Operating in Insecure Environments

Jane Nelson

Senior Fellow and Director, Corporate Social Responsibility Initiative
John F. Kennedy School of Government, Harvard University

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Corporate Social Responsibility Initiative

The Corporate Social Responsibility Initiative at the Harvard Kennedy School of Government is a multi-disciplinary and multi-stakeholder program that seeks to study and enhance the public contributions of private enterprise. It explores the intersection of corporate responsibility, corporate governance and strategy, public policy, and the media. It bridges theory and practice, builds leadership skills, and supports constructive dialogue and collaboration among different sectors. It was founded in 2004 with the support of Walter H. Shorenstein, Chevron Corporation, The Coca-Cola Company, and General Motors.

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For Further Information

Further information on the Corporate Social Responsibility Initiative can be obtained from the Program Coordinator, Corporate Social Responsibility Initiative, Harvard Kennedy School, 79 JFK Street, Mailbox 82, Cambridge, MA 02138, telephone (617) 495-1446, telefax (617) 496-5821, email CSRI@ksg.harvard.edu.

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BREAKING THE POVERTY-INSECURITY NEXUS

August 2-4 2006, Aspen

Jane Nelson
Senior Fellow and Director, Corporate Responsibility Initiative, Harvard University
and
Director, Business Strategy & Leadership, International Business Leaders Forum

"The world must advance the causes of security, development and human rights together, otherwise none will succeed. Humanity will not enjoy security without development, it will not enjoy development without security, and it will not enjoy either without respect for human rights. …The world needs strong and capable States, effective partnerships with civil society and the private sector, and agile and effective regional and global inter-governmental institutions to mobilize and coordinate collective action."
In Larger Freedom: Towards Development, Security and Human Rights for All
Report of the UN Secretary-General, 2005[1]

Conditions of severe political, economic and physical insecurity, often underpinned by weak governance and high levels of poverty and inequality, continue to blight the lives of millions of people around the world. The poor are particularly vulnerable to the ravages and costs of conflict, natural and economic disasters, repression, corruption, market distortions and externalities, weak legal and regulatory frameworks, and inadequate public institutions. Such conditions not only undermine their immediate security and human rights. They also limit access to the basic services, resources and economic opportunities that help to lift people out of poverty and to improve prospects for longer-term resilience and security at the level of both individual households and nations. Furthermore, in today's interdependent world, persistent poverty and insecurity in one nation or set of nations has the potential to undermine prosperity and security in others, especially neighbors in the same region, but even on a global basis.

Operating in insecure environments is not only a challenge for low-income households and communities. It is increasingly a challenge for donor agencies, for companies, including both indigenous enterprises and foreign investors, and for non-governmental organizations (NGOs), including both major humanitarian agencies and local community-based groups.

These different types of organization operate in insecure environments for a wide variety of reasons. These reasons range from the public purpose objectives of most donors and NGOs, such as humanitarian relief, peace building and development, to the profit motivations of business, such as developing new markets or sourcing raw materials and manufactured products.

The ability of these different organizations to influence conditions in insecure environments for good or bad also varies widely - whether improving or exacerbating existing insecurity or preventing or causing future insecurity. Such influence depends on factors such as their motivations and purpose; their size; their operating principles, standards and practices; their flexibility to adapt or shutdown operations; their sources of legitimacy and funding; the level and nature of the governance failures they face; and the dynamic interaction between them and other actors, both local and external.

Even within the private sector, there will be obvious differences between industries. Large 'footprint' players such as energy, mining, agribusiness, infrastructure and heavy manufacturing, for example, have markedly different risks, responsibilities and capabilities compared to companies operating in professional and financial services, tourism or the marketing and distribution of consumer goods. Likewise, operational or service delivery NGOs will differ from advocacy NGOs, and donor agencies with peacekeeping or peace-building mandates from those with an economic development or human rights mandate – although there are increasingly overlaps between these different approaches and a number of NGOs and donors address the full spectrum of mandates.

Regardless of their sector and mandate, organizations operating on an individual basis will have different impacts and abilities to influence insecure environments compared to those acting on a collective basis. Despite the high transaction costs and time often required to mobilize collective efforts within or between sectors, especially in insecure environments where trust is usually low, such efforts can offer greater leverage and scale, and in many cases they can increase participants' legitimacy as advocates or implementers.

Donor agencies, companies and NGOs, despite their differences, face a similar set of broad challenges and opportunities if they aim to operate in insecure environments in a manner that is not only responsible and accountable, but also progressive. The following paper focuses on these broad challenges and opportunities. It reviews current trends, profiles some good practices, especially in the area of collective action, and makes recommendations to organizations operating in such environments.

There is clearly no one-size-fits-all solution for either analyzing or implementing the most appropriate and effective approaches. This is especially the case given the markedly different political, economic, cultural and environmental conditions and traditions in various insecure environments, in addition to the organizational differences briefly outlined above.
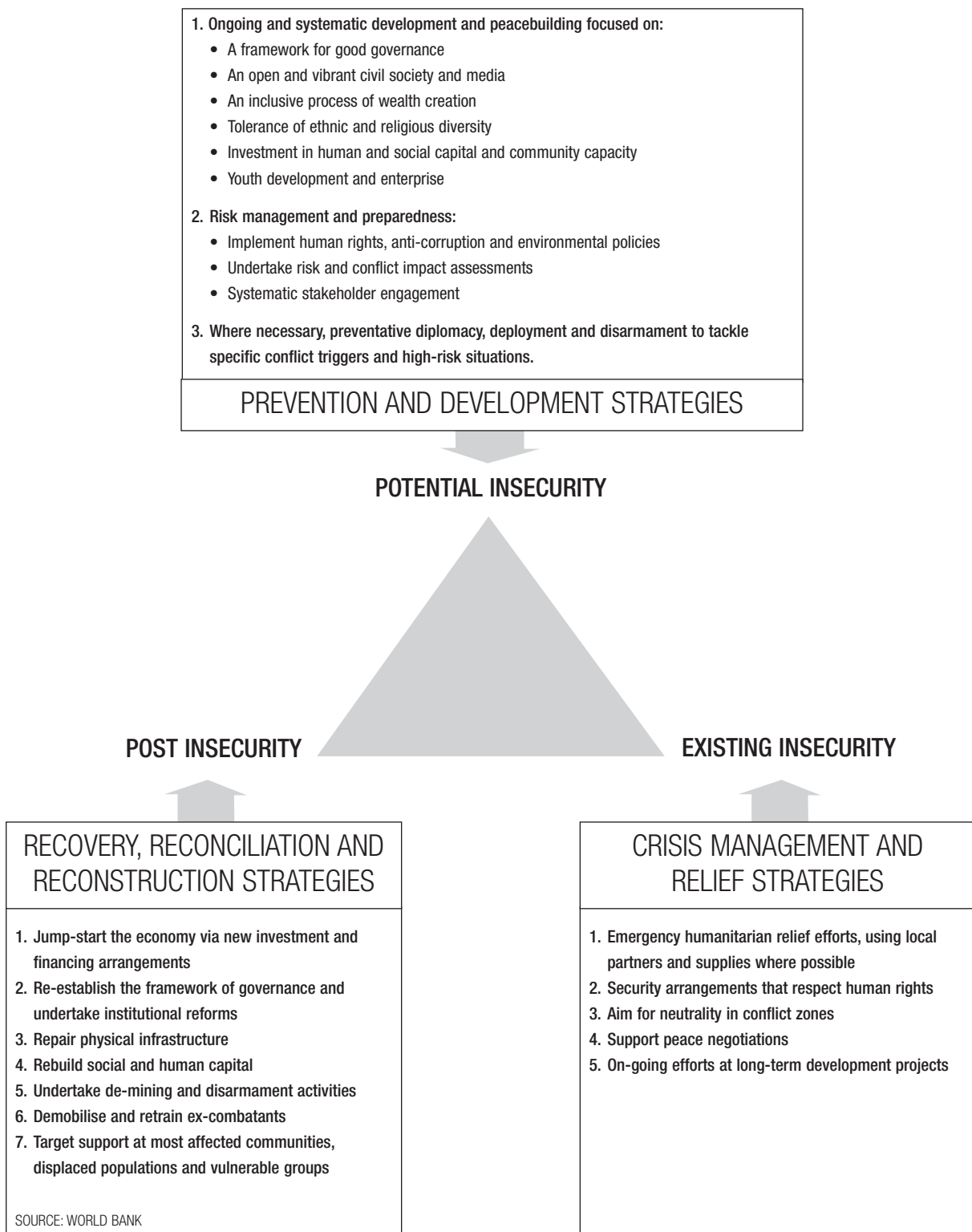
In particular, the level and type of governance gaps and failures in any particular situation will have a major influence on determining the most appropriate and effective response from companies and NGOs – be they indigenous or foreign, public or private. It goes without saying that insecurity due to governments that are authoritarian, repressive and corrupt will usually be more difficult to address than situations where governments simply lack the institutional and administrative capacity to ensure the security of their

