Business for Peace: Understanding and Assessing Corporate Contributions to Peace
A discussion paper presented at the
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by CDA Collaborative Learning Projects

1. Introduction
When initiatives such as the UN Global Compact and the Voluntary Principles on Security and Human Rights (VPSHR) were established for the advancement of responsible corporate operations in complex and conflict-affected environments in the early 2000s, relatively few corporate managers would have participated in a forum on business and peace. Corporate actors did not widely discuss the role of business in conflict transformation and peacebuilding, much less options for how to assess and evaluate corporate efforts to contribute to peace and stability. A marked transformation has taken place over the past few years in the discourse regarding the business community’s role in supporting peace efforts. An increasing number of scholars, governments, NGOs, and multi-lateral agencies suggest that businesses can – and indeed do – act in ways that “contribute to peace” or “foster peace.”

Companies, for their part, may not see themselves as “peace actors” and may be quick to discount their role in peace and even in conflict. Even companies that publicly commit to principles of corporate social responsibility (CSR) are wary of terms such as “peacebuilding” or “conflict transformation.” The absence of a shared understanding or lexicon, uncertain mutual expectations, and varying perspectives regarding companies’ role in conflict further contributes to the divide among various actors about the role of business in these contexts.

To be sure, companies have an abiding interest in peace. Peace and stability are good for business. When businesses work in ways that exacerbate or sustain conflict, they harm their own business interests. When they work in conflict-sensitive ways, gaining community acceptance for their operations rather than alienating local people, they contribute to an enabling environment for business, thereby advancing their own objectives. Not all conflict, however, is negative; conflict is a normal feature in every society. It is the way in which conflict is managed that determines the outcome. Conflicts can be handled constructively, and peacefully, or in destructive ways, which lead to escalation of tensions and violence. For the purposes of this paper, we are concerned with the key driving factors that sustain and perpetuate violent conflict. Making a contribution to peace

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means addressing key drivers of violent conflict, reducing or preventing the use of violence as a means to address social, political, or economic grievances.

It would follow that corporate actors would be interested in understanding key driving factors of conflict and peace and in ensuring their presence has positive value for the lives of local communities. In this sense, the peacebuilding community and private sector are more aligned in interests than one might initially suspect. When these interests are united, it becomes clear that identifying opportunities for the private sector to engage in peacebuilding calls for a better understanding of what actually contributes to peace, including an expansion of business perspectives regarding their role and impact.

This paper combines grounded, evidence-based learning on conflict sensitive business practice in complex and conflict-affected environments and peacebuilding relevance, impact, and effectiveness. The aim is to advance the practical analysis of and discourse about how the private sector can contribute to peace.

CDA Collaborative Learning Projects has more than a decade of experience working both with the private sector and the peacebuilding community. CDA has worked extensively with corporations, particularly in complex settings, on improving relationships between communities and companies. We have accompanied initiatives such as the United Nations Global Compact’s Business and Conflict Expert Group to develop and promote conflict-sensitive business approaches to community engagement and constructive social performance in fragile and conflict-affected states. CDA has also developed field-based knowledge and guidance on designing effective peacebuilding and conflict resolution strategies and evaluating peacebuilding impacts, as well as conflict-sensitive development and humanitarian assistance. CDA combines these different areas of expertise in one organization and is therefore well placed to contribute to the discourse on business and peace.

2. Not every well intended initiative contributes to peace
As interest in the role of business in peacebuilding has expanded, so has the range of claims about how companies can contribute to peace. The academic literature presents a menu of options for companies to “contribute to peace,” ranging from economic development initiatives to maintaining good stakeholder relations, enhancing rule of law or promoting good governance.3

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3 The corporate perspective is often absent from this discussion, with implications for the feasibility of options that may not align with business objectives. See: Zandvliet, L. 2011. “Conflict Transformation and the Corporate Agenda – Opportunities for Synergy.” In Austin, B. et al. (Eds.) Advancing Conflict Transformation: The Berghof Handbook II. Opladen & Farmington Hills, MI: Barbara Budrich Publishers.
While these suggestions may represent well-intended contributions, they entail two major challenges from a peacebuilding perspective:

I. **Social and economic development do not equal peace:** Evidence from development and peacebuilding practice shows that assumptions about the relationship between economic development efforts and peacebuilding are untested and often false. Corporate action that contributes to social and economic development certainly may add value, but if it does not address key drivers of conflict, it will not have a discernible impact on peace. This holds true for actions undertaken by companies, peacebuilders, and development actors alike.

