Peacebuilding Business Criteria

Core issues

Introduction

The Peacebuilding Business Criteria (PBBC) were developed by PeaceNexus to clarify how companies can contribute to the stabilisation of fragile states. The goal was to simplify and harmonise the competing answers that different experts have for this question.

Scope

The Peacebuilding Business Criteria are intended for businesses that operate in fragile and conflict-affected states. Rather than emphasize compliance, the aim of PBBC is to identify good practice and recommend business policy and action that contributes to conflict prevention and stabilisation.

Relation to existing standards

There exist a range of standards and guidelines that apply to businesses operating in conflict-affected contexts. The Peacebuilding Business Criteria are not intended to replace or supersede these resources. The role of the PBBC is to synthesize the materials available and adapt them to serve as a complement to existing environmental, social, and governance (ESG) as well as human rights standards applied in the financial sector. The premise of the PBBC is the idea that companies have an interest in stability, and hence focus on behaviours that proactively promote peaceful and resilient environments. In the diagram this means that the focus of the criteria is on the highest level.
Crosscutting activities: Analysis and Advocacy

Two basic strategies – context analysis and advocacy – cut across company policies that positively impact peace.

1. Context analysis and monitoring

Companies working in fragile and conflict contexts should carefully analyse and continuously observe the context and stakeholders related to each issue area.

- Stakeholder identification, analysis and engagement – *stakeholder engagement*
- Context issues identification and analysis (security situation, legal provisions, business framework and practice, conflict history, power relations etc.) – *context analysis*
- Corroboration of information through multiple sources – *multi-stakeholder consultation*

2. Advocacy

A peacebuilding company proactively advocates for improved conditions that incentivise business activities and help society as a whole. The following advocacy principles can be applied to most issue areas.

- Addressing divides between national and international standards – *promoting international business standards*
- Addressing needs of local populations (address lack of public services, exclusion and discrimination, land issues, security gaps) – *promoting social and human rights*
- Building coalitions with private sector partners to improve the business framework (including anti-corruption efforts, promoting a functioning judiciary, fair labour conditions, transparency on contracting and taxes, fighting red tape etc.) – *building business for peace coalitions*

Structure

Given the intended financial application of these criteria, the following structure has been adopted:
- The criteria have been grouped under seven overarching *issues*: Labour, Sourcing, Community Relations, Governance, Product, Security and Environment.
- Under each area there are *key objectives*, such as ‘Inclusive hiring’ or ‘Promoting the local economy’.

Under each objective, there are a number of *indicators*, which elaborate on the activities that a peacebuilding business would pursue on that issue. These indicators are further explained on pages 4ff.
### Labour

<table>
<thead>
<tr>
<th>Conflict-sensitive hiring</th>
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<tbody>
<tr>
<td><strong>Adopt conflict-sensitive hiring practices</strong></td>
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<tr>
<td>Explore diversity standards or affirmative action programs to ensure inclusion of vulnerable and at-risk populations (minorities, women, unemployed youth, ex-combatants), or groups that are at risk to join terrorism and crime, into your workforce. Avoid as best possible that composition of work force and hierarchies within the company reflect existing divides within society.</td>
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<tr>
<td><em>SDG 16 Targets: 16.b Promote and enforce non-discriminatory laws and policies for sustainable development</em></td>
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<tr>
<th>Local recruitment</th>
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<tr>
<td><strong>Favor local recruitment</strong></td>
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<tr>
<td>Incorporate a preference for local recruitment into hiring policies to provide jobs in your neighbourhood.</td>
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<th>Labour standards promotion</th>
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<td><strong>Grievance mechanisms, insider mediation and employee associations</strong></td>
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<tr>
<td>Establish grievance mechanisms within the work force (e.g. whistleblowing instruments, help line, ombudsperson etc.) Promote the creation of employee associations and global social protection. Support insider mediation to deal with inter-group conflicts within the workforce. Train employees so they acquire appropriate skills for dialogue and peaceful settlement of conflicts.</td>
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<tr>
<td><em>SDG 16 Targets: 16.7. Ensure responsive, inclusive, participatory and representative decision-making</em></td>
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## Sourcing

### Due diligence

**Adapt due diligence procedures**

Adapt due diligence procedures to fragile contexts when selecting suppliers, including the assessment of their political affiliations, level of corruption, potential connections with illicit financial and arms flows and organized crime, sectarian or ethnic affiliations, human rights history, and the extent to which they comply with international standards. Social and human rights risk and impact assessments and monitoring systems. Consult independent human rights institutions for your context analysis, and hence support their legitimacy. Promote anti-corruption measures in your supply chain. Ensure your company and your suppliers take measures to avoid sourcing of conflict-related resources (e.g. ‘conflict minerals’). Rather than embargoing, prefer the sourcing of conflict-free minerals from within resource-rich areas such as the Democratic Republic of Congo (DRC) and neighbouring countries.