citizens. This is not to suggest that the latter situations are easy to address, but they are usually more amenable to engagement and support from other actors.

There will also be obvious differences in approach based on:

- ***The source or underlying cause of insecurity*** - for example preventing or responding to natural disaster versus conflict, or to conflict driven by ideology or identity issues versus conflict driven by access to economic and natural resources;

- ***The extent or severity of insecurity*** - for example a situation where thousands of people are dying or have been killed versus one where peoples' quality of life and longevity is seriously undermined but not threatened in large numbers, or a situation where insecurity is a localized problem versus one where it is a national or regional challenge;

- ***The stage of the insecurity*** – for example, situations prone to conflict, natural disaster or economic crisis call for *prevention strategies*, those undergoing such situations need *crisis management strategies*, while those recovering from calamity offer opportunities for *recovery, reconciliation and reconstruction efforts*. These different strategies are illustrated in diagram 1.

DIAGRAM 1: STRATEGIES FOR OPERATING IN DIFFERENT STAGES OF INSECURITY

1. Ongoing and systematic development and peacebuilding focused on:
   - A framework for good governance
   - An open and vibrant civil society and media
   - An inclusive process of wealth creation
   - Tolerance of ethnic and religious diversity
   - Investment in human and social capital and community capacity
   - Youth development and enterprise

2. **Risk management and preparedness:**
   - Implement human rights, anti-corruption and environmental policies
   - Undertake risk and conflict impact assessments
   - Systematic stakeholder engagement

3. **Where necessary, preventative diplomacy, deployment and disarmament to tackle specific conflict triggers and high-risk situations.**

PREVENTION AND DEVELOPMENT STRATEGIES

POTENTIAL INSECURITY

POST INSECURITY

EXISTING INSECURITY

RECOVERY, RECONCILIATION AND RECONSTRUCTION STRATEGIES

1. **Jump-start the economy via new investment and financing arrangements**
2. **Re-establish the framework of governance and undertake institutional reforms**
3. **Repair physical infrastructure**
4. **Rebuild social and human capital**
5. **Undertake de-mining and disarmament activities**
6. **Demobilise and retrain ex-combatants**
7. **Target support at most affected communities, displaced populations and vulnerable groups**

SOURCE: WORLD BANK

CRISIS MANAGEMENT AND RELIEF STRATEGIES

1. **Emergency humanitarian relief efforts, using local partners and supplies where possible**
2. **Security arrangements that respect human rights**
3. **Aim for neutrality in conflict zones**
4. **Support peace negotiations**
5. **On-going efforts at long-term development projects**

Notwithstanding all these situational and contextual differences, any organization aiming to act in a responsible, accountable and progressive manner in an environment that is either prone to insecurity, facing insecurity, or recovering from insecurity needs to address the following eight inter-related management challenges and opportunities:

1   Do no harm
2   Protect own employees and assets
3   Extend emergency planning and response strategies to host communities
4   Invest in local socio-economic development and community resilience
5   Build local capacity of civil society organizations, community-based initiatives and the media
6   Focus on high-risk and high-potential population groups - youth, women, indigenous peoples, ethnic and religious minorities
7   Support direct efforts to tackle weak governance and inadequate public institutions
8   Engage in policy dialogue to create the enabling conditions for peace and prosperity.

Prior to briefly reviewing each of these areas it is important to emphasize the limitations of private sector and non-governmental action. While companies, business associations and civil society organizations can support and influence government action, their activities cannot, and should not, be viewed as a substitute for good governance and effective public institutions at the local, national, regional and global levels. Preventing and resolving severe insecurity must remain first and foremost the fundamental responsibility of nation states. Business and NGOs have a role to play, however, in the way they manage their own operations to avoid contributing directly to insecurity, the way they manage risks and crises created by situations of conflict and often forms of insecurity, and the way they pro-actively work with other stakeholders to add-value in resolving existing insecurity or preventing future insecurity.

1) Do no harm

A first priority for any private sector or NGO organization operating in an insecure environment is to establish policies and practices that aim to ensure the organization is not itself a direct cause of insecurity; that its operations do not exacerbate existing conditions of insecurity or create new conditions of insecurity.

At a minimum, companies and NGOs should aim to be compliant with national regulations and where applicable international laws, norms and standards. They should aim beyond basic compliance, however, to identify and minimize any risks and negative impacts resulting from their operations. This is difficult to do at the best of times, but especially so in situations characterized by high levels of existing insecurity or humanitarian crisis, be these man-made emergencies or the result of natural disaster.

Efforts to secure the safety of an organization's own employees and assets, for example, can result in the use of public or private security forces violating the human rights of

other citizens. Externally supported humanitarian efforts can sometimes unintentionally enable rather than sanction the protagonists of an internal civil conflict. Or well-intentioned efforts to deliver food and other essential products and services can 'crowd-out' and even destroy local farmers and businesses, especially small and micro-enterprises, making it even more difficult for communities to achieve longer-term recovery and security.

