



Effective Governance for Sustainable Development: Unlocking the Potential of Responsible Business

Discussion over Dinner

Wednesday 10th December, 2014

The UN Global Compact promotes a broad concept of Corporate Sustainability, as one that focuses on long term value creation by business in financial, social, environmental and ethical terms. Built into this concept is the idea that businesses should not give with one hand and take with the other. Underpinning businesses' commitment to the Ten Principles of the Global Compact is a respect for universal principles and support for UN goals, including but not limited to, development, peace and human rights.

As more and more businesses embrace the concept of Corporate Sustainability, they are exploring ways and means to tackle systemic challenges. Violence, corruption and absence of the rule of law create major barriers to economic growth which expose businesses to financial and reputational risks, and adversely impact markets and societies.

The business case for overcoming these impediments is becoming more compelling as businesses large and small; foreign and domestic are making long term investments in growth markets. As part of their commitment to the Global Compact, businesses recognize that their actions alone are not enough to address these challenges and are increasingly turning to their sphere of influence to forge partnerships in order to drive systemic change. Against this backdrop, businesses are also collaborating with policy makers with a view to develop policies and build incentives that foster and reward responsible business practices, which in turn, unlock the power of private investment and positively contribute to sustainable development.

The Global Compact has three mutually reinforcing workstreams to promote respect and support for effective governance and sustainable development. **Business for Peace, Anti-Corruption, and Business for the Rule of Law** (see **Annex A**) offer guidance on how businesses can support peace building, the elimination of corrupt practices, and strengthening of the rule of law through such activities as core business, social investment and philanthropy, advocacy and public policy engagement, and/or partnerships and collective action.

Recognizing the connections between these priorities, the UN Open Working Group on the Sustainable Development Goals (SDGs) included Goal 16 (see **Annex B**) in its proposed set of 17 SDGs for the period 2016-2030. Moreover, the UN Secretary-General recently released his synthesis report on the post 2015 agenda in which he outlines six overarching Principles that reinforce the 17 SDGs, the most relevant being, the importance of justice in promoting safe and peaceful societies, and strong institutions (see **Annex C**).



The discussion over dinner will explore in more depth the extent to which businesses are themselves seeing these interconnections, what actions they are taking beyond addressing their own impacts to contribute to improved governance in the countries where they are operating and what role they would like to see other societal actors play in helping to level the playing field so good practices will be winning practices in respecting and supporting effective governance for sustainable development. The objectives of the discussion are to raise awareness of businesses and other societal actors of these developments, share experiences and examples, and focus the dialogue on the role of businesses, in collaboration with others, in helping to meet Goal 16 of the SDGs. The discussion will inform and help further shape the above-mentioned workstreams.

Discussion question: *What actions could responsible business take to support governments in tackling corruption, strengthening the rule of law and building more peaceful inclusive societies?*

Some examples include:

- *Calls to action for business, government and other societal actors*
- *Collective action efforts to mobilize multilateral support at the global and local level*
- *Responsible lobbying and public procurement practices*



Annex A: Global Compact Workstreams on Respecting and Supporting Effective Governance for Sustainable Development

Anti-Corruption

The UN Global Compact 10th Principle against Corruption states that “*Businesses should work against corruption in all its forms, including extortion and bribery*”. The UN Convention against Corruption is its underlying instrument. With the integration of the 10th Principle, the private sector demonstrated a new willingness to play an important role in eliminating corruption and creating a sustainable, ethical and inclusive global economy. Implementation of this principle commits UN Global Compact participants not only to avoid bribery, extortion and other forms of corruption, but also to develop policies and concrete programs to address corruption.

The 10th Principle receives guidance from a global multi-stakeholder [Working Group](#), comprising of more than 50 participants from the private sector, civil society, academia and international organizations. The Working Group provides advice to the UN Global Compact on latest trends in anti-corruption and identifies areas where more efforts are required. The Working Group has developed numerous [tools and resources](#), for example, [Fighting Corruption in Sport Sponsorship and Hospitality](#), [the Reporting Guidance on the 10th Principle](#) (with Transparency International), the [Anti-Corruption Risk Assessment Guide](#), and the [Guidance on Fighting Corruption in the Supply Chain](#). The [Anti-Corruption Collective Action Hub](#) is an online platform that convenes various stakeholders to join or initiate a collective action partnership against corruption.

As a result of recommendations made by the Working Group, the UN Global Compact launched the [Anti-Corruption Call to Action](#) with support from the World Bank Institute, the Open Contracting Initiative, Global Organization of Parliamentarians against Corruption and Transparency International. The Call to Action is an appeal by the private sector to Governments to underscore the importance of anti-corruption and transparency, especially in the global development agenda and to implement policies that will establish systems of good governance. Since its launch in June 2014, it has garnered support from more than [180 companies and investors](#).

