on strengthening this role -- an example is the international investment conference in Eastern Sudan where the recommendations of this meeting will provide important input. He concluded by encouraging the Sudanese private sector to continue their collaboration with the Global Compact local network and to mobilize funds and investment for reconstruction and development for the common interest of all in conflict-affected areas of Sudan.

H.E Mr. El Zubeir Ahmed AlHassan, Minister of Energy and Mining (on behalf of the Vice President – Mr Ali Osman M. Taha), conveyed his delight in being present for this important meeting, welcomed the international participants to Sudan and thanked the organizers to the efforts undertaken to organize the meeting. H.E emphasized that responsible investment in conflict-affected areas is the issue of this day and time. By being part of this conference, he feels part and parcel of the positive engagement that will serve peace and development in the country rather than serving the negative trend where investment in Sudan and other conflict-affected areas has been discouraged and therefore undermines the peace efforts. He continued to stress that only through investment can jobs be created, and citizens' lives improved. On the other hand, the Minister asserted that the Global Compact network's mission in spreading the enactment of the ten principles is needed to ensure best practices and that these noble principles are in line with the Islamic faith and conviction. He linked the four themes of the Global Compact – Human Rights, Labour Standards, Environment and Anti-Corruption with religious beliefs and declared their continued commitment to support the local network, as well as its official registration. He also mentioned that the oil operating companies are all encouraged to join the network as well. The Minister welcomed more responsible investment in all conflict-affected

areas to overcome the various obstacles to strengthen peace efforts.

Key Opening Remarks

- Speakers stressed the important need to discuss responsible business during this particular time in Sudan's history, looking toward a democratic, post-conflict, peaceful Sudan as the preferred option for all Sudanese.
- The Vice Chair of the Global Compact Board and the Minister of Energy both stressed the need for formal registration of the local network as soon as possible to enable it to operate more effectively.
- The UNDP Sudan Country Director stressed the importance of public-private partnerships for reconstruction and development in Sudan.
- The Minister of Energy and Mining concluded that only through responsible investment can there be a substantial improvement to living conditions in the country. He called for further engagement and responsible investment by companies rather than divestment.

SESSION I: Global Compact Local Networks

This session provided an overview of Global Compact Local Networks and their value. It also highlighted how the network can support Global Compact participants in implementing responsible business practices. An introduction to the Sudan Network and its background and objectives were presented with the successful example of the recently launched network in the Gulf region.

Session Summary:

- The Sudan Network Secretariat pointed out that the network's main priority in this period of time is to raise awareness around the Global Compact principles, complementing peace efforts through responsible business practices and effective partnerships among all stakeholders.
- Mrs Al Marashi, Chair of the Gulf Cooperation Countries Global Compact Network discussed the Gulf Cooperation Countries Global Compact Network and its development and challenges. She also highlighted the many opportunities the Global Compact offers participants. She said the need to root Global Compact principles into local customs and traditions was key to ensuring sustainability.

Mr. Mazin Abusin, SOMMAR Managing Director and representing the Sudan Local Network Secretariat, presented an overview of the Global Compact's mission and provided background on the local network, its launch, current members and the existing structure. He also highlighted the activities and initiatives undertaken to date such as MAP – the Minds Alike Pact bringing small and medium enterprises which are run by youth to promote the ten GC principles; and the partnerships forged such as the Mugadidoon Society and the Ministry of Humanitarian Affairs on the problem of street children. Mr Abusin lay emphasis on the network's identified priority to address peace through sustainable and responsible business practices involving many stakeholders and he highlighted the role that the network can play to offer a framework for sharing experience – models and mechanisms

and to support efforts to address needs of the vulnerable populations through increased partnership among the different stakeholders.

Mrs Habiba AlMarashi, Chair of Gulf Cooperation Countries Global Compact Network proceeded to offer an example of the regional network she represents and how it was initiated. Mrs Al Marashi spoke about the how local networks are required to root the Global Compact principles into local customs and traditions and how they offer companies in their regions a practical approach to corporate social responsibility (CSR). She also provided a general overview of the various projects and activities undertaken by the network and the Emirates Environmental Group as the focal point of the Network regarding the launch of various initiatives such as the CSR Arabia Awards, initiated to encourage the enactment of the ten principles and to reward exemplary CSR practice in the region. She also reflected on some of the challenges and the lessons learned. She asserted the need to have a clear governance and financial structure to be able to sustain the network and achieve the desired results. Finally, Mrs AlMarashi stressed the opportunities and benefits that joining the Global Compact continues to offer to participants from across different sectors.

SESSION II: Introduction to the “Guidance on Responsible Business in Conflict-Affected and High-Risk Areas: A Resource for Companies and Investors”.

The primary purpose of the Guidance is to help companies and investors develop a more strategic approach to investment decisions and to facilitate constructive engagement between companies, investors, stakeholders and potential shareholders. This session provided information on the Guidance's history, its development, what it intends to address and the respective roles of companies and investors.

Introduction to the Guidance –Session Summary:

- An overview of the Guidance, the Principles for Responsible Investment (PRI) and background about the initiatives was presented.
- The main aim was highlighted: helping companies recognize opportunities and manage risks when operating in “difficult” environments and to assist companies in implementing the principles even in these environments.
- The meeting was considered as a first-of-its-kind cooperation between the Global Compact, PRI and a local network.

Ms Melissa Powell, Head of Strategy and Partnerships at the Global Compact Office

began her speech by remarking on the progress since the launch event. She then introduced the Guidance “Responsible Business in Conflict-Affected and High-Risk Areas: Guidance for Companies and Investors” which explores what it means to be a “responsible business” while operating in a difficult environment. Ms Powell acknowledged that it was not always easy to implement the ten principles in some settings and she called attention to the occasional gap in understanding between companies and their investors concerning how companies are living-up to their commitment to the ten principles in such settings. She said the Guidance tries to highlight guidance which is especially relevant for companies seeking to have a positive impact on development and peace in high-risk environments. The Guidance aims to provide a common reference point for more effective communication between companies and investors on these issues. Ms Powell noted that the subsequent sessions of the meeting will focus on the different sections of the Guidance which are all complementary.

