

UN Global Compact/HRWG

Good Practice Note on Multi-Stakeholder Panels

Update on Progress

I. Introduction

- Focus: how multi-stakeholder panels help businesses with human rights issues
- Those panels became more popular in the past couple of years, especially pioneering in the extractive industries
- Various forms of panels: (→ see Report commissioned by the Harvard Corporate Social Responsibility Initiative on Ad-hoc time specific panels)
 - Standing bodies v. Project specific and Time-limited/ad-hoc bodies
 - Local v. global bodies
 - Substance v. process (social review process or agenda setting)
 - But panels take on mixed forms

II. Methodology

- Conduct interviews with either panel members or individuals with experiences or expertise on the panel, or with experts on MSP/stakeholder engagement in general
 - Come up with interview protocol, which took the longest
 - 6 interviews so far, 2 with general experts and 4 with individuals in some relationship to the panel
 - Interviews are confidential
 - First preliminary findings presented here
- Initially focused on standing bodies, but shifted to also include temporary/project specific bodies
 - Reasons:
 - not so many standing bodies with HR focus
 - some already terminated time-limited panels can give more insight on “lessons learned”
- Panels referred to include:
 - AngloGold Ashanti Joint Investigative Group (JIG), Ghana

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- Cerrejon Third Party Review Panel
- Newmont Advisory Panel
- LaFarge Stakeholder Panel
- panels all have a human right focus, being the sole issue or one among others, i.e. environmental issues
- panels differ in
 - form (standing, etc.)
 - membership (some have expert members, local members, business executive members, mixed)
- Focus during interviews
 - Make-up of panel
 - Working method
 - Transparency
 - Lessons learned as most important issue
 - Positive lessons: achievements/advantages
 - Negative: challenges
- What the good practice note could look like
 - Introduce MSP, explain general advantages
 - Describe different methods as examples
 - Describe the lessons learned from current panels
 - Based on lessons learned – make general recommendations avoiding a one size fits all approach

III. Preliminary findings

a. General advantages of MSP

- Helps to adequately address complex issues in an ever more complex society
- Through this form of stakeholder dialogue offered different valuable perspectives the company did not have before
- The company can engage in policy dialogue
- Way of risk management
- Sustainable operations are more cost-effective
- Reputational advantage, helps solve reputational dilemmas
- It is a true engagement, the company and stakeholders learn from one another
- Networking effects
- Builds trust with stakeholders, i.e. potential consumers
- Adds the value of truly being a “good business”

b. Common features

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- All panels meet between 2-4 times a year
- The board selects the members, is involved in the process (i.e. direct line from panel to board, attend discussions while taking a back seat, engage in dialogue with panel), but free speech was guaranteed
- Installing a MSP was generally considered to be a genuine approach by businesses, not only “greenwashing” attempts
- The findings of the panel were published uncensored on the internet

c. Lessons learned

i. Achievements/advantages

- Adequately address HR issues (i.e. legacy issues), “find out about HR allegations”
- Advances the company’s credibility and legitimacy
- Helps to face and deal with skepticism/critique the company is facing
- Helps to build trust in the company
- The uncensored publication of the panel's findings is proof of a serious undertaking
- “Good reports” were issued, addressing issues adequately
- Involvement in panel serves as a reality check for panel members, the learning goes both ways
- Not having MSP structures makes work more difficult

ii. Challenges

- Problem of ineffective panel members
- In some cases, the businesses initially “dragged their feet” in dealing with the panel
 - One interviewee pointed out that it is worth “to go the whole nine yards right away”, which was eventually the direction the company was then headed, resulting in transparent process/uncensored publication of the panel’s findings
- An issue that was raised multiple times was the issue of local engagement
 - One interviewee pointed to a knowledge gap between the highly international/technical MSP and the local community;
 - There seems to be a general lack of a true understanding of what the panel is and does, miscommunication, lack of communication
 - Problems include:
 - Publishing of findings online – local communities might not have access
 - Lack of local constituency (i.e. well known local figure, speaks language, etc.); however, one interviewee pointed out, that after the

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panel had noticed the missing local constituency, the company responded immediately by allowing a local member

d. Recommendations

i. Set it up “right” from the start

- RE membership – get consensus on which stakeholders to include
- RE leadership of different constituencies
 - Interviewees reported a strong/effective leadership to be crucial to accomplish the goal of the panel efficiently
- RE involvement of the board in panel proceedings, i.e. “direct line” to board was considered very important by some interviewees

ii. Clarify

- Make sure the mandate is clear right from the start, engage in discussions to avoid misunderstandings
- Make sure the methodology is clear to every panel member

iii. Engage locally

- If engaging a global/standing body, consider to engage a local panel in addition (was recommended by one interviewee RE,
 - The global panel may not adequately address local issues, mandate is too broad, the connection to the local level is limited
- In panel specifically addressing issues in local community:
 - Include a local member who speaks the local language
 - Engage more to avoid knowledge gap between panel and local community
 - Make the panel known through stronger dialogue with communities

IV. Outlook

- Look at interviewing more panels, one local community panel member
 - Panels include: BP Caspian/BP Indonesia, Goldcorp, BHP Billiton, AREVA
- Any suggestions are greatly appreciated
- Any volunteers for interviews (confidential, on more than 45 minutes) are very welcome!