



Launch of the UN Global Compact Network Sudan Background Note *

December 1, 2008 - Khartoum, Sudan

A growing number of organisations in Sudan are choosing to participate in the UN Global Compact (UNGC), the world's largest corporate citizenship and sustainability initiative. These organisations - companies both large and small, NGOs, academic institutions and the Sudanese Businessman's Association - together with UNDP, UNIDO, the Sudanese government and with the support of the UNGC Office in New York, will formally establish a UN Global Compact Local Network Sudan.

The launch of the Sudanese Network will bring stakeholders together to:

- Explore how companies can work to implement the UNGC's ten principles;
- Facilitate collaboration among companies and other stakeholders, with a view to developing partnerships aligned with the priority needs of the country; and
- Establish a network of companies and other organisations willing to work in public-private partnerships to help to ensure follow-up.

The Case for Business Action to Promote Peace and Development

Responsibility for building peace and promoting sustainable development in Sudan ultimately rests with the Sudanese government. However, to achieve these goals the active engagement and collaboration of other sectors in society, including the business community, is essential.

Companies have a strong incentive and the capacity to play an active part in broad economic, social and environmental development in Sudan.¹ Peace, prosperity and stability are essential for human security, but also for sustaining an environment where social, political, environmental and economic capital can accumulate. This capital is necessary for the functioning of sustainable communities, which in turn can provide better investment opportunities and reduced operational costs for companies.

Business can make a positive contribution to sustainable peacebuilding and development efforts in Sudan first and foremost by running profitable and responsible companies. This means generating income, making investments, taking care of employees, adhering to international and national standards, complying with regulations and producing safe appropriate products and services.

Beyond 'doing no harm', Sudanese companies and multinational companies with operations in Sudan face challenges in: 1) ensuring that their operations and behaviour strengthen the process towards peace, and 2) avoiding the risk of their activities exacerbating conflict or causing other harms. By taking proactive steps to address

¹ Jane Nelson, *The Business of Peace*. 2000.

* The **International Business Leaders Forum** is the lead author of this report, with essential contributions from the Global Compact Network Sudan and the Global Compact office.

these challenges, companies can help to secure their license to operate, improve relations with local stakeholders and safeguard corporate reputation.

Towards a Global Compact Network in the Sudan

Launched in 2000, the UN Global Compact brings business together with UN agencies, labour, civil society and governments to advance ten universal principles in the areas of human rights, labour, environment and anti-corruption. Through the power of collective action, the Global Compact seeks to mainstream these ten principles in business activities around the world and to catalyse actions in support of broader UN goals including the Millennium Development Goals. The Global Compact now has over 6,000 participants from over 130 countries as well as over 80 Global Compact Local Networks worldwide.

In May 2006, a forum on “Public-Private Partnerships in Post-Conflict Societies” was organised in Khartoum by UNDP and the Ahfad University for Women. Among the key issues discussed were how public-private partnerships can support Sudan and the need to strengthen governance structures and human rights practices – both in Sudan and across Africa. Forum participants from business, government and civil society concluded that the establishment of a local UNGC Network could provide an avenue for companies to make a positive contribution to Sudan’s peace and development.

Local networks play an essential role in the UNGC initiative, providing a mechanism for local firms, subsidiaries of foreign companies, and other key stakeholders to collectively advance action in support of the Global Compact within the specific national and cultural context in which they operate. A local network in the Sudan could provide a platform for Sudanese companies and MNCs with operations in Sudan to come together to discuss how to make a practical contribution to peace and sustainable development. By participating in the Global Compact, and particularly the local network, companies can demonstrate their commitment to corporate citizenship and a more sustainable and inclusive global economy. It is widely recognised that this can improve a company’s ability to attract and retain customers, employees and investors.²

The 10 Principles of the Global Compact

Human Rights

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

Labour Standards

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

Environment

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

Anti-Corruption

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

² UNGC, *After the Signature: A Guide to Engagement in the United Nations Global Compact*, 2007

Opportunities for local network action

A number of local steering committee meetings have taken place in the run up to the UNGC Sudan Network launch, during which participants have discussed areas where collective action by participants may have significant local impact. The following is a draft list of proposed network priority areas:

Share models and mechanisms for implementing responsible business practices.

