

What is the Global Compact?

In an address to The World Economic Forum on 31 January 1999, United Nation Secretary-General Kofi Annan challenged business leaders to join an international initiative – the Global Compact – that would bring companies together with UN agencies, labour and civil society to support nine (now ten) principles in the areas of human rights, labour, the environment, and anti-corruption. The Global Compact's operational phase was launched at UN Headquarters in New York on 26 July 2000. During the first Global Compact Leaders Summit, held on 24 June 2004 at UN Headquarters in New York, the Secretary-General announced the addition of a tenth principle against corruption. This measure followed a long consultation process with all Global Compact participants.

Through the power of collective action, the Global Compact seeks to advance responsible corporate citizenship so that business can be part of the solution to the challenges of globalisation. In this way, the private sector – in partnership with other social actors – can help realize the Secretary-General's vision: a more sustainable and inclusive global economy.

Today, hundreds of companies from all regions of the world, international labour and civil society organizations are engaged in the Global Compact. The Global Compact is a direct initiative of the Secretary-General; its staff and operations are lean and flexible.

The Global Compact is a voluntary corporate citizenship initiative with two objectives:

- * Mainstream the ten principles in business activities around the world
- * Catalyse actions in support of UN goals

To achieve these objectives, the Global Compact offers facilitation and engagement through several mechanisms: Policy Dialogues, Learning, Local Structures and Projects.

The Global Compact is not a regulatory instrument – it does not “police”, enforce or measure the behavior or actions of companies. Rather, the Global Compact relies on public accountability, transparency and the enlightened self-interest of companies, labour and civil society to initiate and share substantive action in pursuing the principles upon which the Global Compact is based.

The Global Compact is a network. At its core are the Global Compact Office and six UN agencies: the Office of the High Commissioner for Human Rights; the United Nations Environment Programme; the International Labour Organization; the United Nations Development Programme; the United Nations Industrial Development Organization; and the United Nations Office on Drugs and Crime. The Global Compact involves all the relevant social actors: governments, who defined the principles on which the initiative is based; companies, whose actions it seeks to influence; labour, in whose hands the concrete process of global production takes place; civil society organizations, representing the wider community of stakeholders; and The United Nations, the world's only truly global political forum, as an authoritative convener and facilitator.

Why Participate

There are numerous benefits to participating in the Global Compact. These include:

- * Producing practical solutions to contemporary problems related to globalisation, sustainable development and corporate responsibility in a multi-stakeholder context.
- * Rallying around universal principles and responsible corporate citizenship to make the global economy more sustainable and inclusive.
- * Leveraging the UN's global reach and convening power with governments, business, civil society and other stakeholders.
- * Sharing good practices and learnings.
- * Accessing the UN's broad knowledge in development issues and its practical reach worldwide.

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