Challenges for humanitarian agencies: These are challenges even for the most public service oriented NGOs and donors. As the International Federation of Red Cross and Red Crescent Societies has noted, "There is still an assumption in many countries that disaster relief is essentially 'charitable' work and therefore anything that is done in the name of helping disaster victims is acceptable. However, this is far from the truth. Agencies, whether experienced or newly-created can make mistakes, be misguided and sometimes deliberately misuse the trust placed in them. …The immediacy of disaster relief can often lead NGOs unwittingly to put pressure on themselves, pressure that leads to short-sighted and inappropriate work. Programmes which rely on foreign imports or expertise, projects which pay little attention to local custom and culture, and activities which accept the easy and high media profile tasks of relief but leave for others the less appealing and more difficult ones of disaster preparedness and long-term rehabilitation."[2]

Even for NGOs and donors operating in non-emergency situations and focused on longer-term development efforts, there is a challenge to be genuinely demand-driven and responsive to local needs, capacities and constraints, rather than being driven solely by the organization's own views on what will work or the interests of its funders and other stakeholders back home.

Challenges for the private sector: Over the past decade there has been increased understanding of the links between insecurity, conflict and economic factors, especially but not only access to natural resources and major infrastructure projects. This has led to growing recognition that large companies, including some of the world's most-respected brands, can also be the cause of, or exacerbate insecurity – both intentionally and unintentionally. The World Economic Forum's *2004 Global Governance* report noted, "Some of the main ways in which legal business operations contribute to conflict include the use of resource revenues gained by governments or rebel groups to fund wars to sustain repressive regimes; negative impacts of major resource and infrastructure projects on human rights and the environment; sales of arms, communications equipment and other products that are used against citizens by repressive regimes; and the use of ill-disciplined or abusive public and private security forces by companies to protect their assets."[3]

While much attention has been focused on the impacts of oil, gas, mining, forestry and infrastructure companies, as well as arms companies and private military enterprises, challenges also exist for other sectors in the effort to 'do no harm':
- Telecommunications and information technology companies that sell products that could be used by governments to enable increased repression, corruption or human rights abuses;

- Financial institutions that lend to, insure and invest in major projects, transfer funds or serve as bankers for the elite in insecure environments;
- Pharmaceutical companies that can impact the health and hence economic security of low-income people;
- Food, beverage and agribusiness companies that can either increase or undermine food security and water security;
- Manufacturing companies that determine workplace conditions and safety for millions of low-income workers; and
- Tourism and travel companies that can either enhance or damage local environments, cultures and human rights, especially of vulnerable groups such as women and children.

Options for action: Companies and NGOs have difficult choices to make if they aim to 'do no harm' while operating in insecure environments. These include the following:

(i)   Withdraw or keep operating

They can select to shutdown their operations, and if they are foreign-based, leave the country, or to keep operating and try to do so in a manner that minimizes any harm resulting from the organization's own activities and protects its own people and assets.

Several humanitarian agencies, for example, have made difficult choices to withdraw or dramatically scale-down their operations in Iraq and Afghanistan, due to increased security risks to their employees and local partners. Lord John Browne, the chairman of BP has commented, "There are times when we have to make judgements. …BP's policy position on withdrawal or 'staying-in', is that it will try to stay in a country and play a positive role, except in situations where its ability to maintain the safety and security of its employees is compromised, and it becomes impossible to operate in accordance with the company's business policies."[4]

It is not unusual for companies from the same industry sector and even the same country of origin to make different choices, as was the case with companies operating in apartheid South Africa, and more recently in Burma and the Sudan. Regardless of the choice made, there is unlikely to be consensus, even within the organization, let alone more widely on whether withdrawal or 'staying-in' offers the best option not only for the company, but also the security and economic prospects of citizens in the country in question. In their book *When Good Companies for Bad Things*, Peter Schwartz and Blair Gibb commented, "…the question of investment/ disinvestment in repressive regimes is one of the most contentious of all questions of social responsibility."[5]

An emerging development that is likely to challenge western multinationals operating in some of the most difficult and insecure parts of Africa, Asia, Latin America and the Middle East, from both a competitive and corporate responsibility perspective, is the dramatic increase in Chinese and other southern multinationals starting to make major investments in these countries. These new players don't face the same civic activism, reputation threats and legal challenges in their home countries as their western

counterparts when it comes to accusations of labor, human rights and environmental abuses. Finding ways to create a 'level playing field' in terms of standards and to share good practices will be difficult but increasingly important. The Financial Times has commented, "There is a risk that the blooming Chinese relationship [with Africa] will undermine efforts by some African leaders and the desires of western partners to promote more responsible government, transparency and sharing of revenues. …China's rise as an economic power is a great chance for the continent. But Africa needs to use it wisely."[6]

(ii)   *Obey only the local law or adhere also to international norms and standards*

Linked to the above, for NGOs and companies that chose to remain operating in insecure environments, a key decision they need to make is whether to limit their responsibility to obeying local laws and regulations in these countries, or adhering also to international norms and standards, especially where local laws and regulations are non-existent, weak, or poorly implemented and sanctioned.

This would not be a major issue if governments themselves were effective in implementing all the international agreements and treaties they have actually signed up to. As Professor John Ruggie, the UN Secretary-General's Special Representative on business and human rights has commented in his interim report, "The role of States in relation to human rights is not only primary but also critical. The debate about business and human rights would be far less pressing if all Governments faithfully executed their own laws and fulfilled their international obligations. Moreover, the repertoire of policy instruments available to States to improve the human rights performance of firms is far greater than most States currently employ." [7]

The challenge is especially great in cases where international norms and standards are not only more demanding, but also contradict local laws and regulations – as Yahoo and Google have found in China in terms of protecting the privacy of Internet users and many manufacturing firms have found when it comes to enabling worker participation and the creation of trade unions in countries where such mechanisms are restricted by law.

This is an obvious challenge when it comes to promoting responsible practices and a 'do no harm' approach among locally owned companies. Many large national companies have close links to politicians and public officials and do not face the same levels of shareholder and NGO activism as their foreign counterparts, or in some cases simply lack the capacity and resources to implement responsible standards that will protect the basic rights and security of people affected by their operations.

(iii)   *Implement individual policies, standards, risk and impact assessments, and measurement and reporting frameworks or cooperate with other companies and NGOs on collective efforts*

A related issue is for NGOs and companies to decide if they will focus their resources and efforts on implementing their own individual policies, standards, auditing, reporting and risk and impact assessment practices, or whether they will spend time cooperating

with others to develop nationwide or industry-wide approaches to compliance, risk management and performance reporting. In the majority of cases both approaches are being used, but there is growing emphasis on achieving harmonization or convergence of human rights, labor, environmental and ethical and anti-corruption standards.

The UN Global Compact, which now has over 3,000 participating companies, has provided a valuable framework for common corporate principles in these areas. A number of industries, NGO networks and multi-stakeholder initiatives have also started to implement common principles and standards. Some of the most notable initiatives are briefly summarized in Box 1.

