

Partnering Against Corruption Initiative

DISCUSSION PAPER:

UN GLOBAL COMPACT (GC) – 10TH PRINCIPLE

PURPOSE/RATIONALE

- The GC is an "innovative, open-ended and network based experiment"¹
- can be described as multi-stakeholder network or voluntary corporate citizenship initiative
- with concept of the GC two complementary aims are pursued:
 - 1) To contribute to sustainable and inclusive economical development especially in the context of globalization
 - 2) To advance the practical relationships between the UN, the private sector and other actors "to tackle some of the most urgent problems of today" ("*No effort had yet been made to integrate UN values and principles relevant to business into a single platform that would link the effective functioning of global markets with social, environmental and human rights issues.*" (Kell, Georg; Levin, David (2002), S. 5.)
- implementation of GC is based on 10 corporate citizenship principles in the areas of Human Rights, Labor Standards, Environment and Corruption and Bribery which are offered to private sector as non-binding and voluntary guidelines to improve their social responsibility and to integrate in their strategies and operations
- the 10th principle on bribery and corruption was added recently
- GC is an action oriented model, which means that company engagement is not based on a signature or membership but rather on the will and the practical implementation by the company
- in the practical sense, the GC promotes institutional learning through network-based communication and encourages active engagement of companies in partnerships (especially with UN institutions)
- regarding isolated self-interest of the UN, the GC is "simply a strategy to make the UN relevant by leveraging its authority and convening powers in ways that will actually produce the social change it aspires to create"²

HISTORY

- *31 January 1999*: announced by Kofi Annan at Forum's World Economic Forum's Annual Meeting 1999 in Davos ("I propose to you, (...) a global compact of shared values and principles, which will give a human face to the global market")
- *Summer 1999*: publishing of nine principles
- *from October 2000 onwards*: concrete discussions of UN with representatives of private sector, labor unions and NGOs to elaborate on practical feasibility of GC
- *26 July 2000*: practical/official launch of GC in New York (over 50 private sector representatives present)
- *8 January 2001*: first meeting of Advisory Council for GC
- *in context of 55. General Assembly in 2001*: formalization of member state support of GC
- *24 June 2004*: The Global Compact Leaders Summit , assembled hundreds of corporate executives, government officials and civil society leaders at UN headquarters
- *gsdfh*: addition of 10th principle
- **current number of engaged companies: 1698**

COMPONENTS/ENGAGEMENT

- Practical mechanisms/means of implementation of the GC:

¹ Global Compact Office (2001b).

² Kell, Georg; Levin, David (2002), S. 2.

- *country outreach*: in which local projects are implemented
- *policy or issue dialogues*: in which action-oriented and inter-disciplinary exchange within the network is conducted on annually changing core themes pertaining to globalization
- *learning forum*: fostering the exchange of experiences between companies
- *Compact initiatives and projects*: to promote the collaboration and especially the partnerships between the private sector and UN institutions

ORGANIZATION

- The UN Global Compact-Office is the coordinating institution
- five UN-institutions involved in particular
 - 1) Office of the High Commissioner for Human Rights (OHCHR)
 - 2) International Labour Organization (ILO)
 - 3) United Nations Environment Programme (UNEP)
 - 4) United Nations Development Programme (UNDP)
 - 5) United Nations Industrial Development Organization (UNIDO)
- Advisory Council consisting of 17 changing representatives of the private sector, labor unions and NGOs
- wide network of representatives of representatives of the private sector, governments, labor unions, academic institutions and NGOs

LATEST DEVELOPMENT / 10TH PRINCIPLE ON CORRUPTION

- From the inception of the Global Compact, questions were raised regarding the need for a principle-based approach to fighting corruption within the Global Compact framework. With the signing of the UN Convention against Corruption in Merida, Mexico on 9 December 2003, the issue has gained new relevance.
- On 21 January 2004, UN Secretary-General Kofi Annan initiated a comprehensive, inclusive and transparent consultation process on the possible introduction of a tenth principle against corruption. A formal letter was sent to all participants seeking their views. This consultation process has been concluded. Status as of 7 May 2004:

Total number of feedback received:	563
Positive responses:	536

10 PRINCIPLES OF THE GLOBAL COMPACT

The principles are as follows:

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 all forms of corruption, including extortion and bribery.

KEY CONTACTS FOR GC OFFICE

Gavin Power
Key contact for World Economic Forum
Tel: 1-212-9634681
powerg@un.org

Birgit Errath
Key contact for issues related specifically to anti-corruption
Tel: 1-917-367-3421
errath@un.org