**SDG 16 Targets:** 16.4. reduce illicit financial and arms flows; Combat organized crime; 16.5. Reduce corruption and bribery; 16.a Strengthen relevant national institutions, including through international cooperation, for building capacity at all levels, in particular in developing countries, to prevent violence and combat terrorism and crime. 16.6 Develop effective, accountable and transparent institutions

### Local sourcing

**Favour local sourcing**

Explore opportunities to promote/support local businesses within your value chain. Strengthen local economies and stabilize conflict-prone regions through your business relationships.

**SDG 16 Targets:** 16.7. Ensure responsive, inclusive, participatory and representative decision-making

### Inclusive hiring promotion

**Promote inclusive hiring in supply chains**

Encourage your business partners to include vulnerable and at-risk populations (minorities, women, unemployed youth, ex-combatants), or groups that are at risk to join terrorism and crime, into their workforce. Avoid as best possible that hierarchies within the company reflect existing divides within society. Foster diversity (political, ethnic, cultural, gender) among your suppliers (e.g. business partners owned by representatives of minority groups).

**SDG 16 Targets:** 16.b Promote and enforce non-discriminatory laws and policies for sustainable development; 16.7. Ensure responsive, inclusive, participatory and representative decision-making
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<td><strong>Multi-stakeholder engagement</strong></td>
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<td><strong>Promote peace through multi-stakeholder engagement</strong></td>
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<tr>
<td>Organize multi-stakeholder consultations to identify and address community needs and grievances. Encourage multi-stakeholder process between communities, the government and the company. Offer good offices services, convening power, and safe and neutral spaces for facilitation between armed groups, the government, and other relevant stakeholders. Participate in peacemaking activities if local conflicts negatively affect the company. Clarify property rights through gender-sensitive stakeholder consultation to make sure there is consent for the use of land and natural resources. Facilitate dialogue between government and communities if there is disagreement.</td>
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<td><em>SDG 16 Targets: 16.3. Promote rule of law and access to justice for all; 16.6 Develop effective, accountable and transparent institutions</em></td>
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<td><strong>Establish grievance mechanisms in communities</strong></td>
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<td>Establish appropriate grievance mechanisms in line with the UN Guiding Principles on Business and Human Rights for affected communities and any other relevant stakeholder.</td>
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<td><strong>Invest in communities with a peacebuilding objective</strong></td>
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<tr>
<td>Make community investments, after prior and informed consent (to avoid cooption), benefiting victims, vulnerable groups and at-risk populations in conflict or post-conflict contexts to increase trust, reduce tension and violence, and build peace.</td>
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<tr>
<td><em>SDG 16 Targets: 16.2 End abuse, exploitation, trafficking and all forms of violence against and torture of children; 16.3 Promote the rule of law at the national and international levels and ensure equal access to justice for all</em></td>
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### Governance

#### Payment and contract transparency

**Disclose payments to governments**

Disclose and openly communicate about the payments made to governments in the form of taxes, fees, royalties, dividends, or bonuses to increase good governance and accountability among your business partners and counterparties. Possibly make your contracts transparent and negotiate contractual agreements to share value, i.e. try to make sure the local population benefits from your taxes. Promote disclosure of contracts.

*SDG 16 Targets: 16.3. promote rule of law and access to justice for all; 16.6 develop effective, accountable and transparent institutions; 16.10 Ensure public access to information and protect fundamental freedoms, in accordance with national legislation and international agreements*

#### Conflict-sensitive leadership

**Address security, human rights and ethical issues in fragile states at highest level**

Make security, human rights and ethical issues for operations in violence-prone environments a priority at the highest level (incl. board). Ensure there is a representative on the board or Executive team with knowledge of conflict sensitivity and experience with fragile contexts.

*SDG 16 Targets: 16.1 Reduce all forms of violence and death*

#### Peace advocacy

**Advocate for peace individually and collectively**

A peacebuilding company proactively advocates for improved conditions that incentivize business activities and help society as a whole in fragile states. For example, peace advocacy can translate into: respecting and supporting the rule of law; Addressing divides between national and international standards; Promoting international sustainability and human rights standards; Lobbying for peace, justice and good governance at national and international level as well as in the cyber space (digital peace); participation in multi-stakeholder initiatives supporting the rule of law and promoting governance, accountability and transparency frameworks (e.g. coalitions for tax transparency, anti-corruption, human rights protection and peacebuilding more broadly) and good sectorial practices (e.g. conflict-sensitive and sustainable procurement of natural resources); building business for peace coalitions; raising your voice, individually or collectively with other companies and organisations, when the rights and freedoms of human rights defenders are challenged by the activities of the company, governments or other relevant stakeholders.

*SDG 16 Targets: 16.1 Reduce all form of violence and death; 16.3. Promote rule of law and access to justice for all; 16.6 develop effective, accountable and transparent institutions; 16.10 Ensure public access to information and protect fundamental freedoms, in accordance with national legislation and international agreements*
### Products

**Serving at-risk populations**

Serve consumer needs of at-risk populations and develop pro-peace products and services

Serve consumer needs of at-risk populations (e.g. women, youth, ex-combatants, minority groups etc.) and leverage the potential of your products and services to strengthen the bases of peace. Undertake conflict-sensitive market analysis and develop products and services that can increase safety for vulnerable groups and contribute to peacebuilding in fragile contexts. Examples are: IT and telecom solutions for early warning; Improve access to legal knowledge; Track arms flows through IT solutions; monitoring systems to record/measure corruptive practices; tools to assess public needs and gaps in public services; Investment products targeting minority needs; Information channels for vulnerable groups; Serving the bottom of the pyramid.