For more information, please visit our [website](#) or contact Ms. Olajobi Makinwa (makinwa@un.org).

Business for Peace

Drawing on over a decade of experience working with the private sector to enhance business contributions to peace, the UN Global Compact launched Business for Peace (**B4P**) in September 2013 to catalyse collaborative practical action for peace by leveraging business influence on the workplace, marketplace and local communities around the world. Identified in Forbes as [one of the five areas defining the future of CSR](#), this leadership platform assists companies in implementing responsible business practices that are aligned with the Global Compact principles in conflict-affected and high-risk areas.



B4P also is the first Global Compact issue area that enables Global Compact Networks to join alongside companies and business associations, helping to provide guidance and multi-stakeholder engagement opportunities to participating companies to ensure contributions to peace are rooted in the local context of specific countries. The differentiated responsibilities and capacities of companies, Governments, and civil society organizations make these opportunities for multi-stakeholder engagement, shared learning and partnering essential for supporting responsible business practices in complex environments.

For companies of all sizes, operating in "conflict-prone", "weak" or "post-conflict" areas poses a number of dilemmas with no easy answers. Recognizing this, during the past decade the UN Global Compact has brought companies together with multiple stakeholder groups to enhance their collective capacity to make positive contributions to peace and development where they operate. These collaborations have created a number of [tools and resources](#) – such as the [Guidance on Responsible Business in Conflict-Affected and High-Risk Areas](#) – which aim to assist companies implementing responsible business practices in complex environments.

For more information, please visit our [website](#) or contact Ms. Melissa Powell (powell1@un.org).

Business for the Rule of Law

Business for the Rule of Law (**B4ROL**) seeks to engage the business community in supporting the rule of law as a complement to, not substitute for, government action. B4ROL will include, among other things, a Framework which aims to provide guidance and to support dialogue on how companies from around the world are able to take voluntary action to support the rule of law in their business operations and relationships, while reinforcing business respect for the UN Global Compact's Ten Principles and support for broader UN goals. The Framework will include explanation of the Rule of Law, the role of business, the business case for action, business examples and suggestions of areas of business action in support of the Rule of Law.

With the guidance of a multi-stakeholder steering group and in collaboration with many leading organizations active in the area of support for the Rule of Law, the UN Global Compact is currently embarking on a global consultation process comprising a number of consultation workshops around the world, which seek the expertise and insights of various actors (including business, government, non-government organizations, academia and the legal profession) to provide input into the development of the Framework. The Framework is scheduled for launch in June 2015.

To learn more please contact Ms. Ursula Wynhoven or Ms. Christina Koulias (rol@unglobalcompact.org)



Annex B: Excerpt from ‘Proposal of the UN Open Open Working Group for Sustainable Development Goals’

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 and torture against 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 recovery and return of stolen assets, and combat all forms of organized crime

16.5 substantially reduce corruption and bribery in all its 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 capacities at all levels, in particular in developing countries, for preventing violence and combating terrorism and crime

16.b promote and enforce non-discriminatory laws and policies for sustainable development



Annex C: Excerpt from the UN Secretary General's Synthesis Report on the Post 2015 Agenda, 'The Road to Dignity by 2030: Ending Poverty, Transforming All Lives and Protecting the Planet' [emphasis added]

Principle 5 | Justice: to promote safe and peaceful societies, and strong institutions

77. **Effective governance for sustainable development** demands that public institutions in all countries and at all levels be **inclusive, participatory, and accountable** to the people. **Laws and institutions must protect human rights and fundamental freedoms.** All must be free from fear and violence, without discrimination. We also know that participatory democracy, free, safe, and peaceful societies are both enablers and outcomes of development.

78. Access to fair justice systems, accountable institutions of democratic governance, **measures to combat corruption and curb illicit financial flows**, and safeguards to protect personal security are integral to sustainable development. An **enabling environment under the rule of law** must be secured for the free, active and meaningful engagement of civil society and advocates reflecting the voices of women, minorities, LGBT groups, indigenous peoples, youth, adolescents and older persons. Press freedom and access to information, freedom of expression, assembly and association are enablers of sustainable development. The practice of child, early and forced marriage must be ended everywhere. The rule of law must be strengthened at the national and international level, to secure justice for all.

79. We need to **rebuild and reintegrate societies better after crises and conflicts.** We must **address state fragility, support internally displaced persons** and contribute to resilience of people and communities. Reconciliation, peacebuilding and state-building are critical for countries to overcome fragility and develop cohesive societies, and strong institutions. These investments are essential to retaining the gains of development and avoiding reversals in the future.