Although these are all 'voluntary' in nature, with the obvious challenges of monitoring and sanctioning the compliance of signatories, as well as addressing non-joiners, laggards and free-riders, they do offer useful frameworks for action. In some cases they are also accounting for large percentages of players in a particular area, which makes them far-reaching even if they are voluntary. The *Equator Principles*, for example, now cover banks responsible for some 80% of all major project finance in developing countries, and participants in the *Kimberley Process* for diamond certification account for some 99% of the global production of rough diamonds. Likewise, the *Code of Conduct for the International Red Cross and Red Crescent Movement and NGOs in Disaster Relief*, has some 350 signatories, including many of the world's major humanitarian agencies and adherence to a set of *PVO Standards* is required for membership of the US-based InterAction network, which constitute the largest alliance of U.S.-based international development and humanitarian nongovernmental organizations, over 160, with operations in all developing countries. Adherence to collective codes are also a requirement for membership in a growing number of trade and industry associations – for example adherence to *Responsible Care* is required for membership of the International Council of Chemical Associations (ICCA); support of the *Care Process* is required for membership in the International Council of Toy Industries (ICTI); and all members of the International Council of Mining and Metals are required to support and report on their performance against ICMM's *Principles for Sustainable Development*.

Principles, codes of conduct and standards are only part of the equation to ensuring that NGO and business operations 'do no harm' in insecure environments. It is also important that organizations develop and implement management tools for identifying their risks, assessing their impacts, and measuring and reporting on their performance in such environments. And do so in a manner that goes beyond traditional forms of financial, market and political risk assessment and financial reporting. In addition to many individual efforts to develop such tools by companies and NGOs, a number of notable collective initiatives have been established in the past decade, mostly in the past couple of years. These include the following, all of which are targeted primarily at companies, but also have relevance for other organizations operating in insecure environments:

- **The OECD's Risk Awareness Tool for Multinational Enterprises in Weak Governance Zones:** Following a process of extensive consultation with companies, academics, trade unions and NGOs, the OECD adopted this tool in

June 2006 with the aim of helping companies think about the risks and dilemmas they may face in weak governance zones and how to respond to them. The tool consists of questions in the following areas: obeying the law and observing international instruments; heightened managerial care; engagement in political activities; knowing clients and business partners; speaking out about wrongdoing; and business roles in weak governance societies with a broadened view of self-interest.

- **The International Alert Conflict Sensitive Business Practices (CSBP) Tool:** Published in 2005, the purpose of this tool is to help companies assess and mitigate the macro- and project level conflict risks associated with doing business in unstable countries, in the interests of the long-term stability of those societies at local and national levels. Based on extensive consultations and field research, the first iteration of the tool focuses on *Guidelines for Extractive Industries*, and International Alert is now working on a similar approach for project financiers.

- **Human Rights Impact Assessment Tool:** The International Finance Corporation is currently working with the International Business Leaders Forum, the Global Compact and several leading companies and NGOs to develop a tool that will assist companies, and potentially other actors, in identifying, anticipating and mitigating human rights risks.

- **The Business Leaders Initiative on Human Rights:** BLIHR was established in 2003 by seven companies across different industry sectors and countries with the aim of finding practical ways to apply the aspirations of the Universal Declaration of Human Rights within a business context and to develop evidence-based tools and examples to inspire other businesses to do likewise. After an initial three-year phase the learning initiative has been extended for a further three years and now includes eleven global companies.

- **The Global Reporting Initiative (GRI):** Initiated in 1997 and established as an independent entity in 2002, the GRI is a global, multistakeholder initiative that has created a set of sustainability reporting guidelines, with sector supplements aimed at increasing both the quantity and quality of reporting on economic, social and environmental performance by all organizations.

BOX 1: PRINCIPLES, CODES OF CONDUCT, CHARTERS AND STANDARDS FOR OPERATING IN INSECURE ENVIRONMENTS

INITIATIVES FOCUSED ON NGO ACCOUNTABILITY and PERFORMANCE STANDARDS

The Code of Conduct for the International Red Cross and Red Crescent Movement and NGOs in Disaster Relief: This code aims to guard standards of behaviour rather than provide operational details. Signed by over 350 organizations, it offers 10 Principle Commitments, as well as recommendations to governments and intergovernmental organizations.

InterAction's Private Voluntary Organization Standards: These aim to promote responsible standards in the areas of governance, finance, communications with the US public, management practice, human resources, program and public policy. Compliance is a requirement for admission to InterAction.

International Non Governmental Organisations Accountability Charter: In June 2006, a group of eleven international non-government organizations signed a ground-breaking charter based on 9 core principles and aimed at enhancing accountability and transparency, encouraging stakeholder communication, and improving organizational performance and effectiveness.

MULTI-STAKEHOLDER or INDUSTRY INITIATIVES FOCUSED ON PRIVATE SECTOR ACCOUNTABILITY and PERFORMANCE STANDARDS

The International Finance Corporation's (IFC) Policy and Performance Standards on Social and Environmental Sustainability: Launched in February 2006 this revised policy and set of standards are based on the widest public consultation ever undertaken by the IFC drawing on input from governments, the private sector, industry associations, intergovernmental organizations, academia and a wide range of civil society organizations. The standards cover labor rights, human rights, community health and safety, community engagement, indigenous peoples, pollution prevention and abatement, and biodiversity.

The Voluntary Principles on Security and Human Rights: Adopted in 2000, these provide practical guidance to companies on three sets of issues: risk assessment, including the potential for violence; identification of the potential human rights vulnerabilities that firms face as a result of their relationship with public security providers, both military and police, as well as recommendations for how to deal with them; and the same for private security forces. Currently focused on the extractive sector, the VPs serve as a potential model for similar initiatives in other sectors, including humanitarian agencies. They have also been integrated into Host Government Agreements and project contracts illustrating how such initiatives can achieve scale over time through integration into public policy frameworks.

The Equator Principles: Created in 2003 by the IFC and an initial group of 10 banks from different countries with the aim of providing a social and environmental screening tool for major project finance deals, the participants in the Equator Principles now account for over 80% of relevant deals in developing countries and include financial institutions from over 20 countries.

The OECD Guidelines on Multinational Enterprises: Adopted by the OECD in 2000, these are supported by a system of National Contact Points in all 39 countries adhering to the Guidelines – government offices to whom complaints against specific multinationals can be made.

Commodity supply chain standards and certification schemes: These include initiatives such as The Kimberley Process for diamonds; The Forest Stewardship Council; the Marine Stewardship Council; and the World Cocoa Initiative.

Manufacturing supply chain standards: Initiatives in this area include the Fair Labor Association; the Ethical Trading Initiative; SA8000; the International Council of Toy Industries' ICTI Care Process; The Electronic Industry Code of Conduct.

2) Protect own employees and assets

Beyond aiming to 'do no harm' in insecure environments, another priority for any organization is to ensure the security of its own employees, assets and in some cases local partners.

At the level of the individual organization, this requires implementation of many of the same standards and management tools outlined in the previous section. In particular, it requires rigorous and comprehensive risk and impact assessments, as well as emergency planning procedures and the establishment of preparedness guidelines and tools for employees and key business stakeholders. Training of staff and partners is an essential part of this process. The implementation of security mechanisms that protect employees and assets, but do not undermine the security, assets or human rights of non-employees is another key challenge outlined in the previous section. The *Voluntary Principles on Security and Human Rights*, for example, although currently focused on the extractive sector could be applied to most industries and even to many NGO operations.

