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EXECUTIVE OFFICE OF THE SECRETARY-GENERAL

CABINET DU SECRETAIRE GENERAL

REFERENCE

22 June 2004

Dear Mr. Posner,

Thank you for your letter dated 7 June 2004 to the Secretary-General concerning the Global Compact. Pending the conclusion of the Global Compact Leaders Summit and related announcements by the Secretary-General, we would like to share with you the following reactions.

We wish to thank you and Human Rights First for your involvement in the Global Compact. Civil society organizations, like Human Rights First, play an essential role in all aspects of the Global Compact, including through their participation in learning, dialogue and projects. As we have indicated elsewhere, we also believe that the vigilance of civil society is a critical ingredient in the social change agenda that underpins the Global Compact. We are also pleased that many civil society organizations, including Human Rights First, are willing to contribute to the fashioning of the overall future direction of the Global Compact including through their participation in the upcoming Global Compact Leaders Summit.

You raise several concerns in your letter that we would like to address in more detail.

The Global Compact is neither a regulatory mechanism nor a seal of approval for the performance of those participating in it. With more than 1,500 corporate participants, and continued increases foreseen, we simply cannot evaluate individual participants' performance. From the Global Compact's inception, we have been very explicit about this. Instead, an important element of our model is to encourage participants to communicate their progress to their stakeholders - who are much better equipped than our small Global Compact Office located at UN Headquarters to know whether the 1,500 participants are doing what they say they are doing.

Nevertheless, we do, of course, share your concern about the need to protect the integrity of the Global Compact. For this reason, we have introduced a set of Integrity Measures, which are available on our website. The measures deal with such issues as misuse by participants of their association with the United Nations and/or the Global Compact; the failure to communicate their progress to their stakeholders; and situations where there is a complaint that a particular participant lacks the intention to improve their performance. At this juncture, more rigorous measures could not be introduced without a comprehensive review and consultation

Mr. Michael Posner  
Executive Director  
Human Rights First  
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process. However, to further promote quality, right after the Summit, the Secretary-General is expected to announce a review process designed to give more ownership of the initiative to its multi-stakeholder participants - the UN agencies, business, labour and NGOs.

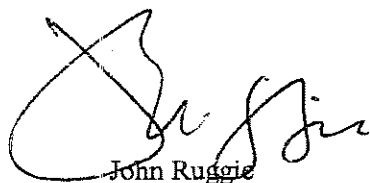
We very much welcome the efforts of the Business Leaders Initiative for Human Rights, to which you referred in your letter, and are in regular contact with the organizers of that initiative. We are following their progress with great interest. Indeed, we welcome all initiatives that help clarify complex human rights questions and foster practical solution finding.

You may be interested to learn that we are currently assisting the Office of the High Commissioner for Human Rights in the consultation process that will form part of the report they are compiling on the scope and legal status of existing corporate social responsibility initiatives and standards.

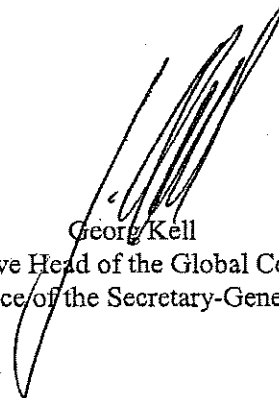
A recent study by the consulting firm McKinsey & Company of the Global Compact's impact to date found that, in several important respects, the Global Compact has already been a significant force for positive change. However, the study also concluded that there is much room for improvement if the Global Compact is to scale up the impact of its various engagement mechanisms: learning, dialogue, projects, initiatives, and networks. More and better follow up from meetings, such as the one you mentioned on supply chains, is one such area where we can improve. The study and the Summit offer an excellent opportunity to refocus the Global Compact on those areas and activities that have had the most impact.

I am very pleased that you expressed your interest in furthering dialogue with the corporate sector through the United Nations, and hope that we can count on Human Rights First continued participation in the Global Compact. I especially look forward to seeing you at the Summit on 24 June 2004 at UN headquarters.

Yours sincerely,



John Ruggie  
Special Advisor to the Secretary-General  
on the Global Compact



George Kell  
Executive Head of the Global Compact  
Office of the Secretary-General