



## Brief Summary

### International Conference on Social Investments in the Economic Development of the regions of Russia

On 26 October 2006 the international conference Social Investments in the Economic Development of the Regions of Russia aimed at promoting corporate responsibility and regional development in Russia was held in Rostov-on-Don. The conference was organized by the United Nations Development Programme in the Russian Federation and the Russian Union of Industrialists and Entrepreneurs in association with the UN Global Compact Office. The event was supported by the leadership of the Southern Federal District and the Administration of the Rostov region.

The conference objectives included development of interregional and international cooperation, sharing experience and presentation of corporate initiatives in the area of responsible investing. The event was designed as a unique networking opportunity and allowing strengthening direct contacts among Russian businesses, international companies and local authorities in order to attract socially oriented investments to the regions and foster the establishment of the Russian UN Global Compact Network.

Over 200 participants, including representatives of key ministries and agencies of the Russian Federation, major national and foreign companies' management, regional businesses, civil society, international organizations, United Nations agencies and media representatives took part in the conference.

Mr. Alexander Shokhin, President of the Russian Union of Industrialists and Entrepreneurs, Mr. Alexander Pochinok, Deputy Plenipotentiary Representative of the President of the Russian Federation in the Southern Federal District, Mr. Vladimir Chub, Governor of the Rostov region and Ms. Marta Ruedas, UNDP Regional Director for Europe and CIS and Deputy UN Secretary General a.i., opened the conference.

Recent years have become a period of advancement of the responsible investing concept in the regions of Russia. Regional businesses realized their long-term interests, coming to an understanding that sustainable development is impossible without establishing a dialogue and responsible relations with all stakeholders. Corporate responsibility is increasingly seen as the private sector's approach to integration of economic, social and environmental aspects in its activities.

The release of social reports by companies operating in Russia is an important achievement that contributes to the responsible investing dialogue and establishment of balanced relations between the business sector, authorities and civil society, bringing a company to a higher stage of development. One of the most significant events in this area was adoption in 2004 by the Russian Union of Industrialists and Entrepreneurs of the Social Charter of the Russian Business in which basic principles of the corporate social responsibility were formulated.

Promoting corporate social responsibility and stimulating business partnerships for development are among main priorities for the United Nations Development Programme in the Russian Federation. Programme, with its mandate of eradicating poverty, sees promotion of corporate social responsibility and strengthening of business partnership for development as its priorities in Russia.

During the conference a signing ceremony of the Agreement between UNDP and Vnesheconombank on cooperation in implementing of the projects aimed at sustainable economic and social

**Conference information partners:**



development of the regions of Russia. The programme is aimed at conducting studies of international best practices, formulating social and economic regional development strategies with a focus on poverty reduction and effective employment generation, attracting direct investments, implementation of recovery and reintegration programmes in the republics of the North Caucasus, support to small and medium business, infrastructure development, support to the housing and communal sector reform in the regions, assistance in increasing effectiveness of basic public services, development of public-private partnership, as well as assistance in enhancement of economic cooperation in the CIS.

As a result of the conference, a resolution was adopted defining the activities of Russian and international partners in promoting corporate responsibility, assistance to socio-economic development of Russian regions, and establishment of the Global Compact Network in Russia.

*Overview of the Resolution:*

Promotion of corporate responsibility in the Russian regions requires:

- further development of interregional and international cooperation, experience sharing, presentation of corporate initiatives in the area of responsible investing;
- improvement of instruments and technologies aimed at introduction of the Global Compact principles and extended implementation of best practices for socio-economic development of Russian regions;
- strengthening of direct contacts among national and foreign companies and local government authorities in order to attract social investments in Russian regions, as well as establishment of the UN Global Compact Network in Russia.

The participants of the conference have formulated the following main follow-up tasks:

1. For the Russian Union of Industrialists and Entrepreneurs (RUIE), its regional offices and local unions of entrepreneurs to increase effectiveness of joint efforts of industrialists and entrepreneurs in Russia aimed at improvement of business environment, raising the status of Russian business in Russia and abroad, and contributing to the modernization of the national economy; as well as to unite efforts aimed at building effective and sustainable market economy based on independence, fair competition and transparent regulations, as stipulated in the Social Charter of the Russian Business.
2. For UNDP – to continue providing technical support and consultations on development strategy, sharing information, lessons learned and resources with the aim to improve the living standards in Russian regions together with business community, trade unions and other organizations representing civil society.
3. To appeal to executive and legislative authorities of the Russian Federation to support UNDP and business community in promoting corporate responsibility principles and facilitating the country's regional development; to develop further measures for social partnership development, support of socially oriented business and establishment of the UN Global Compact Network in Russia.