Some companies have already taken proactive steps to address the challenges of operating in Sudan: mobilising core competencies to support and strengthen local communities; helping to stimulate economic activity and create employment opportunities in post-conflict areas; and advocating systemic change at local, national and international levels. In addition, a number of existing business tools and collective action mechanisms have been developed, which may be relevant such as: International Alert's Conflict Sensitive Business Practices tool and the UNGC/IFC/IBLF Human Rights Impact Assessment Guide, as well as the Extractive Industries Transparency Initiative and the Voluntary Principles on Security and Human Rights.

The local network could:

- Showcase examples of responsible business practices, both from Sudan and elsewhere.
- Create opportunities for participants to learn from each other's experiences, exchange ideas, and extract lessons for local application.
- Identify existing business tools and collective action mechanisms that are relevant for the business community.
- Convene workshops to help participants better understand how to implement the Global Compact 10 principles and report on the progress they make.

Ensure business input into key public policy issues.

The collective voice of business can often be more powerful than any single company speaking out alone. Companies can share costs and risks by working collaboratively; coming together to channel messages aimed at promoting systemic change.

The local network could:

- Coordinate business input into government processes and dialogues, for example those focused on creating an enabling environment for private sector activity, managing natural resources, or developing government service delivery infrastructure.
- Discuss possibilities for supporting implementation of the CPA.
- Mobilize companies to contribute to positive change.

Support efforts to address the needs of vulnerable populations.

Decades of war and instability have left millions of Sudanese people vulnerable and dependent upon aid for survival. For example, Sudan has more internally displaced people (6 million) than any other country in the world, a majority of which left their homes due to the threat of violence or a lack of economic opportunity.³ And in 2004, UNICEF estimated that 1.3 million children were orphaned in Sudan by AIDS and by conflict⁴.

The local network could:

³ UNDP Sudan. <http://www.sd.undp.org/projects/dg5.htm>, 2007

⁴ UNICEF, *Children on the Brink 2004*. UNAIDS, UNICEF, USAID. 2004

- Identify opportunities for scaling up existing initiatives (eg by partnering with civil society organisations, UN agencies and others) aimed at addressing the needs of these and other vulnerable populations.
- Help to stimulate economic activity and create employment opportunities in post-conflict areas to facilitate the return of displaced people.

Support sustainable environmental management.

Competition for water and fertile land is an ongoing source of conflict in Sudan and environmental degradation is exacerbating this problem. Climate change and human impacts are contributing to deforestation, desertification and degradation of water sources. Water management issues are particularly important as many Sudanese have inadequate access to potable water and water for agriculture.⁵ Businesses can have a significant impact on the water issue through their consumption, for industrial processes and by their workforce, and through the discharge of wastewater back into the environment.

The local network could:

- Identify good practice by companies in water conservation and wastewater processing.
- Encourage Global Compact participating companies to join the Global Compact “Caring for Climate” initiative and the Global Compact CEO Water Mandate, two important platforms for companies to advance these issues.
- Ensure GC participants do not engage, directly or through their supply chains, in unsustainable land use practices that destroy arable land.

Conclusion

A robust local network can provide a positive channel through which responsible businesses can contribute to sustainable peacebuilding, poverty alleviation and development efforts, and ensure that universal principles are upheld within their operations.

The UN Global Compact Network Sudan aims to attract appropriate representation from all sectors of Sudanese society, including stakeholders operating at the national, regional, and community level, and to put in place measures that help to build trust and encourage open dialogue among participants. By providing a neutral platform for stakeholders to discuss the challenges and opportunities they face, the local network has the potential to catalyze the business community’s contribution to peace and development.

⁵ UNEP, *Sudan: Post Conflict Environmental Assessment*, 2007.

Annex 1: Locally-operating UNGC participants

UN Global Compact Participants in Sudan

1. Sudanese Agrobusiness Group	SME
2. Ahfad University for Women	Academic
3. Amipharma Laboratories Ltd	Company
4. ARM Trading and Engineering Co.	SME
5. Brilliant Solutions Co. Ltd	SME
6. Dal Food Industries Company Ltd	Company
7. Detasi Company Ltd	SME
8. Dison Investment & Services Co. Ltd	Business Association
9. Elnefeidi Group	Company
10. Ericsson AB, Branch Office Sudan	SME
11. Hashim Hago Group of Companies	SME
12. Kalzac Consolidated Service	SME
13. Pancrop Commercial Co. Ltd.	SME
14. SOMMAR	SME
15. Sudan Training and Rehabilitation Organisation	NGO
16. Sudanese Businessmen & Employers Federation	Business Association
17. Sudanese Environment Conservation Society	NGO
18. The Shell Company of Sudan Ltd.	SME