Ms Valeria Piani, Head of the PRI Engagement Clearinghouse complemented Ms Powell’s introduction on the Guidance by providing an investors’ perspective. Ms Piani began her presentation by providing an overview of the

PRI initiative -- a joint initiative between investors, UNEP Finance Initiative and the Global Compact. The PRI signatories currently total more than 700 from 36 countries, which amounts to \$20 trillion of assets under management. Making sure companies live up to international CSR standards and disclosing relevant information on sustainability issues is a concern of the investors as active shareholders (in alignment with the ten principles) and Ms Piani asserted that the process of engagement is not a unilateral but a two-way process. Ms Piani discussed the reasons why investors need information to make quality analysis, answer various queries and dispense sound recommendations for their investments. Ms Piani concluded by stating that divestment is not the ideal solution and investors generally prefer to undertake ongoing engagements with investee companies to find solutions to existing challenges and concerns.

Ms Powell concluded the session by explaining and clarifying the process that led to the development of the Guidance and the way forward after the Sudan meeting. Ms Powell drew attention to the intense work conducted under the chairmanship of Sir Mark Moody-Stuart in the past year that brought together a group of experts representing the various stakeholders to develop the Guidance. Ms Powell emphasized that the meeting in Sudan is an important step to test the guidance locally and hence called on the participants to provide their input and feedback freely and highlight what challenges should be overcome to successfully make use of this guidance. She also shared that the guidance will then be discussed at events in Japan and India before the document was finalized and launched at the Leaders Summit in June 2010. Ms Powell also stated her hope that the meeting represented a new model where PRI and the Global Compact work with local networks as a facilitator and that the Guidance will be a common reference used by local networks to stimulate further discussion on such issues.

Subsequent sessions of the meeting explored the different sections of the Guidance and the roundtable discussions addressed the following main questions:

- *What are the key challenges? How can they be overcome?*
- *What does good practice in Sudan look like?*
- *What could the UN Global Compact Network Sudan do to further support companies and other stakeholders in this area?*

Session III: Sharing Experience and Lessons Learned – CORE BUSINESS

Without appropriate policies and strategies to address challenges in conflict-affected and high-risk areas, core business activities may have negative impacts. They may exacerbate conflict unwittingly, jeopardizing their prospects for potential benefits and causing reputational, legal, operational and financial risks. This session inquired:

- *How do companies ensure that their core business activities do not exacerbate conflict?*
- *What are the key challenges? How can they be overcome?*
- *What policies do companies have in place and how is progress measured?*
- *What does “good practice” look like?*

CORE BUSINESS

Session summary:

- An overview of what is meant by “Core Business” was given by Sir Mark Moody-Stuart, chair of the session.
- An evaluation of existing strategies and approaches of operating companies is needed to ensure sensitivity to conflict.
- Partnership and coordination with other stakeholders is crucial for addressing challenges external to the company’s direct circles of influence.
- Guidance should also be developed for investors to improve their engagement processes with companies.

The chair of the session – **Sir Mark Moody-Stuart** -- began with a statement of what is meant by “Core Business” and a company’s core activities in generating wealth such as employment, supply

chain management and the development of infrastructure. Core Business issues are key when operating in any area, not just in conflict-affected areas, stressed Sir Mark, but also the larger impact of such activities and thus should be considered carefully. Sir Mark shed some light on the risks mentioned in the Guidance and the broad areas under the core business section. Issues such as transparency and security are of concern. Voluntary Principles on Security and Human Rights was highlighted by Sir Mark as a great example of a checklist to companies seeking direction and guidance and he encouraged its adoption in the private sector.

Ms. Ulrike Joras, Senior Program Officer - International Alert gave an overview of her group International Alert and its activities in working with companies in adopting similar guidelines. An example is the tool developed by International Alert on conflict-sensitive business practices. Ms Joras shared some of the lessons learned. She asserted it is important for companies to acknowledge how the preventative measures save company resources and protect them from legal liability and other risks. Ms Joras emphasized that companies need to assess their approaches and adapt them to strategies more relevant for conflict-sensitive environments. She noted this may not mean a totally different approach for tackling the technical and nontechnical issues but that even minor evaluations to existing strategies and approaches may result in some amendments.

She also highlighted the need for companies to learn the added value of an approach that is specifically geared for the conflict-affected environment and demonstrate the clear financial and non-financial benefits to the company. She also asserted the need for the two-sided approach – that is, at the management and project levels -- to ensure successful implementation. Another challenge is integration of these types of tools into the management systems of companies. Ms Joras concluded that these guidelines should not be viewed as a tick-box exercise but as a living, dynamic process. Ms Joras concluded by stating that there are external challenges as well, and hence the importance of working in partnership with local and international civil society organizations,

foundations and universities to overcome some of the challenges of implementation, as well as integrating the input of the local Global Compact networks in helping in those specific areas.

Mr. Qin Anjiang, Vice President, China National Petroleum Corporation - Nile, provided a corporate perspective on Core Business and discussed China National Petroleum Corporation's best practices in Sudan and affirmed the company's commitment to the ten principles in all areas of their operations. Mr Anjiang's presentation gave a brief introduction about CNPC's global scope, its role in the development of Sudan's oil industry, which propelled the country's fast economic growth from one of the "least-developing" countries just ten years ago to one which enjoys one of the highest GDP growth rates on the African continent.

Mr Anjiang called CNPC a sincere investment partner in oil operations in Sudan. Since 1995 CNPC has joined hands with partners to build -- from scratch -- a complete value chain of petroleum production, supported by new technology. CNPC has signed an agreement with the Sudanese government signaling the evolution of the oil and gas trade between China and Sudan moving Sudanese citizens from oil importers to exporters and thereby contributing to economic development and Sudan's peace process. He continued to cite various projects conducted using best practices, which have boosted a whole range of industries thereby creating jobs and enhancing the Sudanese economy and individual livelihoods.

Mr Anjiang concluded by demonstrating some of the many activities that CNPC had undertaken to ensure that it is always recognized as a socially responsible company. They have donated around \$50 million to the communities in which they operate, and built of roads, bridges, water pumps, hospitals and schools benefitting more than 2 million people.

Mr. Neil Brown, Social Responsibility Analyst, AVIVA Investors presented an investors' perspective and provided a quick briefing about AVIVA Investors, and the importance of environmental, social and governance indicators to

ensure sustainability. Mr. Brown gave an insight into what investors consider when looking at the Global Compact and the Guidance, with special focus on core business. An inherent interest lies in the creation of value and he pointed out that the Guidance focuses on risks and opportunities and that investors' interest is mainly about "the opportunity in getting it right rather than the worry of getting it wrong." Mr. Brown also noted that the guidance is mainly focused on how companies can change their behavior, whereas there should be more guidance on how investors can also improve their practices in areas such as short-term investment horizons, willingness to divest (if necessary) and engagement processes. He continued to discuss the five risks in the core business section from an investor perspective, specifically highlighting the value of the meeting and the opportunity to learn from companies operating in Sudan. Specifically, he stressed the importance for investors of ensuring that companies have solid systems in place to give comfort that they are not in breach of national laws. Mr. Brown concluded with reasserting the need for a focus on value-creation and profits that will aid the conversation with investors. Additional guidance should be developed exploring how investors can improve their processes as well.