Humanitarian agencies in particular are facing increasing challenges in protecting their employees in the face of civil conflicts where belligerents are directly targeting civilians and aid workers. A 2005 workshop on 'Humanitarian Roles in Insecure Environments' concluded that, "In discussing the security challenges facing personnel, respondents voiced concerns over the 'blurring of lines' between humanitarian actors on the one hand and political and military actors on the other. The identity and relationships between actors in conflict and post-conflict settings can quite literally mean life or death for the individuals involved on the ground."[8] This situation is exacerbated by the fact that even the definition of what constitutes a 'secure environment' in complex humanitarian emergencies tends to differ between civilian and military participants and even within the civilian community – emphasizing the need for better communication and sharing of information between organizations.

3) Extend emergency planning and response strategies to host communities

A key moral challenge for many NGOs and companies, and in some cases an operational and logistical challenge, is if and how to extend protection strategies to the local communities in which the organization is operating.

The history of complex humanitarian emergencies, whether man-made or natural, is replete with examples of foreign nationals and wealthy local elites being 'air-lifted' to safety, while lower-ranking local employees, their families and communities are left behind. There are no easy answers to this challenge – especially in extreme crises such as the Rwandan Genocide and the Asian Tsunami. Even in the US's recent experience of Hurricane Katrina, it was the relatively wealthy and well-connected who were able to escape the immediate danger, often supported by transportation, funding and other contributions from their employers or from other existing networks and relationships, while the poor and 'unconnected' were left behind and are still 'left-behind' in terms of

rebuilding their lives and livelihoods. Expectations of NGOs and the private sector need to be realistic. In the absence of public sector support, there is only so much that NGOs and companies can do in crisis situations to extend protection and ensure the security of the wider communities in which they operate - beyond the 'do no harm' strategies outlined in point 1. But they can do something. This is especially the case in the area of emergency planning and preparedness.

Often lives are lost and assets destroyed due to lack of pre-planning, clarity and coordination of the roles and responsibilities of different actors in emergency situations – national versus local or regional government bodies, military versus non-military organizations, public versus private initiatives. Integrated community-wide, industry-wide or regional preparedness strategies can be developed in high-risk environments to address this problem. These require the establishment of mechanisms for better communication and information sharing between organizations, and plans to ensure better coordination of emergency preparedness and response efforts.

One excellent example of such an approach is the United Nations Environment Programme (UNEP's) *Awareness and Preparedness for Emergencies at the Local Level* (APELL) process.

BOX 2: The *Awareness and Preparedness for Emergencies at the Local Level* **(APELL) process.**

Established by UNEP in cooperation with the chemical industry, the APELL process aims to help local government and community leaders in developing countries to identify potential hazards in their communities, build local capacity and implement preparedness measures aimed at responding to and controlling emergencies. Initiated in 1986 in response to a series of chemical and industrial accidents, the APELL process now also includes planning for natural disasters and aims to reduce threats to public health, safety and the environment. It has been implemented in over 30 countries and engages hundreds of companies, community groups and local authorities.

A key strategy used by the UN system to introduce APELL to different countries and communities has been to work through industry associations with global networks such as the International Council of Chemical Associations (ICCA), the World LP Gas Association and the International Council of Mining and Metals (ICMM). In November 2005, for example, ICMM and UNDP jointly launched a toolkit to help the mining industry work more effectively with local communities in developing and implementing emergency plans. This model of cooperation between a UN agency and industry networks aimed at building local capacity to better withstand emergency situations could be replicated in many more sectors and locations around the world, while also helping participating companies to better manage their own social and environmental risks and protect their 'social license to operate'.

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4)   Invest in local socio-economic development and community resilience

As summarized in Box 3, there is growing recognition of the links between poverty, inequality, insecurity and conflict. One of the best longer-term investments that companies and NGOs can make in the security and resilience of the countries and communities where they operate is to support more equitable, pro-poor development. They can do this through a wide variety of initiatives that provide low-income

communities with access to economic opportunity, affordable and decent health services, education, housing, water and sanitation, energy, financial services, or appropriate technology.

Box 3: The links between poverty, inequality, insecurity and conflict

"Poverty increases the risks of conflict through multiple paths. Poor countries are more likely to have weak governments, making it easier for would-be rebels to grab land and vital resources. Resource scarcity can provoke population migrations and displacements that result in conflicts between social groups. Without productive alternatives, young people may turn to violence for material gain, or feel a sense of hopelessness, despair, and rage. Poor farmers who lack basic infrastructure and access to agricultural markets may turn in desperation to narcotics production and trade. …many slums are controlled by gangs of drug traffickers and traders, who create a vicious cycle of insecurity and poverty. The lack of economically viable options other than criminal activity creates the seedbed of instability – and increases the potential for violence."
Millennium Project: Report to the UN Secretary-General[9]

"The risks of conflict are higher when people live in poverty – where they are marginalized economically, lack access to basic services, and have no means to provide adequately for their families – or where the gap between rich and poor is growing. The risks are also high when people feel they have no political voice or where human rights are denied or violated."
The UK Department for International Development (DFID)[10]

"Since the events of 9/11, security has dominated the concerns of decision-makers and policy analysts. Increasingly, security is being framed in narrow terms of the terrorist threat to the developed world. At IISD we argue for a wider understanding of security that encompasses resilience to ecological stresses and disasters, political stability, equitable trade and sustainable livelihoods."
International Institute for Sustainable Development[11]

Efforts to support local socio-economic development are likely to be more effective and sustainable if they draw on the core competencies of the companies and NGOs in question. For example, banks supporting financial services initiatives, information technology companies increasing access to technology, and so on, as well as combining both financial and in-kind resources with the sharing of management and technical skills. Such efforts are also likely to be more sustainable if they aim for demand-driven, market-oriented delivery models that achieve either cost-recovery or profitability over time.

There has been a burgeoning of innovation in this area over the past five years driven by a combination of social entrepreneurs; creative corporate social responsibility strategies that include, but go far beyond traditional philanthropy; the emergence of a new generation of individual philanthropists who are highly results-oriented and hands-on; and a massive increase in new types of alliance and partnership between companies, humanitarian agencies and donors, both public and private. The dramatic growth in microfinance programs, global health partnerships, and collective business linkage initiatives aimed at supporting small enterprise development are all examples of this trend. Some are led and resourced by large multinational corporations, others by major foundations or development NGOs, and others by inter-governmental or bilateral development agencies. In some cases the funds are public or philanthropic, in others they are commercial and in many, a hybrid of these options.

It is wrong to assume, however, that all such efforts can achieve the goal of cost-recovery or being profitable. While there is growing evidence of the ability of the poor (people living at the so-called 'Bottom-of-the-Pyramid) to pay for many basic goods and services, there will always be a need for traditional charity, philanthropy and humanitarian assistance, and not only in emergency situations.

The challenge for donors, companies and NGOs alike, is to understand local needs, constraints and capacities well enough to be able to determine the most effective combination of public services, traditional charity, 'hybrid' social investment models, and commercial business models – and to be able to decide what situations call for a traditional public goods approach versus a market-driven approach or a combination of both. Working with local partners is usually essential to being able to achieve this degree of insight. Given serious resource constraints in many insecure environments, this in turn often requires investment in building the capacity and resources of such partners, be they private enterprises, local authorities or community organizations.

