



Launch of the UN Global Compact Network Sudan

Meeting Report*

1 December 2008 - Khartoum, Sudan

On December 1st 2008, over 160 representatives of companies (both local and MNCs), NGOs, academia, the United Nations and government gathered in Khartoum to formally launch the UN Global Compact Network Sudan. Participants recognized that the establishment of a Global Compact Local Network could provide an important avenue for companies to make a positive contribution to support peace and development in Sudan. The event was organized by the UN Industrial Development Organization (UNIDO), Ahfad University for Women, and AIBadayil Advanced Training Co., under the auspices of the Ministry of Social Welfare and Women and Child Affairs.

Meeting Report

Opening Addresses:

Mr. ElShiekh Mustafa ElSheikh, Secretary of Finance of the Sudanese Businessmen and Employers Federation (on behalf of the Director) observed that the Global Compact's principles are aligned with the values of Sudanese society and that corporate social responsibility is not a foreign concept to Sudanese business. He reminded participants that their common goals relating to implementation of the ten principles, development, and peace will not be realised without collaboration among all stakeholders in society and he affirmed his association's commitment to supporting the Global Compact Network in Sudan as way to catalyze action towards realizing these goals.

Mr. Cheik T. Sakho representing **UNIDO** spoke about the organization's Integrated Programme in Sudan, "An Industrial Agenda for Poverty Relief and Transition to Sustainable Development", being implemented in partnership with the government and the private sector. The programme aims at enhancing the productive performance of agro-related industries and rural communities and is focused sharply on the pursuit of the Millennium Development Goals. He highlighted the importance for the Global Compact Network Sudan to develop and promote tools that can be used by small and medium-size enterprises (SMEs) to support their practical

Key Outcomes

- Delegates from all sectors of Sudanese society demonstrated their support for the principles of the UN Global Compact through their participation in the launch event.
- There are now 14 Global Compact participants with operations or activities in Sudan.
- A broad consensus was reached with regard to future local network action in Sudan. Key elements of the Local Network Action Plan for 2009 were discussed.
- The local network announced that the first official meeting of the Global Compact Network Sudan would be held in Khartoum before the end of January 2009.

* This report was authored by the **International Business Leaders Forum** with essential contributions from the GC Network Sudan and the Global Compact Office.

implementation of CSR and the Global Compact principles. He concluded by acknowledging the critical role of the private sector in development and public policy and encouraged companies to join the Global Compact.

Dr. Saeed Adalla welcomed participants on behalf of the **Minister of Social Welfare and Women and Child Affairs, H.E. Samia Ahmed Mohamed**. He noted that the private sector is a very important stakeholder in society and it must be more socially responsible in order to make a positive contribution to sustainable development in Sudan. He said he looked forward to discussing the Network's specific objectives and programme of activity and how the Ministry can support it. Wishing the initiative great success, he then officially launched the Global Compact Local Network Sudan.

Session 1: Introduction to the Global Compact

Ms. Melissa Powell, from the **Global Compact Office**, provided a broad overview of the history and current status of the Global Compact, including a description of the important role of local networks. The Global Compact is the largest and most global corporate citizenship initiative with over 6000 participants from over 130 countries. Half of the Global Compact's participants originate from developing countries. For the benefit of recent and prospective participants, Ms. Powell described the value of the Global Compact, what is expected of participants and what the Global Compact Office can offer them in turn. A very important aspect of the Global Compact is its capacity to be a platform for collective action through initiatives such as *Caring for Climate* and *The CEO Water Mandate*, its the human rights and anti-corruption working groups, among others. The Global Compact also has developed tools and guidance materials to assist companies in implementing the 10 principles. The initiative is designed to bring companies together with other stakeholders to share experiences and lessons learned and to provide a neutral platform for dialogue to advance the Compact's core issues. One of the Global Compact's cross-cutting workstream has been on business and peace. Since 2001, the initiative has been developing and disseminating policy papers and resources to mitigate the negative impacts and enhance the capacity of companies to contribute to development and peace. A key project for the Global Compact in 2009 is developing guidance on what constitutes "responsible investment" in conflict-affected countries.