II. **Context-specificity is important:** Suggesting that companies can pick and choose from a “menu of options” is misleading. Decades of learning from peacebuilding and development practice have proven that blueprint solutions do not work. In other words, an approach that contributes to peace in one context may be irrelevant to peace in another, and may actually worsen conflict in a third. Instead, a thorough understanding of the local context is paramount in order to design effective approaches for each specific situation. A conflict analysis that identifies the drivers of conflict that are unique to that country or region is needed to determine what can contribute to peace.

2.1 **A distinction with a difference – conflict sensitivity in business operations is not necessarily peacebuilding.**

Most examples of business and peace blur important distinctions between “risk mitigation,” “avoiding harm,” “conflict sensitivity,” “adding value,” and “building peace.” The underlying assumptions of how business practices relate to peace are either entirely implicit or remain vague and unexamined. A company might undertake calculated due diligence measures, operate according to conflict sensitivity principles in order to ‘avoid harm’ or even make significant charitable contributions to local livelihoods. This, however, does not automatically mean that these efforts also promote peace.

A conflict-sensitive approach to operating is one in which a company:

a) understands the context and relevant conflicts in which it operates,

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b) understands the interaction between its operations and the conflict context, and
c) plans and implements all of its activities in a manner that avoids negative impacts on
conflict and maximizes positive ones.

Operating in fragile and conflict-affected states requires businesses to take a conflict-sensitive
approach to all aspects of their company operations, not simply their social activities. Business
activities that are not based on this understanding, even those intended to promote peace, risk
exacerbating conflict.\(^7\) The most noteworthy example, as numerous studies reveal, is the
introduction of corporate resources such as jobs and contracts into impoverished and conflict-
affected societies. While this infusion may be intended to drive economic development, it
frequently intensifies existing conflicts and competition for benefits between groups that already
experience tensions. It is therefore critical to plan such interventions carefully to avoid
contributing to existing conflict dynamics.

At the same time, it is equally important to understand that having positive effects on the
situation in general does not equate to having an effect on the key driving factors that perpetuate
conflict. For example, companies often contribute to the community in which they are operating
through an array of social investments, such as building schools. Yet while providing a new space
for the education of the community’s children in an inclusive and conflict-sensitive manner –
which is inherently positive – the building of schools may have nothing to do with the larger
conflict dynamics; they may not address conflict factors such as historic grievances, social
exclusion, exclusionary power dynamics, corruption, rule of law, or land management. Conflict
sensitivity is a critical foundation for constructive corporate operations, but may or may not be an
entry point for more direct peace efforts.

2.2 Which factors determine the role a company can play in peacebuilding?
A nuanced perspective is necessary to understand when and how business can foster peace. The
development of options for a company to engage in peace efforts or improve effectiveness of its
contributions to peacebuilding must be aligned with an understanding of how business practices
relate to peace. Three key factors determine the contributions a company can make:

i. **What is the nature of the conflict?** The types of fragility, violent conflict, or post-conflict
scenarios in which companies engage will vary greatly. The particular types of conflict
drivers and triggers in a given setting are determinants for where and how a company can
effectively engage. Opportunities and constraints for engagement, as well as what
Making Corporate-Community Relations Work.* Sheffield, UK: Greenleaf Publishing; MacDonald, S. 2013. “Peacebuilding and the
Private Sector.” In Zelizer, C. (Ed.) *Integrated Peacebuilding; Innovative Approaches to Transforming Conflict*. Boulder, CO:
approaches are appropriate and feasible, will be different if the conflict is intra-state or inter-state; if tensions are latent or violent, or if they involve inter-ethnic relations, governance issues, or social exclusion.

ii. **What is the nature of the company?** The characteristics of a company determine, in part, the possible ways in which it can engage in peace efforts. National companies will have, in most cases, very different characteristics than multinational companies with global operations. Different histories and relationships at the national and local levels, different entry points to peace work, different corporate decision-making processes, as well as different available resources all play a role in determining the types of possible engagement.  

iii. **What is the desired change?** What the company seeks to influence determines the possible impacts it will have on peace. Some companies want to make sure that their operations at a minimum do not contribute to existing conflict dynamics, and ideally make some positive contribution toward reducing tensions. Some want to consciously take their engagement a step further and contribute, to peaceful development in the countries where they operate. And some see potential for their business to contribute more proactively to peace, for example by playing a convening role.