Dr Sumaia EL Sayed, Executive member of Sudanese Environment Conservation Society, gave an NGO perspective with a special focus on the impact of oil on the environment. She gave a brief background about the difficulty faced in the earlier phases up until recently when a joint strategy with the government was agreed upon. Dr Sumaia asserted the importance of keeping a healthy relationship with businesses so as to guarantee cooperation in mitigating the risks of core business operations. She spoke about the need for working with expert organizations to help in conflict resolution areas -- such as compensation issues, for example -- and the importance of having a model that targets development. She also gave examples of various initiatives and shared her experiences of partnering with the private sector. Dr ElSayed emphasized the important role the local network can play in linking together civil society organizations with private sector and government so as to better coordinate efforts and reach

agreements that serves the benefit of all. Dr. ElSayed spoke about the importance of continued dialogue and need to discuss definitions of responsible business behavior from both NGO and corporate perspectives. She asserted the importance of partnership, sharing best practices and innovative ways. Otherwise, little can be achieved on the ground.

Mr. Bartholomew Armah, Policy Advisor, Bureau of Crisis Prevention and Recovery, UNDP began by stressing the particular importance of this issue to his agency, as the probability of countries emerging from conflict to go back to conflict is very high and thereby needs careful management to sustain peace through job creation. This requires the active participation of the private sector. Mr Armah spoke about the policy on Post Conflict Employment recently released and mentioned the need to look at long term engagement for sustainable effects. Mr Armah discussed the plight of people in crisis and the general context of conflict-affected areas with regards to employment. The private sector plays a key role, but the politicization of issues often translates as “risk” for the private sector. Mr. Armah shared some perspectives on how the private sector can ensure their activities do not exacerbate conflict and can actually have a dynamic impact on the communities where they operate. Mr. Armah emphasized the need to understand the context through engagement with key local economy actors to provide the “soft knowledge” – that is, culture and norms. Mr. Armah called on companies to engage and design local content so as to be able to provide job opportunities, including having a long-term labour plan so as to develop the internal skills of communities. Developing a communication strategy in consultation with local communities is important to ensure there is clarity and information across-the-board, thereby building trust and avoiding misunderstanding. The private sector should be part of the solution in reintegrating ex-combatants, which will add value to the communities and companies. Mr. Armah urged companies to engage in the peace process from the start to find the best places to lend their support. Finally, Mr. Armah pointed out how the private sector is an important part in the transition

from short-term recovery to long-term development.

Roundtables Discussion Report

Back-Core Business:

These discussions reasserted the need for baseline studies to assess needs, besides understanding the context and culture to decide best approaches. Participants all agreed that building trust is the ultimate challenge and needs careful management and transparency. Transparency with regards to recruitment and procurement is essential so as to avoid tensions and internal conflicts. Ensuring safety at the workplace and avoiding damage to the surrounding environment to gain communities respect and trust was also seen as important. Participants also stated the importance of sourcing food stuff locally rather than importing. This promotes the flourishing of the area and is an important area where companies’ core business operations can add great value. Participants reported that companies working in the same locality should be encouraged to collaborate and identify needs and opportunities for creation of more opportunity for locals (in consultation with locals), thereby strengthening stability and development efforts through their core business operations. As reported by some, security is seen as a top challenges in such areas and can be maintained via:

- Local people becoming part of the security team, which would provide job opportunities to them, as well as fostering accountability and nourishing a sense of ownership.
- Always being aware of cultural issues and sensitivities throughout – such as naming of oilfields, for example, a source of tension in some areas.
- Giving priority to capacity-building so as to gradually replace expatriates by locals, thereby promoting the local community and nurturing the skills available and needed for the sustainability of the operations without heavy reliance on foreign expertise and labour that could aggravate and anger the local communities.

Participants also reported the importance of foreign investment in Sudan generally, and specifically in local areas so as to bring about the needed stability and sustainable development.

Core Business Report Back Session

Conclusion:

- Baseline studies and needs assessments were considered a prerequisite to ensure a positive impact on communities and a positive outcome for operating companies.
- Transparency and respect were seen as vital to gain trust and ensure smooth operations.
- Companies were urged to look into how their core operations could encourage and support local development efforts- e.g., procurement of goods and services, employment of ex-combatants.
- Security measures, policies and successful implementation are directly related to the effective management of local communities' expectations and concerns.

Session IV: Sharing experience and lessons learned - Government Relations

In conflict-affected countries and high-risk areas, companies may engage at multiple levels of government and thereby engage them on their shared interests in conflict transformation. While establishing relationships and increasing communication with government actors can translate into long-term competitive advantage, responsible engagement policies may foster systemic changes in the operating context. This session aimed at:

- *What are the ways companies engage with governments in conflict-affected and high-risk areas?*
- *What are the key challenges? How can they be overcome?*
- *What does "good practice" look like?*
- *What could the UN Global Compact Network Sudan do to support the companies in this area?*

Government Relations Session Summary:

- Partnership with government, whenever possible, was seen as key to overcoming challenges and to add real value to local communities.
- Policies and strategies of companies operating in conflict-affected areas need to be shared with investors and other stakeholders to ensure transparency and safeguard companies' reputations.
- Examples of partnership projects between government and companies were presented, such as that of Greater Nile Petroleum Operating Company and the National Forestry Corporation.

Dr. Osman Satti, General Director for Safety and Environment, Ministry of Energy and Mining as chair of this session started by introducing the session and also granting the floor to ONGC to share a few of their initiatives that are demonstrate public-private sector partnerships.

Mr. Mohamed Alameen Mustafa, Head of Information Office, Sudatel began with an overview about Sudatel and their regional outreach. Mr. Mustafa proceeded to speak about the different initiatives and projects undertaken to support community development, in specific areas -- mainly water, education, health, youth-capacity building and support of orphans. Sudatel views these activities as a priority, ensuring outreach to all sectors of the society working with local organizations and community based societies. Mr. Alameen gave a few examples of how such activities can really change communities living conditions and there is great appreciation when corporations are seen to be contributing to the development of communities and called on more engagement of the private sector.

