3 August 2004

Dear Mr. Paul,

Thank you for your recent letter to the Secretary-General and the enclosed Joint Civil Society Statement on the Global Compact and Corporate Accountability.

Civil society organizations play an essential role in all aspects of the Global Compact, including through their participation in learning, dialogue and projects. We also believe that the vigilance of civil society is a critical ingredient in the social change agenda that underpins the Global Compact. Civil society organizations, such as your own, have already had a substantial impact on the evolution of the Global Compact.

As a result, we take the matters that you raise very seriously. However, it is important to recognize that the Global Compact is not a compliance-based initiative and does not monitor, police or provide a seal of approval for the companies participating in it. Instead, our change model is focused on learning, dialogue, projects, initiatives, and networks as ways of inspiring positive change. We have been explicit about this from the Compact’s inception.

Nevertheless, participants are expected 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 our more than 1,500 business participants are doing what they say they are doing.

Mr. James A. Paul  
Executive Director  
Global Policy Forum  
New York
The decision on whether to adopt an international, legally binding instrument on corporate accountability, such as the Norms on the Responsibilities of Transnational Corporations, is one for governments to make. From the perspective of the Global Compact Office, we always welcome efforts that help to clarify complex human rights questions and that foster practical changes. 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.

Since the Global Compact is complementary to, and not a substitute for, other approaches, it must not be used to undermine them. We stand ready to speak out against attempts to use the Global Compact in this way. Enhancing the contribution of business to sustainable development is a complex goal that requires a range of different methodologies. In this context, both regulatory and voluntary approaches play an important role. As time passes, the positive contribution of the Global Compact to legally binding approaches will become more clear, especially in locations where governments are failing.

As you know, the Global Compact is an ongoing experiment. Critical review and constructive criticism from civil society will continue to be crucial. I therefore want to thank you for your engagement.

Yours sincerely,

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