Mr. Mazin Abusin, from the **Global Compact Sudan Network Secretariat**, presented his vision for the Global Compact in Sudan and addressed the question of what the Global Compact could offer participants. He said that stakeholders are looking at companies' values and not just their profitability. Participation in the GC would help companies instil the Global Compact's principles into their DNA, so they can respond appropriately to the ongoing changes in Sudan. He reminded participants that the Global Compact calls on them to embrace, support, and enact the principles within their spheres of influence.

Dr. Anis Haggag, **Head of the South Sudan Businessman and Employers Federation and Chairperson of the Haggag Group**, spoke about the implications of the current global financial crisis for the GC in Sudan. He endorsed the idea of corporate responsibility, telling attendees that government alone cannot and should not be expected to care for all – communities should partner with others. He explained that, in the future, corporate excellence will be tied to concern for stakeholders, so companies should view corporate responsibility as an opportunity.

Mr. Phillipe Georgiou of **The Coca Cola Company** reminded attendees that without a healthy planet and sustainable communities, there can be no sustainable business. He described Coca-Cola's strategic environmental priorities with particular emphasis on water stewardship. He said that companies must work with communities to understand and manage the collective

use of watersheds and that their stewardship encompasses several levels - within the bottling plant, but also with supply chains, customers and consumers. Mr. Georgiu described the water stewardship activities that Coca-Cola has undertaken in Sudan, as well as Coca-Cola's participation in the Global Compact's *CEO Water Mandate*, an initiative that encourages business leaders to recognize the role of the private sector in addressing water challenges and enlists companies to make water-resource management a strategic priority.

Session 2: Practical Experiences and Lessons Learned

Mr. Qin Anjiang, Vice President of CNPC Nile Company, gave examples of how his company is supporting economic development and improvement of people's livelihood through their core business operations and investments in social welfare, training and environmental protection. He described how CNPC's extensive operations in Sudan, along with those of other foreign oil companies, contribute to Sudan's economy through wealth and job creation. Mr. Qin also stressed CNPC's willingness to improve and learn further about the local needs of the Sudanese people and to better adapt their activities to the needs of different stakeholders.

Mr. Ron Popper, CSR Director of ABB, asked attendees to be aware that international companies choosing to operate in Sudan were subject to significant pressures from their stakeholders to cease operating in the country. To many observers, business operations in Sudan are equated with complicity in human rights abuses. He said that the launch of a Global Compact Local Network shows readiness to take a significant step forward and a willingness to progress. However, he emphasized that a commitment to corporate responsibility must also include a commitment to accountability for the Global Compact Local Network Sudan that goes beyond the Global Compact's Communication on Progress and includes all stakeholders.

Dr. Omer El Haj Suleiman of DAN/DETASI, described the strategic principles that should guide cross-sector partnerships and cited cases of businesses engaging in development activities. For example, Talisman Energy and Detasi in partnership with DAN (NGO) undertook a series of initiatives that improved the quality of life in 91 villages by building capacity in community governance, agricultural practices and dispute resolution.

Dr. Babiker Badri recounted the history of **Ahfad University for Women (AUW)**, describing the university's mission to create a critical mass of proactive Sudanese women change agents and leaders capable of contributing to the development of the country. He spoke about the AUW's diverse activities that instill in students and staff values of social responsibility, contribute to small enterprise development, and empower poor urban women.

Mr. Rashad Osman, from **Sayga Flour Mills**, described the company's Green Bakery Initiative. Traditional bakeries in Sudan consume huge amounts of firewood and thus contribute to deforestation, air pollution, and climate change. The Green Bakery initiative shifts the bakeries from being a harmful sector to an environmentally-friendly one by developing alternative power solutions using liquefied petroleum gas, and solar energy. Mr. Osman concluded by challenging all businesses, whatever their size, to make a contribution to improve their communities, neighbourhoods, and the planet itself and added that there is also a business case for undertaking such initiatives.