Dr. Hafi Saad, Medical Consultant, Community Development Section, Greater Nile Petroleum Operating Company set off his presentation with a quick overview about his company and its large outreach in different states. Dr. Anwar highlighted the importance of partnership and how his company has entered into different partnership with the government – government ministries and local councils to better serve the communities. The areas of concern include health, education, water and sanitation. The rendered aid has ranged from infrastructure support -- as in new buildings -- to training and capacity-building to ensure sustainability. Dr. Anwar provided various figures with regards to the expenditure and projects of different sectors. Examples of the activities per locality or region were also given and these are all along the concession areas as per company's objectives. Recognized initiatives in partnership with the Ministry were the Heglieg Hospital and the mobile clinic, for example, which caters for the needs of different communities. Dr Anwar emphasized that only through “smart partnership” with local

government can real challenges be overcome in remote regions.

Mr. Kris Douma, Head of Responsible Investment Support and Active Ownership, MN Services began by highlighting the need for dialogue and more communication and gave an example of his own personal experience in the dilemma he faced upon judging and formulating an opinion about Sudan only using secondary media information. Mr. Douma explained that investors are faced with many questions and queries from their constituencies that they need to address, especially when operating in areas of conflict, violence and armed conflict. It is important for companies to follow guidance to demonstrate they are implementing responsible business practices, this helps to protect the

company's reputation and in turn gives comfort to investors. Companies in such settings are urged to communicate their policies and strategies and how they can be a “force for good” in these less-than-favorable circumstances. Companies should also explore how can they promote peace and “heal wounds of the past.” For investors, an important issue is seeing that companies have plans for the future, especially because there is often uncertainty. Companies are encouraged to prepare for different scenarios and how they can operate and support peace and development efforts. Mr. Douma concluded by reasserting that investors encourage companies to consider more than just core business responsibilities in such settings and look for added value to the communities and societies.

Mr. El Fateh Farah, Project Officer, Forestry National Corporation gave an example of a joint project between the private sector and the government, namely the Greater Nile Petroleum Operating Companies and the Forestry National Corporation. Mr. Farah provided an overview about this integrated natural resource project, its objectives and its achievements so far. The project focuses on sustainable preservation of forestry; it encourages planting of forests and trains the local communities to look after nurseries. Also the project teaches the local people how to utilize the Hashab trees- which produces Gum Arabic (an

important export commodity) and hence bringing additional income and revenue for the local people. It is an example of socio-forestry, providing a whole new example of smart partnership between the government and private sector.

Roundtables discussion Report Back-Government Relations:

Participants asserted the need to ascertain and consider the vital and important role of government in such high-risk areas and the increased sensitivity of companies' operations in these areas. Striking a balance between government and local communities' expectations was seen to be as a great challenge. Governments may sometimes take sides with local communities due to the sensitivities and conflicts in the area which may foster unrealistic expectations towards companies. This may increase risks for a company and hence, a good understanding of the dynamics at play is essential in the pre-engagement stage. Participants also emphasized the need for transparency in all government dealings, and the provision of jobs in a transparent manner to allow equal opportunity for all.

Participants shared the need to understand that a direct approach in some situations is not always the wise one, and may not always benefit the company or the various stakeholders involved. A "softer" approach rather than direct advocacy may be encouraged as government relations are important in every part of the business, whether it is in core business or strategic social investment. A company can promote and encourage peace and responsible behavior through its established relationships with some government channels.

More practical guidance in the government relations section was suggested: encouraging consultation and engagement forums with government in all areas of business to establish trust and strong relationships, first and foremost.

Session V: Sharing Experiences and Lessons Learned- Local Stakeholder Engagement.

Constructive and proactive stakeholder engagement is essential for companies to build a relationship of trust with all concerned parties, to position themselves as predictable entities in contexts of distrust and violence, in turn giving them the opportunity to develop a more stable environment. By establishing conflict-sensitive stakeholder engagement mechanisms, companies may avoid and better manage increasing tensions and grievance, reputational and security risks. This session examined these questions:

- *Do companies have mechanisms for stakeholder engagement?*
- *What are the key challenges in engaging with local stakeholders? How can they be overcome?*
- *How do companies participate in the activities of the Global Conflict Sudan Network? What more could the UN Global Compact Network Sudan do in this area?*

Local Stakeholders Engagement Session Summary:

- Dialogue was stressed as key to effective stakeholder engagement.
- To ensure that operations run smoothly, engagements before, during and after operations are essential to assess changing needs and manage expectations.
- Investors expect companies to have engagement mechanisms that are strategic, proactive, broad and inclusive based on a conflict-sensitive and a transparent approach.

Professor Akolda ManTier, Professor of Law, University of Khartoum chaired the session and pointed out that this session overlaps with all that was discussed in earlier sessions of the day and is indeed an important crosscutting issue. Professor Akolda also introduced the session by citing

important legal cases brought against companies due to their mismanagement of local stakeholders.

Mr. Bernard Claude, Chairman of the Ethics Committee, Total SA commenced with a briefing about Total SA – the largest oil company in the world – and explained their commitment to their own code of conduct that applies everywhere they operate. Total, continued Mr. Claude, responds to the challenge of sustainable development through reducing their impact on people and environment, contributing to the socio-economic development of the areas they operate in, and, by anticipating tomorrow's needs, they try to ensure that economic health continues after the eventual exit of Total from the areas where it operates. Mr. Claude proceeded to talk about the challenges, specifically about social impacts and approaches with the local stakeholders. Mr. Claude asserted the need to have a good relationship with local communities, to identify their expectations and organize operations accordingly. He stressed the need to always dialogue. Mr. Claude emphasized the importance of conducting needs assessments to reduce social and environmental impacts through technological solutions. He also noted the importance of having an effective grievance mechanism and compensation for local communities when necessary. Training and use of a local workforce is always a must, he continued, and improving local content is essential, requiring close management and supervision. Mr. Claude cited examples of how Total has dealt with local communities when operating and the extensive stakeholder engagement they have undergone (before, during and after) to ensure that operations run smoothly. Examples cited were drawn from experiences in Yemen, Myanmar, and Nigeria.