5) Build local capacity of civil society organizations, community initiatives and the media

There is growing evidence that community-based programs to support development, peace-building and post-disaster or post-conflict reconstruction efforts can be highly effective. The World Bank, for example, is finding, "…that community-driven reconstruction not only makes reconstruction more effective and demand-driven, but also that communities are far better at identifying and prioritizing their reconstruction needs and they do have the necessary capacity if given the resources and management support."[12]

Companies and NGOs operating in insecure environments can play a vital role in helping to build the capacity of local civil society organizations and the media by providing such resources and management support. In doing so, they can enable local organizations to be more effective and influential advocates for good governance, human rights and security. Equally, they can help to improve local operational and service delivery capacity. Both are crucial to addressing challenges of insecurity and to building longer-term community resilience. In the case of companies, such activities can often be supported through corporate philanthropy budgets or community investment programs, and additional value added by harnessing the skills and energies of employees through volunteering initiatives.

6) Focus on high-risk and high-potential population groups - youth, women, indigenous peoples' groups, ethnic and religious minorities

In assessing different options for supporting socio-economic development and local capacity building initiatives, companies and NGOs should not only consider what projects will make the best use of their core competencies and available resources, or will

align best with their own organizational values and objectives, or are most likely to be sustainable and/or scalable and replicable over the longer-term – although these are all important questions to ask. They should also aim to identify projects that will have a high return in terms of helping to improve national or community-level security and resilience. One obvious way to do this is to target specific population groups that are either especially high-risk, in terms of being a likely cause of conflict and instability if they have grievances and no hope, or high-potential, in terms of being likely problem-solvers and bridge-builders in helping to prevent or resolve insecurity and conflict.

Addressing challenges of gender inequity and the lack of empowerment of women is one increasingly well-documented and demonstrated approach. Likewise efforts to support and include economically or politically marginalized groups, which can include indigenous peoples' groups, ethnic and religious minorities, small-scale farmers, and artisanal miners. There are a number of innovative business-NGO-community partnerships emerging in these areas – aimed either at establishing accountability mechanisms to ensure that business or NGO activities don't cause further disadvantage for these groups, or at creating socio-economic opportunities and value creation potential for these groups, or both.

The Diamond Development Initiative (DDI) is one such example. Initiated by a coalition of two NGOs, Global Witness and Partnership Africa Canada, and two companies, De Beers and the Rapaport Group, and supported by the World Bank, DDI focuses on understanding and addressing the challenges faced by artisanal diamond mining communities, which are usually extremely poor, marginalized and prone to conflict situations. *The Sierra Leone Peace Diamonds Alliance* focuses on similar communities and brings together similar partners, as well as USAID and the UK's Department for International Development.

International Alert is working with local and foreign companies, business associations, NGOs and donors in Azerbaijan to develop, among other initiatives, projects to meet the needs of internally displaced people and refugees. In Mindanao, southern Philippines, it is working on a similar multi-stakeholder initiative with business associations such as Philippine Business for Social Progress, the Muslim Business Forum and the Mindanao Business Council, together with donors, NGOs, government and community leaders to explore common ground and spread economic opportunity among the region's indigenous peoples' groups, Muslim and Christian communities.

One group that is often a sub-set of the others, and that offers both high-risks and high potential in terms of creating more secure environments, is youth. Over the next decade, about 1.2 billion young people will enter the global labour market – the largest entry pool in history – and the vast majority of them will be in developing economies. Experts predict, optimistically, that no more than 300 million new formal sector jobs will be created during the same period. Furthermore, approximately 70% of young people in developing countries are not in school past age 14. In parts of the Middle East and Africa over 50% of the population is under the age of 25.

These young people will play a crucial role in the world's ability or failure to meet the challenges of the 21st Century. As the UN's High Level Panel on Youth Employment has noted, "Across the globe, they are making important contributions as innovators, entrepreneurs, productive workers, consumers, citizens and members of civil society. They are at the forefront of the information and communications technology revolution. They are artists and athletes…In short young people are an asset."[13]

Yet, millions of young people have their aspirations and opportunities crushed at an early age by a combination of poverty, poor health, lack of formal education, lack of access to economic opportunity and employment, discrimination on the basis of religion, ethnicity or gender, and the trauma of facing armed conflicts, exploitation and abuse. Approximately half of the world's 35 million refugees and internally displaced persons are under the age of 18 and over 300,000 children fight as soldiers in current conflicts. Even those who are fortunate enough to receive some education, often find it impossible to get jobs in the formal economy and they face unnecessary obstacles establishing their own businesses and becoming self-employed. Despite the burgeoning of new micro-enterprise initiatives around the world, for example, almost none of these offer services to youth entrepreneurs.

Failure to provide young people with opportunities to find meaningful work is not only a waste of human potential, but can lead to social alienation, drugs, crime and violence. In many conflict situations, it is disenfranchised groups of youth, both educated and poorly educated, who are the key source of new recruits for warring factions, terrorist groups and organized crime.

As Rick Little, co-chair of the UN's *Youth Employment Network* and founder of the International Youth Foundation and the ImagineNations Group argues, "We cannot ignore the implications of a generation of young people without job prospects, opportunity or hope. Providing them with access to employment, livelihood opportunities, credit and business coaching will be absolutely essential to securing a more peaceful and prosperous future for all."[14]

The crucial importance of youth development, employment and enterprise is finally gaining the attention it deserves from policy makers, business executives and civic leaders. The World Bank's *World Development Report 2007* will focus on this important subject for the first time in the bank's history. The UN's *Youth Employment Network*, established in 2001, identifies the following top priorities for providing young people with better access to economic opportunity:
- *Employability* – invest in education and vocational training for young people to facilitate the school-to-work transition and to give young people a head start in working life, particularly those who are disadvantaged because of disabilities or who face discrimination due to race, religion or ethnicity;
- *Equal opportunities* – give young women the same opportunities as young men;
- *Entrepreneurship* – make it easier for young people to start and run enterprises and/or engage in social entrepreneurship and other forms of self-employment;

- *Employment creation* – place employment creation at the centre of macroeconomic policy.

A number of innovative networks and partnerships between NGOs, companies, foundations, donor agencies and governments are already underway in the areas of youth development and enterprise. Some examples are briefly profiled in Box 4. Urgent attention is needed to achieve greater scale and coverage for youth development and youth enterprise initiatives in countries throughout Asia, Africa, the Middle East, Latin America, and indeed, in parts of Europe and the United States.

BOX 4: Partnerships to invest in youth development, enterprise and employment

The International Youth Foundation – Founded in 1990, IYF now operates in nearly 70 countries. It supports programs with young people focused on the areas of education, employability, enterprise development, health and youth leadership and engagement. It works with a wide network of companies, foundations, civil society organizations and intergovernmental agencies to identify and support existing youth programs that can be strengthened and 'scaled-up'. A growing number of its activities focus on initiatives in conflict prone or conflict-ridden societies ranging from the Balkans to the West Bank.