*SDG 16 Targets:* 16.3. promote rule of law and access to justice for all; 16.9 By 2030, provide legal identity for all, including birth registration; 16.10 Ensure public access to information and protect fundamental freedoms, in accordance with national legislation and international agreements

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### Customers due-diligence

Be aware of potential dual use of products. Promote positive use by undertaking due diligence of your clients and take mitigating measures to avoid negative use. Exclude clients with bad business practices that pollute the environment, disrespect human rights and induce conflict in society (e.g. hate speech in social media, misuse of data etc.).

*SDG 16 Targets:* 16.3. promote rule of law and access to justice for all; 16.4 By 2030, significantly reduce illicit financial and arms flows, strengthen the recovery and return of stolen assets and combat all forms of organized crime

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### Pro-peace marketing

**Market products and services with a peacebuilding perspective**

Engage in conflict sensitive and pro-peace marketing and advertising activities towards consumers andbroader populations at local, regional, national, global and digital levels.

*SDG 16 Targets:* 16.3. promote rule of law and access to justice for all; 16.4 By 2030, significantly reduce illicit financial and arms flows, strengthen the recovery and return of stolen assets and combat all forms of organized crime; 16.9 By 2030, provide legal identity for all, including birth registration; 16.10 Ensure public access to information and protect fundamental freedoms, in accordance with national legislation and international agreements.
## Security

### Security monitoring

**Provide human rights training to public and private security forces**

Favor private securities companies that have signed the International Code of Conduct for Private Security Service Providers (ICoC); Ensure these companies receive human rights training; Monitor potential human rights abuses by public and private security forces; Take appropriate corrective actions when such abuses occur. Record and report human rights abuses in your company and company vicinity to stakeholders that can take action (government, UN forces, company security).

*SDG 16 Targets: 16.1. Reduce all forms of violence and death*

### Employee and supply chain protection

**Implement extended security standards**

Establish security and protection measures in the company’s premises as well as along the journey to and from work of your employees; Incorporate provisions for supply chain security to protect business partners; Implement extended security standards in supply chain management where risk of violence is especially high.

*SDG 16 Targets: 16.1. Reduce all forms of violence and death*

## Environment

### Water-conflict-sensitivity

**Make conflict-sensitive use of water**

Manage water with conflict-sensitivity: undertake due diligence and multi-stakeholder consultation to assess the impact of your water uses on local and regional stability; Establish grievance mechanisms allowing communities (including women, youth, indigenous communities and other vulnerable groups) to voice their concerns relating to local water resources; Promote regional and trans-border cooperation on the management of river basins and the sharing of water resources.

*SDG 16 Targets: 16.3. Promote rule of law and access to justice for all; 16.7. Ensure responsive, inclusive, participatory and representative decision-making*

### Land-conflict-sensitivity

**Make conflict-sensitive use of land**

Treat land and forests with conflict-sensitivity: undertake due diligence and multi-stakeholder consultation to assess the impact of your land uses on local and regional stability; Establish grievance mechanisms allowing communities (including women, youth, indigenous communities and other vulnerable groups) to voice their concerns relating to land and forests; Provide assistance to protect and improve livelihoods; Promote effective and accountable land administration systems.

*SDG 16 Targets: 16.3. Promote rule of law and access to justice for all; 16.7. Ensure responsive, inclusive, participatory and representative decision-making*
About the PeaceNexus Foundation

PeaceNexus Foundation’s core mission is to provide peacebuilding-relevant actors – multilateral organisations, governments, non-profit organisations and businesses – with expertise and advice on how they can make best use of their peacebuilding role and capacity to help stabilise and reconcile conflict-affected societies.

Since our founding in 2009, PeaceNexus has engaged in numerous partnerships with economic actors to improve outcomes in fragile states, as well as applied research projects on the contributions of business to peacebuilding. Our foundation can provide tailored advisory services to businesses who wish to leverage their peacebuilding potential and improve conflict-sensitivity throughout their operations.

In addition, PeaceNexus acts as a “nexus” between organizations: we can provide guidance on suitable partners to assist businesses in managing conflict, peace and security issues. PeaceNexus works with dozens of organizations in four regions:

- Western Africa
- Western Balkans
- Central Asia
- South East Asia

Our partner selection process is rigorous. Our network of partners includes the most promising organizations in peacebuilding.

Acknowledgements:

The PeaceNexus Foundation would like to thank the principal authors, Thomas Carr, Anne Gloor and Antoine Mach, and other staff and consultants, including Catriona Gourlay, Johannes Schreuder and Isabel de Sola, for their contributions to this document.