

human rights *first*

THE NEW NAME OF

LAWYERS COMMITTEE FOR HUMAN RIGHTS

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Dear Mssrs. Ruggie and Kell:

I am writing to respond to your June 22 letter concerning the Global Compact. I appreciate your response to my June 4 letter to Secretary-General Annan. This letter responds to several of the points you make and offers one suggestion for tomorrow's Global Compact Leaders Summit.

In your letter you stress that the Global Compact is "neither a regulatory mechanism nor a seal of approval" for companies participating in it. We have never viewed the Global Compact as a regulatory body or as providing a seal of approval. In fact, what concerns us, and prompted our earlier letter, is that some companies are promoting their participation in the Global Compact as implicitly suggesting an indication of good conduct resulting in such approval. We continue to be concerned that these companies are using their participation in the Global Compact primarily as a marketing tool, despite the fact that they have made no discernible commitment to comply with the Global Compact principles.

We welcome your publication of a set of "integrity measures" which are aimed at ensuring that Global Compact participants do not misuse their association with this initiative. The drafting and public dissemination of these measures prior to tomorrow's meeting is a positive step. Looking ahead, it is clear that the structuring, interpretation, and implementation of these integrity measures will be an important test for the Global Compact. There will undoubtedly be different

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views among Global Compact participants about these measures and how they should be interpreted and applied. Mindful of the full agenda for tomorrow's summit we strongly urge you to provide some opportunity there for an initial discussion of these measures. This should be followed by more extensive opportunities for the Global Compact stakeholders to discuss and have input on the interpretation and implementation of these measures in the weeks and months ahead.

Let me outline three broad areas where Human Rights First has initial questions and concerns. These are:

1. The need for greater clarity and specificity in the “Communications on Progress” requirement.

Your guidelines ask companies to provide a broad statement of support for the Global Compact, a description of practical actions they have taken to implement the principles, and where possible some indication of the metric or indicators they have used. This is a sound starting place, but it raises some questions. For example, is each company expected to report on the practical actions it has taken to comply with each of the nine Global Compact Principles? And is the leadership of the Global Compact planning to structure and facilitate discussions among Global Compact participants to set clear benchmarks as to what constitutes compliance in each of the nine areas, and as to appropriate ways to measure such compliance? For the request for information setting out progress to be meaningful, it needs to be more precise in setting out what is expected.

2. The need for a clear and public review process.

The guidelines for the “communications on progress” state that these reports are “important demonstrations of participants’ commitment to the Global Compact” and “a tool to exercise leadership, facilitate learning, stimulate dialogue and promote action.” These are exactly the right goals. But to achieve these aspirations there is a need for a clearer, more public, and more participatory review process. It is not clear, for example, if you plan to post the communications on progress from each company on the Global Compact’s website. This would be desirable and consistent with your articulated goals. It also is unclear if other Global Compact participants, such as Human Rights First, will have an opportunity to submit responses to these company reports, and if such responses also will be posted on the Global Compact’s website. This would be an excellent way to “stimulate dialogue and promote action” – while at the same time promoting the important objective of increasing both the transparency and understanding of the Global Compact process.

3. The need for a transparent process for removing companies and clear criteria for doing so.

The memorandum outlining the Compact's integrity measures appears to include three broad categories for removing participating companies or other entities from the Global Compact process. The first relates to the misuse of the Global Compact logo – a key concern of some non-governmental critics. The second relates to companies that fail to report their progress at all within a specified period. These two categories appear to be clear and appropriate.

The process for the third category, in contrast, is not clear. Under this category, which is called "lack of intention to improve performance," the memo states that "The Global Compact Office is committed to providing a transparent and fair process for the parties involved." Yet the decision-making process is neither clear nor transparent. For example, the memo states that if a participating company is undermining "the integrity of the [Global Compact] initiative as a whole, the following measures will be taken." It then outlines three steps the Global Compact Office will take in responding to complaints, but it does not make clear who can file such complaints or subject to what procedures. It also does not specify the extent to which other participants in the Global Compact, such as Human Rights First, will have access to such complaints or the opportunity to provide input. It does not state who will decide whether a company has responded adequately to the points raised in the complaint. It also does not state explicitly under what circumstances a company that has been subject to this complaint procedure will be removed.

In the interest of advancing the debate on and implementation of these integrity measures, which we consider very important, we would welcome your circulating this letter to others who will be participating at tomorrow's meeting. I hope that you will find time in tomorrow's agenda to allow an initial dialogue about the integrity measures. I look forward to discussing these issues with you tomorrow.

Sincerely,

A handwritten signature in black ink that reads "Mike Posner". The signature is written in a cursive, slightly slanted style.

Michael Posner