The ImagineNations Group – ING is a global alliance of social entrepreneurs, investors, financial institutions, corporations and media working together with young people to influence public policy and to catalyse innovative programs in the areas of youth employment and youth entrepreneurship and in media alliances to build bridges between young people across cultures, faiths, politics, gender, age and language. The network is partnering with a variety of organizations ranging from the World Bank and UNDP, to MTV, Boston College, and the Nike, Amelior and Gates Foundations to undertake action research, pilot youth enterprise programs, support media exchanges and conduct 'Seeing-Is-Believing' visits by potential supporters, in southern and north Africa, Asia and the Middle East.

Youth Business International – An initiative of the International Business Leaders Forum, YBI works with a wide variety of partners to establish national-level programs that support youth entrepreneurship. These programs share a common approach based on a combination of start-up funding and business mentoring. In many cases the funding is provided by a combination of public and private funds, including growing support from the banking sector. Business people, who share their skills and experiences on a volunteer basis, usually provide the mentoring support to the young entrepreneurs. The program also aims to share international lessons in the area of youth entrepreneurship and is currently working in almost 40 countries around the world, with more than 14,000 young people having been set up in business and over 72% of them still in business in their third year.

The Youth Project of Search for Common Ground – Established in 1982, SFCG undertakes a variety of creative initiatives to help communities and nations in conflict to move away from adversarial approaches towards collaborative problem-solving. It has a strong focus on working with young people in a number of countries, ranging from dialogues to nationwide media initiatives.

Corporate programs that have achieved scale - LiveWire was first established by Shell in the UK over 20 years ago, and is now supported by Shell companies and their business partners operating in over 20 countries. Its aim is to encourage youth enterprise, working through local enterprise development organisations, schools, universities, governments and other corporations. The **Cisco Networking Academies**, partner with hundreds of organisations around the world and in some of the world's poorest and most insecure countries to support information technology training. In Saudi Arabia, the Abdul Latif Jameel Group has brought together a group of Japanese automotive distributors with support from the Japanese and Saudi governments to establish the **Saudi-Japanese Automobile High Institute**. Focused on combining technical training with employment opportunities this offers a valuable model of industry-wide cooperation that has potential at both a national and regional level.

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7) Support direct efforts to tackle weak governance and inadequate institutional capacity

The preceding examples all focus on actions that companies and NGOs can take to improve their own performance and accountability either at the individual organizational level or on a collective basis, and to support initiatives at the level of host communities and local partners. What, if anything, can companies and NGOs do to address some of the public sector problems that lie at the heart of much insecurity, instability and poverty? Most notably, what can be done to tackle weak governance on the part of local, regional or national governments? The OECD defines a weak governance zone as an environment where, "…the government is not working – public officials are unable or unable to assume their roles in protecting rights, providing basic public services and ensuring that public sector management is efficient and effective. These 'government failures' lead to broader failures in political, economic and civic institutions that, in turn, create the conditions for endemic violence, crime and corruption and that block economic and social development."[15] It estimates that about 900 million people, or approximately 15% of the world's population, live in such weak governance zones.

In extreme cases, governance failures result in failed states, but there are many less extreme examples where the security of citizens is seriously undermined by weak governance. The World Bank observes that there is substantial overlap between what it defines as Low-Income Countries Under Stress (LICUS) and conflict-prone or conflict-affected countries. In particular, the Bank argues that they share many of the same underlying problems of governance and institutional weaknesses, including, "lack of confidence by economic actors; weak state capacity, especially in judicial, financial, fiscal, administrative and regulatory functions; a large informal economy and parallel markets; poor economic policies; widespread unemployment, especially among the young; lack of skilled labour and low secondary school enrolment; and damaged or obsolete physical capital."[16]

What can the private sector and NGOs realistically do in helping to tackle weak governance and improve institutional capacity of the public sector to better serve its citizens? This is an area where it is often difficult for companies or NGOs to work in an individual capacity, but where working collectively can have a definite impact.

Two key areas where collective action can be especially effective in tackling weak governance are:
- Tackling corruption through mechanisms and standards aimed at improving both public and private sector accountability and transparency; and
- Strengthening public institutions and administrative capacity, especially judicial, financial, fiscal, administrative and regulatory functions.

Tackling corruption: The World Bank estimates that $1 trillion is spent on bribes annually, some 3% of global GDP. Money that could instead be spent on socio-economic development and improving human security. A number of encouraging initiatives have been established over the past decade that bring together companies, NGOs and in some

cases governments to improve both public and private sector accountability and transparency as a means to limit corruption. Notable examples include the following:

- **Extractive Industry Transparency Initiative (EITI)** – Established in September 2002, EITI aims to improve the transparency of revenues generated by extractive projects and to stimulate wider dialogue within developing countries about public expenditure priorities. Partners include donor and developing country governments, the World Bank, oil, gas and mining companies and civil society organizations. Increasing transparency will empower citizens and institutions to hold governments to account and make mismanagement or diversion of funds away from development purposes more difficult. It should also help to improve the business environment, and attract more foreign direct investment. Such an initiative has relevance for other industries where large amounts of resources are exchanged between the public and private sector.

- **The Business Principles for Countering Bribery** – Launched in 2002, these principles were developed by Transparency International in partnership with Social Accountability and a steering committee drawn from companies, trade unions, academia and other non-governmental organizations. They offer a practical tool and framework for companies in different sectors to implement anti-bribery programs.

- **Wolfsberg Group -** Initiated in 2000, with input from Transparency International, this is a network of twelve global banks, which aims to develop industry standards and related products for Know Your Customer, Anti-Money Laundering, and Counter Terrorist Financing policies.

- **Integrity Pacts** – These are country-based mechanisms or tools piloted by Transparency International aimed at preventing corruption in public procurement. They are based on an agreement between a government institution and all bidders for a public sector contract outlining a set of operational, bidding and disclosure standards that all parties agree to adhere to in the bidding process, along with sanctions for non-compliance. Although still limited in coverage, Integrity pacts have been demonstrated to work in a number of legal and political settings.

- **Revenue Management Mechanisms** – A growing number of resource rich countries are establishing national, regional or local revenue management mechanisms, usually in cooperation with major corporate partners, financial institutions, donors, and in some cases NGOs. These mechanisms potentially serve a dual purpose of increasing the transparency of resource revenues and also providing a more participatory and accountable process for disbursing these revenues to different.

Strengthening public institutions and administrative capacity: A fair, efficient, and accountable justice system, and well-functioning financial, fiscal and regulatory systems are fundamental to providing the necessary safeguards, rights and public finances for increasing resilience, preventing insecurity and enabling people to benefit from development. Likewise, affordable and accessible public health and education systems are essential for reducing poverty and insecurity. Many developing country governments lack the administrative capacity and necessary skills and resources to implement and sustain such systems. Companies and NGOs operating in insecure environments can work with each other and with donors and host governments to help fill at least some of these gaps, although care must be taken to manage expectations:

- **Strengthening the criminal justice system in South Africa:** South Africa's National Business Initiative (NBI), which consists of over 150 domestic and foreign companies, has been working in partnership with the South African government to undertake a national project involving the

sharing of technology, financial support, managerial expertise and planning skills, to help the country's criminal justice system become more modern, efficient and integrated.