Dr. Changkel Banak, Corporate Affairs and Community Development Manager, WNPOC provided an overview of White Nile Petroleum Operating Company - its vision, mission, values and principles. Dr Banak expressed the strong commitment of the Ministry of Energy and Mining to human development and sustainability. Fresh water, health, education and capacity-building were areas of specific focus as mentioned by Dr. Banak. He shared a number of approaches of how the company works with local stakeholders to build

trust and a sustainable relationship, providing a number of examples and initiatives undertaken in the local areas where they operate. Dr. Banak highlighted the shift in attitude and approach from the days before the signing of the Comprehensive Peace Agreement to after wards and how this change provided an opportunity for broader engagement and consultation with local communities. He stressed the need to involve local communities to ensure the success of the initiatives undertaken. Alienating them, or not taking their perspectives into consideration will not serve the company's interest or the communities' welfare. He asserted the need to have regular engagement and open communication channels with the local stakeholders to ensure sustainability.

Ms Saskia Van den Dool, Responsible Investment Adviser, PGGM gave an overview about PGGM, and its responsible investment policy. Ms Van Den Dool proceeded to highlight the risk areas identified in the Guidance with regards to the section on local stakeholder engagement and their perspectives as investors towards these risks. Ms Van Del Dool explained why investors are particularly interested in the companies' strategies and policies with regard to local stakeholder engagement. She asserted that mismanagement in this area can lead to increased costs and resource strain, may increase security risks and exacerbate conflict and may ultimately affect license to operate and cause grave reputational damages to the companies and those investing in them. She shed light on what investors usually look for when discussing "local stakeholder engagement," namely engagement mechanisms that are strategic, pro-active, broad and inclusive, based on consultation, conflict-sensitive and transparent. Ms. Van den Dool concluded by encouraging the participants to discuss what good practices look like in Sudan in this area and whether there are different approaches that would be recommended. She urged the participants to look at the Guidance and provide recommendations for how the local network can further support companies and investors in their engagement activities.

Ms Shadin AL Fadil, Program Officer, NIDAA (Sudanese Call for Development) began by introducing the organization and stating that

Government Relations Session – Report

Back Conclusion:

- Good understanding of political dynamics is a pre-engagement essential with government and local communities.
- Transparency in all government dealings is also essential.
- Direct advocacy is not always the best approach to encourage change. A company should assess how it can influence positive change through its established relationships with varied government channels.
- An established relationship based on trust is encouraged between business and government. Companies should invest in regular dialogue and trust-building activities with the government from the beginning.

NIDAA is the Arabic name for “call” -- a call for community participation in sustaining development and peace. She proceeded to shed light on the organization’s goal and objectives. Ms Al Fadil gave their perspective on why corporations and investors need to engage with local stakeholders, especially when developing social projects or activities directly targeting local communities and the added value and benefit the companies will reap from doing so. She continued to outline what local communities expect from companies and provided an overview of the approach needed for companies to manage expectations and deal with the changing needs and developments. Ms. Alfadil explained that companies should always conduct a needs assessment, be sensitive to local content and context with a special emphasis on respecting human rights, being transparent and accountable at all times. She encouraged companies to regularly conduct stakeholder engagement activities and always demonstrate their environmentally-responsible behavior to gain the communities’ trust and confidence. She continued to share a number of strategies and tools where companies can better meet expectations and emphasized the benefits of partnership and the importance of a continued investment in maintaining strong relationship with community members. She also highlighted the challenges and limitations that companies face in conflict-affected areas and how partnership opportunities can assist in dealing with these dilemmas. Ms Alfadil concluded by giving concrete examples of partnership experiences between

NIDAA and other private sectors companies citing projects in partnership with Shell Sudan, Lundin, and WNPOC in different fields such as capacity building and training (including soft skills such as trust building and conflict mitigation), and rehabilitation projects, such as schools and clinics.

Roundtables Discussion

Report Back-

Local Stakeholders Engagement:

Participants highlighted the need to classify the engagement process into phases or stages and identify key stakeholders for each stage. Clarity and transparency about objectives, plans, process and the desired results was seen as essential in all stages of the process. Promoting partnership at all stages was also advised. Discussions emphasized the need for the involvement and support of local leaders to ensure effective engagement with local communities as it is very important to ensure they have broad support from local political structures. Participants recognized that employment of the local community is integral for sustainable development and peace and the success of the company over the long-term. Encouraging open dialogue should be a project in itself to encourage engagement at all times. Creating a panel of experts to help channel the funds in a neutral and independent fashion, according to needs of the community, was another point of advisement. There was an acknowledged need to invest in communication with regards to what is responsible corporate behavior to bridge the communication gap between all stakeholders - thereby managing expectations. In conflict-affected areas, the active employment of ex-combatants was seen as crucial for the stability and sustaining peace. Companies were encouraged to invest resources and exert efforts to create such opportunities. Creating forums for discussion among different stakeholders is critical, yet seeking consensus is not always the best approach in light of cultural differences. Participants agreed that the sharing of best practices and lessons learned among companies operating in conflict-affected areas should be further encouraged and supported by the GC Local Network to overcome challenges and best utilize opportunities.

Report Back Session – Local Stakeholder Engagement :

Local communities need to be involved; regular engagement and effective communication channels are needed to ensure sustainability. The following are guidelines:

- Clarity and transparency about objectives, plans, processes and the desired results at all stages is seen as essential.
- The involvement and support of local leaders and provision of local employment opportunities are prerequisites for successful operations in difficult areas.
- Creating an independent panel of experts and local leaders to channel community funds was recommended to ensure neutrality.

Session VI: Sharing Experiences and Lessons Learned- Strategic Social Investment

In a context of social fragmentation and severe hardship, social investment projects without proper strategic planning, community consultation and extensive knowledge of the specific context can exacerbate existing tensions and thereby jeopardize the security of a company's core business operation. Inversely, conflict-sensitive social investment practices have a tremendous potential for making a significant and long-lasting impact on the decrease of conflict when linked to the conflict-specific business case. This session examined:

- *How do companies devise and implement a planned strategy that takes into account issues around resource transfer in conflict-affected countries and high-risk areas?*
- *How do companies ensure that their socio-economic activities make a meaningful contribution to development and peace?*
- *What are the key challenges? How can they be overcome?*
- *How do companies assess the impacts of their strategic social investment?*

Strategic Social Investment Session Summary:

- Foreign direct investment can help kick-start fragile economies if there are proper safeguards in place.
- Collaborative actions are needed in order for companies to act “responsibly” because no one actor can do it alone.
- Companies should have long-term plans of integrating social investment projects with business plans to ensure sustainability.
- Companies are urged to report more often and more regularly stating plans in place, key performance indicators, achievements and challenges and to get independent parties to audit and assess accomplishments.
- Companies need to understand what is meant by “strategic social investment” and realize that from one setting to another they may need to support government efforts to build local capacity and knowledge in order to ensure effective operations and sustainable development.