Session 3: What can the UN Global Compact Network do in Sudan?

Ms. Amanda Gardiner from the **International Business Leaders Forum (IBLF)** spoke about the potential for collaborative action among companies to increase their positive impact - an important role for any Global Compact Local Network is to provide a platform for collective action. She described how the IBLF's work in other countries has demonstrated that business

has a vested interest in contributing to peacebuilding and development efforts and that collective action by companies can increase impact and enable the sharing of risks.

Ms. Maja Bott described the **UN Development Programme's (UNDP)** approach to support for the private sector in contributing to poverty reduction in Sudan. High-priority policy areas include pro-poor value chain integration in agro-industrial markets and microfinance. UNDP hopes that the Global Compact Network Sudan will provide a resource base for future partnerships between businesses and others.

Dr. Omer El Haj Suleiman, DAN/DETASI, discussed some of the strategic considerations that the Global Compact Sudan will need to address when considering its objectives and programme of activity. He also proposed a number of possible areas for action, which have been incorporated into the "Opportunities for Local Network Action" section of this report.

Panel/Group Discussions

The launch event provided numerous opportunities for dialogue between the presenters as well as contributions from the audience. These interventions suggest a high degree of commitment and enthusiasm for the Global Compact Local Network Sudan.

Some of the key points raised were:

- Several participants echoed the view that there is a need for stronger engagement of the private sector in sustainable development, particularly the oil industry. However, another participant posed the rhetorical question, "How much should business get involved in government responsibilities?"
- Some participants noted that it will be important for the Local Network to secure even greater support among large Sudanese businesses and additional appropriate support from the Sudanese Government.
- Some attendees emphasized the importance of accountability to ensure that participants' engagement in the initiative is motivated by a real sense of corporate social responsibility, rather than being just a public relations exercise; a review process for participants' Communications on Progress was discussed.
- Criticism was levelled at some past and present development initiatives for being too focussed on infrastructure, such as building schools and hospitals, while ignoring shortages of teachers and doctors. It was also pointed out that not all problems are transferable - the deforestation of South Kordofan cannot be remedied by building schools.
- There were several comments related to the activities of foreign companies operating in Sudan. Participants recognized the positive contribution they had made to Sudanese society, especially in poor rural areas. Criticism was levelled at organisations that are pressuring companies to cease operating in Sudan and there was a clear consensus from the audience that divestment campaigns were an ineffective means of bringing about positive change.
- Participants shared their concerns about operating within a challenging environment such as Sudan but also pointed towards the potential for success demonstrated by the gathering itself, which indicated a deep understanding of the urgent need to make progress and move forward.

- In response to comments about perceived problems with the Local Network, participants were reminded that the Global Compact was just being launched in Sudan and that by joining the network their concerns could be addressed by the steering group.
- Several participants at the event expressed strong interest in their organisations becoming Global Compact participants.

Concluding Remarks & Follow-Up

Ms. Melissa Powell of the UN Global Compact Office and **Ms. Lena Mahgoub of the Global Compact Network Sudan**, provided a brief recap of the day's events and reminded participants that the Global Compact Office was there to support their efforts. Network participants were encouraged to identify issues that people really care about and to immediately focus on action and results, rather than getting bogged down in governance issues. Participants agreed that while the launch of the network is a great achievement, it is just a beginning and now the real work must begin. It was announced that the network's focus in the short term would be on raising awareness about the Global Compact and on seeking to increase participation, while sharing knowledge on how to implement the principles. The network steering group will prepare an action plan for 2009 taking into account discussions at the launch event.