Annex 2: Useful Resources

Websites

Sudan Development Program

<http://www.sudandevdevelopmentprogram.org/index.htm>

Sudanese Businessmen Association

<http://www.sudabiz.org>

United Nations Development Programme – Sudan

<http://www.sd.undp.org>

United Nations Global Compact

<http://www.unglobalcompact.org>

United Nations Mission in Sudan

<http://www.unmis.org>

United Nations Environment Programme

<http://www.unep.org> and <http://postconflict.unep.ch/index.php?prog=sudan>

United Nations Sudan Information Gateway

<http://www.unsudanig.org>

International Alert

<http://www.international-alert.org>

Business Leader's Initiative on Human Rights

<http://www.blihr.org>

International Business Leaders Forum

<http://www.iblf.org>

Voluntary Principles on Security & Human Rights

<http://www.voluntaryprinciples.org>

Extractive Industries Transparency Initiative

<http://www.eitransparency.org>

Publications

Business and the Millennium Development Goals: A Framework for Action

Published by: UN Development Programme and IBLF, 2008

Available at: <http://www.iblf.org/docs/MDG32pp.pdf>

Human Development Report 2007/2008

Published by: UN Development Programme, 2007

Available at: http://hdr.undp.org/en/media/hdr_20072008_en_complete.pdf

Sudan: Post Conflict Environmental Assessment

Published by: UN Environment Programme, 2007

Available at: http://postconflict.unep.ch/publications/UNEP_Sudan.pdf

Report of the Informal Consultation with the institutional Investor and Business Communities: Responsible Investment in Weak or Conflict-Prone States

Published by: UN Global Compact, Office of the Comptroller of NYC and PRI, 2007

Available at:

http://www.unglobalcompact.org/docs/news_events/meeting_reports/Meeting_Report_Final.pdf

Human Rights Impact Assessment Guide

Published by: IBLF, UN Global Compact, IFC, 2007

Available at: <http://www.iblf.org/docs/HRImpactAssessment.pdf>

“Eyes Wide Open”: human rights and justifying business engagement

Published by: UN Global Compact, 2006

Available at: http://www.unglobalcompact.org/docs/issues_doc/7.2.2/Eyes_wide_open-final_version.pdf

A Guide for Integrating Human Rights into Business Management

Published by: BLIHR, UN Global Compact, UNOHCHR, 2006

Available at: <http://www.blihr.org/Reports/GIHRBM.pdf>

Enabling Economies of Peace

Published by: UN Global Compact, 2005

Available at: http://www.unglobalcompact.org/docs/news_events/8.1/enabling_econ.pdf

JAM Sudan: Joint Assessment Mission

Published by: The World Bank & The United Nations, 2005

Available at:

[http://www.unsudanig.org/docs/Joint%20Assessment%20Mission%20\(JAM\)%20Volume%20I.pdf](http://www.unsudanig.org/docs/Joint%20Assessment%20Mission%20(JAM)%20Volume%20I.pdf)

Conflict-Sensitive Business Practices

Published by: International Alert and International Institute for Sustainable Development, 2005

Available at: http://www.iisd.org/pdf/2005/security_conflict_sensitive_business.pdf

Sudan: Stabilization and Reconstruction, Country Economic Memorandum

Published by: The Government of Sudan & The World Bank, 2003

Available at:

<http://www.emro.who.int/sudan/media/pdf/World%20Bank%20June%202003%20Volume%20I.pdf>

Conflict Prevention and Revenue Sharing Regimes

Published by: UN Global Compact, 2002

Available at: http://www.unglobalcompact.org/docs/issues_doc/7.2.2/RevenueSharingRegimes.pdf

Conflict Impact Assessment and Risk Management

Published by: UN Global Compact, 2002

Available at: http://www.unglobalcompact.org/docs/issues_doc/7.2.3/BusinessGuide.pdf

The Business of Peace

Published by: International Alert, Council on Economic Priorities and IBLF, 2000

Available at: <http://www.iblf.org/docs/BusinessofPeace.pdf>