Lena Mahgoub, Sudan Network Focal Point (chairing on behalf of H.E Dr Amna Derar , Adviser to the president) commenced by providing a quick recap of the previous sessions, stressed the interrelatedness of all sessions and how this session is about providing different examples and perspectives of strategic social investment.

Ms. Kathryn McPhail, Senior Program Director, International Council of Mining and Metals and started by commending Greater Nile Petroleum Operating Company on the field visit that preceded the conference, giving valuable insight on the issues discussed at the event, as well as showcasing accomplishments and challenges on the ground which have enriched the perspectives of the meeting. Ms. McPhail provided an overview of how foreign direct investment can help kick-start fragile economies if there are proper safeguards in place. She asserted that investments from extractive industries which contribute to conflict-sensitive work is very different from ordinary economic growth and requires three things: responsible

business practices, linking business agendas to conflict sensitive economies and implementing high-quality strategic social investments through partnership. Ms. McPhail emphasized that the Global Compact and PRI represent the bedrock for responsible investment and responsible business practices. Ms. McPhail also mentioned the mandatory reporting initiatives at the ICMC. She accentuated that collaborative action is needed to act responsibly because no one actor can “do it alone.” Ms. McPhail encouraged participants to look at the Strategic Community Investment Guidelines developed by IFC which provides good practice. Linking investment to local community needs from an extractive industry perspective is done via increasing employment, enhancing local investments, reducing horizontal inequality and improving governance of natural resources. Ms. McPhail provided examples from different countries - particularly from Mozambique and Chile and shared the ICMC’s findings and inspirational accomplishments in contributing to the broader context of socio-economic development. Ms. McPhail concluded by asserting that the important lesson learned is about collaborative action and encouraged companies to team up with others to achieve desired goals.

Ms. Suzan El Sadig, Customer Service Manager, Sayga Investment Co., part of DAL Group initiated her presentation by mentioning the deep commitment of Sayga to embed corporate social responsibility into all their strategies and business practices. She provided an overview of why the company chose to invest in the particular example they were highlighting -- the Baking Development Centre. Ms. El Sadig spoke about the objectives and mission of the centre, which includes capacity-building, promoting good workplace practices and the adoption of environmentally-friendly and efficient approaches, which are all in alignment with their core business objectives. Ms. El Sadig provided background information about the centre: how it was developed, its wide outreach and the large number of beneficiaries inside Khartoum and in the upcountry. Ms. El Sadig spoke about their various approaches which included capacity-building programs and awareness-raising. She mentioned the important role the centre plays in shaping Sudanese

baking practices and dietary beliefs. She asserted that the centre uses multifaceted mediums to spread knowledge and information. They are in alignment with other activities at the group level, such as the DAL Forums and the Food Forum. Ms El Sadig highlighted the successful partnerships made with various stakeholders and that beneficiaries of the centre’s services are from government, civil society organizations, research institutes and local community members. She concluded by highlighting the specific challenges faced and how the centre has changed since its launch to meet expectations and address the challenges identified.

Ms. Anna Pot, Senior Sustainability Specialist, APG Investments started by giving an overview about APG and responsible investment the expectations of investors from companies, especially with regards to reporting relevant information. Ms. Pot proceeded to talk about social investment by companies and how it provides a connection with local communities, while to speaking to their perspectives and specific concerns. An important factor is knowing the culture, context and sensitivities and Ms. Pot emphasized that corporate social investment should always be in addition to proper business practices and not used as a cover-up to balance negative impacts or obscure consequences of irresponsible behavior. Ms. Pot highlighted the importance of investing in development, especially in areas where the company operates where such investment is greatly needed. However, companies should be wary of the thin line between their responsibility and that of the government. She emphasized the need for working in partnership to ensure sustainability of projects. Ms. Pot urged companies to have a long-term approach when thinking of social investment projects and that they should fit in with the big business plan a company intends to achieve. She continued to encourage companies to establish relationships with various actors who also are important players in funding social investment projects, because working together will add more value to the targeted communities. She stated that having systems in place shows the investors that companies are following a credible plan. Again, Ms Pot echoed the need to report back on “return on investment,” and she continued that companies

should learn to report more often and more regularly, noting plans they have in place, key performance indicators, achievements and challenges. Independent parties could also be retained to audit and assess accomplishments. She concluded by emphasizing the need to showcase lessons learned and use the local network to share experiences and challenges and draw from available expertise.

Dr Kimo Aban, Assistant Professor, Juba University started by highlighting the importance of efforts to bring together the private sector, government, civil society organizations and academia. He mentioned his particular experience in working with oil companies in Unity State and drew on that to highlight the changes that took place after the signing of the peace agreement when they changed their approach to further engage with the community. But the issue of managing the often high expectations of local communities should also be noted. Dr. Aban stressed the need to invest in people in such environments and not just in the physical environment and infrastructure. Dr. Aban highlighted the challenge in finding qualified, skilled and fit-to-work candidates and hence the need to invest in health and education, first and foremost. Another issue he flagged is the need to remove ambiguity with regards to what is meant by “strategic social investment” and whether it is obligatory or seen as another form of charitable giving. Dr. Aban urged all participants to perceive social investment as a process and to be aware that the local community should be involved from the beginning for these projects to succeed. He asserted the need to have an exit strategy and businesses should facilitate capacity building to ensure a smooth exit.

He pointed out that companies should be aware of the varied context from one place to another. For sustainable business to take place, actors must be aware that not all local governments have the same level of experience. In such a setting, companies may find themselves taking the lead. Building the capacity of government maybe encouraged as well as promoting small-scale enterprises to complement business activities. Supporting communities is advisable, while keeping in mind that finding an appropriate partner is the biggest challenge facing implementation of

many social investment projects. A weak structure, lack of awareness, lack of security and spread of violence are all challenges that should be taken into consideration. Measurement of progress throughout the project life-cycle to ensure sustainability is an area of major concern that companies should give attention to. Dr Aban concluded by urging the different stakeholders to work together through the local network.