- **Training judges on human rights in the Venezuelan judiciary:** The Venezuelan office of UNDP has been working with Statoil, Amnesty International and the Venezuelan judicial administration on a programme to train judges in international human rights and how these should be upheld in a national legal system, with the aim of embedding the programme as a permanent element of the official training for all judges. This illustrates how an individual company playing an initial support role, with a small financial contribution, and working in partnership with others, can catalyse an initiative that reaches national scale.

- **The Netherlands Financial Sector Development Cooperation:** In July 2004, the Dutch government's Ministries of Foreign Affairs, Economic Affairs, and Finance, entered into a cooperative agreement with ABN Amro, ING, Fortis, Rabobank, and the Netherlands Development Finance Company (FMO), to combine their expertise to stimulate the financial sector in developing countries, emerging markets and transition economies. The cooperation fits with the Dutch government's aim to involve the business community more in the execution of Dutch development assistance, and the government and banks will each bear half of the costs of the initiative.

- **Strengthening health and education institutions in Africa, the Middle East and Latin America:** In a number of countries companies are working with host governments, donors and NGOs to support efforts aimed at improving the delivery capacity and quality of public health and education systems. ExxonMobil for example is supporting the *Africa Health Initiative*, focused on building systems capacity to tackle malaria in a number of African countries; Abbott Laboratories is working with the government of Tanzania, Axios Foundation and Muhimbili Hospital on the *Tanzania Care* program to improve capacity of the country's main referral hospital; Merck is working with the Bill and Melinda Gates Foundation and government in Botswana on the *African Comprehensive HIV/AIDS Partnership* (ACHAP); in Uganda, South Africa, Nigeria and Guatemala, Chevron is working with a variety of government, business and NGO partners to scale-up national efforts to address road safety via the *Arrive Alive* initiative; Pfizer's *Infectious Diseases Institute* in Uganda is starting to train health professionals from around Africa; the National Business Initiative in South Africa is helping to improve administrative capacity in hundreds of public school through its *Educational Quality Improvement Programme*; and in Brazil the American Chamber of Commerce is working with some 3,000 Brazilian and foreign companies and the Brazilian government to support a similar project, *Instituto Qualidade no Ensino*, which is reaching close to 5,000 schools.

8) Engage in policy dialogue to create the enabling conditions for peace and prosperity

A final strategy worth considering for companies and NGOs operating in insecure environments is active and transparent engagement in public policy dialogues. As with efforts to tackle corruption and weak governance, collective initiatives usually offer the best option for achieving the necessary leverage and legitimacy needed to create the broader enabling conditions for longer-term peace and prosperity.

As has been outlined elsewhere in this report, such conditions include: rule of law and respect for human rights; an equitable economy; investment in human capital; social cohesion; and environmental sustainability. They are conditions that are often painfully slow to establish, especially in situations recovering from conflict and insecurity, and they require long-term commitment and patience – the type of 'staying-power' that is all

too rare given the brevity of most election cycles or for that matter investor and donor cycles.

In one of his final speeches as President of the World Bank, James Wolfensohn made the following comments at a meeting of the UN Security Council, "...it is essential to change the balance that exists between making peace, in terms of stopping conflict, and building peace, in terms of the creation of hope and viable States. …at the moment, the weighting is hugely and substantially on the military side, on the intervention side, on the prevention and concluding of wars, but far too little is spent on winning the war of peace. …It is hard to photograph peacebuilding. It is easy to photograph wars. Peacebuilding does not get headlines. It is a long-term, tough, day-after-day activity. …the solution is not rocket science. It is not something that requires doing doctorates on politics or economics. It is common sense. But it is common sense that our world does not have. Our world does not give longer-term support to the turgid process of building States."[17]

Business and NGO engagement in public policy dialogues aimed at this 'turgid process of building States' can take a variety of forms. Examples include companies and NGOs formally participating in:

- The development of Poverty Reduction Strategies at the national level;
- Public consultations to improve the overall investment climate in a country or to debate the pros and cons of major infrastructure developments or to discuss priorities for implementing national plans for the Millennium Development Goals;
- Government task forces to address a particular nation-building challenge such as enterprise development, labor markets and employment, or poor education standards;
- Peace and reconciliation processes, as business-led groups have done in countries as diverse as South Africa, Northern Ireland, Sri Lanka, the Philippines and Guatemala; and
- Public advocacy efforts in donor countries to increase the amount of public funds being allocated to foreign aid or to encourage more equitable trade access for developing countries in western markets. The recently launched Initiative for Global Development in the United States, and Business Action for Africa in Europe, offer two interesting models of collective action aimed at creating a strong private sector voice for increased political leadership in the fight against global poverty.

Conclusion

This paper has aimed to provide a framework for thinking about different ways in which companies and NGOs can work with donor and developing country governments and with each other to prevent future insecurity, resolve existing insecurity or recover from past insecurity. None of the eight different strategies for engagement are easy to implement. But they are possible. And there is growing evidence that they can have beneficial impacts for both the organizations that implement them and the countries and communities in which these organizations are operating.

Research by the International Business Leaders Forum, International Alert, Global Compact and others has identified a number of core principles or lessons for effective engagement in efforts to create and sustain secure, resilient and prosperous societies.[18] They serve as useful recommendations for all companies and NGOs operating in insecure environments.

1) **Strategic commitment:** The active leadership of chief executives and boards of directors is essential, both internally and externally, and backed up by clear policies and by incentives and accountability systems to empower local managers. All too often grand commitments at the top of organization do not translate into action on the ground due to misaligned incentives or management structures. This is especially important for international organizations with operations in a variety of different insecure environments.

2) **Key performance standards and indicators:** Having a clearly defined and sector relevant set of social, environmental, economic, financial and human rights performance standards and a means to measure and monitor progress against these is equally important – for NGOs as well as companies. Linked to this is the importance of both internal and external reporting and accountability mechanisms.

3) **Comprehensive risk and impact analysis:** Linked to the above, the implementation of more integrated, enterprise-wide risk and impact assessment tools are essential, aimed at understanding the overall 'development footprint' of the organization and being able to identify key risk areas where the organization may be either a target of insecurity or a cause of insecurity.

4) **Stakeholder engagement:** Establishing formal mechanisms for communicating, consulting and cooperating with stakeholders can play an essential role in preparing all parties to be better equipped to deal with emergencies, but also in avoiding problems and in ensuring the best possible development outcomes for particular projects or investments.

5) **Partnership and collective action:** The responsibility of any company or NGO is first and foremost for the responsible, accountable and progressive management of its own individual operations, in the workplace, along value chains, and in host communities and countries. Yet, when it comes to addressing some of the difficult and complex issues associated with weak governance, high levels of poverty, humanitarian crises, conflict and post-conflict situations, collective initiatives within and between different sectors offer some of the best potential for achieving the necessary leverage, scale, sustainability and legitimacy to make a difference.

No easy answers. No simple solutions. Yet, there is much to play for and no company or NGO that has aspirations to operate in a responsible, accountable and progressive manner can ignore the leadership challenge and opportunity presented by insecure environments.

ENDNOTES

The paper draws on several previous documents written by the author:

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