Opportunities for local network action

The following issue areas were presented to participants at the launch event for consideration as possible priorities for the Network:

1. Increase business engagement in local peacebuilding & development efforts.

Sudan Network participants recognize that peaceful communities expect a "peace dividend" and that the private sector has an important role to play in delivering it. Peace protection is also an important issue – increasing the social capital in communities to help them resist pressures that lead to violent conflict. The local network could:

- Raise local awareness of the business case for engagement in peace building.
- Mobilise companies to contribute to positive change through collective action.

2. Support efforts to address the needs of vulnerable populations.

Internally displaced people that left their homes due to the threat of violence or a lack of economic opportunity; children orphaned by AIDS and by conflict who are now living on the streets in urban areas; and Nomads, the poorest forgotten people of Sudan, are vulnerable groups dependent upon aid for survival. Women's empowerment was also identified as an important issue. The local network could:

- Identify opportunities for scaling up existing initiatives (e.g. by partnering with civil society organisations) aimed at addressing the needs of vulnerable populations.
- Collaborate with UNDP to help implement their pro-poor value chain and microfinance initiatives.
- Help stimulate economic activity and create employment opportunities in post-conflict areas to facilitate the return of displaced people.

3. Support sustainable environmental management.

Participants felt that environmental concerns should be a high priority for the network and an area where success could realistically be achieved. The local network could:

- Identify and disseminate good practice by companies in environmental stewardship, such as the Green Bakery Initiative.
- Encourage companies to not engage, directly or through their supply chains, in unsustainable land use practices that destroy arable land.
- Support research into new agricultural crops and techniques to sustainably increase the positive economic impacts of agriculture production.

4. Share models 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 in post-conflict areas; and advocating systemic change. In addition, a number of existing business tools and collective action mechanisms have been developed, which can and should be used by companies operating in Sudan. 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 such as: International Alert's Conflict Sensitive Business Practices tool, the UNGC/IFC/IBLF Human Rights Impact Assessment Guide, the Extractive Industries Transparency Initiative, the Voluntary Principles on Security and Human Rights, and recommendations contained in *Enabling Economies of Peace*.
- Convene workshops to help participants better understand how to implement the Global Compact's 10 principles and report on the progress they make.

5. 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 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 in Sudan, promoting healthy lifestyle development, or developing government service delivery infrastructure in areas such as vocational training.
- Discuss possibilities for supporting implementation of the Comprehensive Peace Agreement (CPA) signed in 2005.

Conclusion

The launch of the UN Global Compact Network Sudan attracted representatives from all sectors of Sudanese society, including stakeholders operating at the national, regional, and community level; this represents an auspicious beginning for the network.

The network steering group committed to building on this success with ongoing efforts to attract new participants to the local network and to raise awareness of the Global Compact in Sudan. The steering group also recognized the critical importance of identifying a priority issue

and quickly demonstrating that the network has the capacity to affect change that improves peoples' lives.

A robust UN Global Compact Network Sudan will provide a positive channel through which responsible businesses in Sudan can contribute to peacebuilding and development efforts, and ensure that universal principles are upheld within their operations.

Annex 1: Global Compact Network Sudan

Steering Committee Members:

1. Businessmen and Employers Federation – Chair
2. SOMMAR – Secretariat/Focal Point
3. Dal Food Industries (DFI) – Member/Focal Point
4. PANCROP Commercial Ltd – Member
5. Hashim Hago Group – Member

Advisors / Members from the NGO Sector

1. Ahfad University for Women
2. STARO
3. SECS – Sudanese Environmental Conservation Society

Global Compact Network Sudan Launch

The launch of the Global Compact Network Sudan was held under the auspices of the Ministry of Social Welfare and Women and Child Affairs.

Event Organizers:

1. Ahfad University For Women
2. UNIDO
3. AlBadayil Advanced Training
4. Sudanese Businessmen and Employers Federation

Event Sponsors:

1. DAL Food Industries (Coca Cola Local Bottling Company Partner)
2. Holcim
3. The Shell Company of the Sudan Ltd
4. ABB
5. Sudanese Businessmen and Employers Federation
6. Pancrop
7. STARO