Roundtables discussion

Report Back-

Strategic Social Investment:

Participants pointed out the need to tap into government social investment master plans, if available and contribute to these plans, as these efforts have a bigger impact and benefit to the company and communities. Successful strategic investment has many benefits, one of which is effective dispute management when such situations arise. A level of trust and respect is usually acquired from the local community members as a result of having such processes in place. Participants highlighted the need to involve beneficiaries in all strategic investment stages: planning, implementation, evaluation, etc. Participants reiterated that the starting point should be emphasis on areas such as education and health, then training and capacity-building to ensure applicants have the right qualifications and skills for whatever jobs are needed and hence giving opportunities of employment to the local community. However, it is clear that there are major difficulties with regards to finding individuals with the basic requirements needed for employment.

A “Needs Assessment Survey” has been defined as a must-have. From the various discussions over the course of the meeting it was apparent that all areas overlap and intersect. Careful management of each and is needed for a company to demonstrate “responsible business” in action. Operating in conflict-affected areas maybe a risk but it can also result in high returns. Without such private investment and corresponding economic development, conflict-affected areas have no chance of succeeding in overcoming challenging times. A higher awareness of issues and wider

dissemination of knowledge and best practices of what is “responsible behavior” needs to be shared with all stakeholders. In many areas some of the actions needed are easier said than done.

Strategic Social Investment Report Back session:

- Complementing existing development efforts in close collaboration with the Government and other stakeholders is preferred.
- Investment in human capital in conflict – affected areas is necessary to ensure the long-term sustainability of a company’s operations.
- Real challenges could be overcome through increasing employment, enhancing local investments, reducing horizontal inequalities and improving governance of natural resources.
- Continuous evaluation of various strategic investment projects should be conducted to ensure they are truly adding value.

Recommendations and Next Steps for the Global Compact Local Network Sudan:

A project in partnership with the Ministry of Humanitarian Affairs and a youth civil society organization -- Mugadidoon -- which tackles the issue of street children was shared at the beginning of this session and was declared the most recent Global Compact Network Sudan project in partnership with others. Lena Mahgoub provided an overview for the way forward, emphasizing the role that has been pointed out for the network to continue providing the platform for different stakeholders to convene and to discuss various issues and concerns to speed the adoption of the ten principles and the effective contribution to development and the Millennium Development Goals. The Global Compact Sudan Network declared an ongoing commitment to continue recruiting more participants, conducting more multi-stakeholders workshops, especially after the elections. Ms. Mahgoub welcomed the statement of H.E the Minister of Energy and Mining calling on oil operating companies to join the network. She invited all who are not Global Compact

participants to join the Sudan network as well. She also pointed out their enthusiasm, with respect to the support received from government officials towards registering the network as a legal entity so as to be able to operate more effectively with a wider outreach. With respect to the Guidance, participants saw great value in continuing to share experiences and concerns of how difficult issues can be addressed to demonstrate responsible business practices. Also at the end of the interactive discussion sessions, the participants saw great value in sharing and learning more about best practices and admitted shortcomings in that area, both internally and externally. More communication was needed and the Global Compact Sudan Network was recognized as an available platform for such sharing. Ms. Mahgoub highlighted the need to maximize the opportunity that the network is offering and pointed out that one of the main goals of the network is continuing to provide the space for continued engagement amongst the various sectors and actors. The participants were then called on to share their perspectives on how the Global Compact Sudan Network can further engage participants in efforts to advance the ten principles and to implement the Guidance in the country.

Ms Maja Bott, Economic Adviser, UNDP Sudan gave insight into the various projects UNDP is embarking upon in partnership with the private sector and she spoke about the areas where the Global Compact Sudan Network can be a partner in moving forward these initiatives. The areas of interest Ms. Bott mentioned specifically were alternative energy (namely, the use of LPG) microfinance opportunities and the development of small and medium enterprises. This last is an interesting project with the Ministry of Culture, Youth and Sports. They hope to combine the capacity development of small entrepreneurs and link that to markets. Ms. Bott pointed out the huge opportunities of participation for the members of the Global Compact Network in this specific project.

Dr. Marwan Merghani, World Food Programme also highlighted the need for partnership and called onto the network to identify a role for the various UN agencies and other actors

and to approach these various parties who will surely be interested in adding value. Dr. Merghani also asserted the need to go beyond relief to development efforts in conflict-affected areas because relief is not meant to be an endless process.

Mr. Mohamed Khalil Osman, Board Member, Haggag Holding Group proceeded by highlighting the specific challenges that Sudan is facing and the context it operates in. Mr. Osman asserted that Sudan may indeed be viewed as a high-risk and complex country and is at a crossroads. However Sudan's problems are not economical but political. He asserted the important role the private sector can play if things go well and that the Sudanese need to strive to live together in peace and solve these political problems. Only then can they find a way forward.

Ms. Hanan AbdelKareem provided some insights on the conference and challenges of defining meanings -- what a "smart partnership" really means, for example, and how it translates. Also, how can companies be more transparent and how does information travel and is conveyed to others? Ms. AbdelKareem also urged policies on employment, on percentages of locals hired and long term plans for training and capacity building as part of the Guidance.

Ms. Meng Liu, China Network Director stressed that "one cannot give development, it must be owned by the local people" before proceeding to share experiences from the China Network. Ms. Liu emphasized the need to build a strong team from various backgrounds to be able to add value and take the network forward. The China network is made up of representatives from the different sectors and experts who integrate local knowledge into the local context. She urged the Sudanese to do the same and have a pool of people who can provide services and expertise to the local companies, hereby guaranteeing the financial sustainability. She ended by encouraging the local network to keep the network up and running, and to continue to foster learning and experience sharing, engaging both national and multinational companies.

Mr. Kris Douma, MN Services spoke about the value of such engagements for investors where they can learn more about the country and local context and clarify some of their concerns in situations where information is lacking. Mr. Douma commended the initiative undertaken by Global Compact and PRI and expressed the high value they found as investors in discussing this Guidance.

Ms Mahgoub highlighted the existing opportunity of working closely with the Ministry of Communication and Information to plan an internal communication about the Global Compact and the ten principles and also to formulate external communication to share best practices and disseminate needed information and that will be part of the way forward in 2010.

Recommendations Summary:

- Global Compact Sudan Network should continue to provide the platform for different stakeholders to meet and discuss various issues and concerns to progress the adoption of the ten principles and the effective contribution to development in Sudan and achieving the Millennium Development Goals.
- The need to build a strong team from various backgrounds to be able to add value and take the network forward in the next phase.

Closing Remarks :

Mr. El Sheikh M. El Sheikh, Chair of Global Compact Sudan Network stated that the Sudanese Businessmen and Employers Federation reasserts their commitment to the Global Compact Network and that as chair of the network he will work to ensure that all recommendations of the meeting are to be realized and translated into action. He also highlighted that this important meeting was convened at a time where Sudan is now facing post-conflict demands and opportunities and the discussions that took place on 1st and 2nd of March should be shared with a

wider audience across Sudan to spread the best practices and guidelines concerning “Responsible Investment.” Mr. El Sheikh proceeded to express his happiness in having had the chance to host this meeting and understanding the increased value of engagement and declared the Global Compact network’s interest in hosting the ALNF meeting in 2011 in Sudan. He concluded by mentioning that the willingness of different parties to join the network as a result of their involvement in the meeting is a strong indicator of the meeting’s success and ended by thanking all those who contributed to the success of the event.

Sir Mark Moody-Stuart, Vice Chair, UN Global Compact Board began by thanking all the organizers as well as the companies and organizations which have supported the network since its pre-launch and called on the finalization of the network’s registration first and foremost. He encouraged the network to recruit more participants from the different sectors, not just companies, but civil society organizations as well as others. Sir Mark emphasized that the network needs to have regular engagements and smaller meetings to discuss various issues of interest according to identified priorities – be it human rights, labour standards, the environment or anti-corruption. Sir Mark asserted the need to create a space for exchange between the companies to share their different experiences and urged the network to address companies from the oil sector and beyond, such as those working in agriculture or telecom, and provide them with opportunities to discuss and explore areas of cooperation and partnership. Sir Mark concluded by highlighting how the presence of the investors in this engagement was very useful and stressed the importance of the continued engagement. He encouraged the local network to continue playing a facilitating role. Sir Mark restated that “good investment is part of the solution to the problem.”

Mrs. Habiba Al Marashi, Chairperson of EEG and Board Member of UN Global Compact expressed her satisfaction for finding so much positive energy and capacity and rich knowledge and, most of all, the diversity of present stakeholders which are all indicators of success. She urged the local network to make use of this energy

and knowledge and called on the participants to take on an active role in strengthening the network and achieving its objectives. Mrs. AlMarashi stressed the need to create a sound financial structure to ensure stability and be able to look at issues more comprehensively. She highlighted the benefits a Global Compact network provides specifically with respect to communication and dialogue to a country “underrepresented” or perhaps misrepresented, at times, such as Sudan and called on participants to exert more effort to correct this image. Mrs AlMarashi called on the Sudan Network to invest in a good steering committee and advisory panel including from high-profile personalities from government, business and civil society organizations. She concluded by asserting the importance of involving the youth, as they are the future leaders, and mentioned the “Young Arab Leaders” program available in a number of countries in the region. Ms. AlMarashi ended by stressing that efforts should never be underestimated, as a thousand-mile journey starts with a step.

Mr. Bakri Yousif, Secretary General, Sudanese Businessmen and Employers Federation provided an overview about the Sudanese Businessmen and Employers Federation and how it operates and the many chambers it contains. Mr. Yousif then continued to reiterate the Federations’ commitment to continue supporting the local network, their readiness to host all the networks’ activities at their premises and affirmed their initiative to encourage all members to contribute a percentage of their profits to be invested in conflict-affected areas. He urged the local network to continue raising awareness about the Global Compact’s ten principles and the role the private sector can and should play. Mr. Yousif cited various examples of how the Federation can work in partnership with the UN agencies such as UNDP and WFP to contribute to the Millennium Development Goals and the sustainable development agenda. An example is providing opportunities for training and apprenticeship to ex-combatants in different areas, as the membership of the Federation is widely dispersed and their workshops are found in different parts of the country. Mr. Yousif asserted that the real force that will keep an ex-warrior from going back to fight is

seeing the dividends of peace – this can be accomplished through capacity-building and employment creation. Mr. Yousif expressed confidence that the Federation will assist in every way to ensure registration of the Local Network is completed within a month so that the network is granted the legal framework to be able to work effectively and efficiently. Mr. Yousif pointed out the important role of the media in disseminating knowledge and information and stressed that sometimes the media generalizes and does not accurately reflect the situation. He noted his view that in Sudan his feeling is that certain problems have been exaggerated, reflecting negatively on the people of Sudan. Mr. Yousif cited the economic sanctions as one targeting the government, but the real parties suffering are the private sector in particular and the Sudanese citizens in general and the government is not at all affected. He emphasized the importance of dialogue and engagement to ensure best practices and decisions that serve the interests of all affected parties.

H.E Professor Elias Nyamlell Wakoson, State Minister, International Cooperation greeted the participants and expressed his pleasure in finding out how this meeting and its subject of discussion fit the Sudanese context. Conflict, post-conflict, high-risk areas, peace and sustainable development were the key concepts that ensured his interest over the full two days. H.E Professor Nyamlell supported the use of the Guidance as a framework for “responsible business” and “responsible government.” He stressed that it is indeed the responsibility of business and governments to address the critical issues such as human rights and corruption. He continued to state that the greater responsibility is that of the government and in the context of Sudan’s approaching elections, he said there is even a greater responsibility to provide a conducive environment for businesses -- making sure policies and regulations are in place to enable the private sector to behave responsibly. H.E stated that peace comes with a high price and for government to sustain the peace they need a lot of funds. That is why he finds it essential to draw on the power of the private sector to support in sustaining the peace, but within a framework of “responsibility” which is not easy. H.E encouraged the continuance of such engagements to clarify

what is meant by such “responsible investment” and he encouraged the support of small enterprises because these are part of the local communities and hence have a direct impact and effect on a community’s welfare and the local economy’s prosperity. H.E also offered to support the registration of the network and ended by calling on the network to spread all over Sudan and not just in Khartoum. He called for a wider outreach to diversify knowledge, backgrounds and expertise.

Closing Key Remarks:

- Discussions should be shared with a larger audience across Sudan so as to spread the best practices and guidelines concerning ‘Responsible Business and Investment Practices’.
- The Sudan Network should conduct regular engagements and smaller meetings to discuss various issues of interest according to identified priorities. This could also be done by sector and by issue.
- The Sudanese Businessmen and Employers Federation committed to continue supporting the network, hosting its different meetings and encouraging a wider participation.