3. **All aspects of business activity determine the impacts a company can have on the situation**

Companies have a range of effects on conflict settings. While some industries may profit from conflict, such as weapons makers and private security companies, most companies do not intentionally try to do harm or benefit from conflict. Rather, the primary concern of business is to mitigate risk and reduce harm to company personnel, assets, and stakeholders. Risk management, however, even if it includes community development projects, is often approached as a kind of self-protection or “coping strategy” to deal with threats to a corporate project or to obtain a social license to operate. The context and risk analyses underpinning these risk management strategies are unduly narrow – discounting the impact of macro-level conflict dynamics on local-level operations and vice versa – and do not recognize the overall role of companies as actors in the context. Companies often do not grasp that “…it is often the nature of [the linkages between social and environmental impacts and political risks] that determine whether a particular company is likely to create or exacerbate conflict or help prevent and resolve it.”

*Indeed, all aspects of a company’s operations have consequences for existing social, economic, and political relationships.* It is not only the company’s social activities that have an impact on

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the conflict situation, but the entirety of a company’s presence and operation in a given setting: the aggregate of the company’s presence, strategy, operations, and human deployment in all of its actions (and inactions).\textsuperscript{12} Companies’ mere presence has an impact on the situation; this can be positive and negative. These can range from direct effects such as pollution to problems associated with land acquisition to an influx of job seekers responding to perceived economic opportunities. Similarly, business decisions determine which tangible and intangible benefits such as wages, contracts, community projects, and even legitimacy are extended to some people and not to others. One oil company examined in a CDA case study, for example, faced violence over the distribution of contracts, employment, and community projects when they focused exclusively on the community in their immediate operational footprint, excluding others in the broader region who also felt they were affected by the operations.\textsuperscript{13}

What kinds of impacts on conflict can companies have? Based on over fifteen years of work with peace and development practitioners and the private sector, CDA has found that company engagement with a conflict situation in their operating environment falls along a spectrum (see Figure 1): from avoiding negative effects, to contributing to positive changes in the context, to more directly addressing key drivers of conflict and violence and therefore potentially contributing to peace. Taking a spectrum-based view of corporate impacts shifts focus away from discrete, individual corporate actions towards a long-term stability of the operating context and all aspects of impacts of the company on the context of which they are a part.

\begin{figure}[h]
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\includegraphics[width=\textwidth]{figure1.png}
\caption{Figure 1 (CDA September 2014)}
\end{figure}

\textsuperscript{12} Cf. Ganson, B. 2013. Management in Complex Environments: Questions for Leaders.
Examples of companies that deliberately seek to operate in ways that address key drivers of conflict and contribute to the stability of the operating environment are relatively few. However, those that do aim to address key drivers all engage in a thorough analysis of the interaction between their corporate operations and conflict factors. For example, Chevron Limited (CLN) was able to analyze its role in exacerbating existing tensions and fueling violence in the Nigeria’s Niger Delta and develop processes for conducting its operations in a conflict-sensitive manner as well as contribute to the broader peace. After conflict shut down company operations, CLN adopted a “Global Memorandum of Understanding” approach with its communities, bringing conflicting communities together to decide how to allocate benefits among them fairly and transparently. Development funds were tied to a formal governance structure for community development that included local and state governments as well as NGOs, and technical development and conflict resolution expertise were built into the governance structure. CLN identified four wider social problems that affected its operations but, as CLN saw it, were beyond the company’s capacity to resolve: high unemployment, weak governance, conflict, and lack of capacity. Therefore, CLN established the Foundation for Partnership Initiatives in the Niger Delta (PIND), which developed partnerships with Nigerian state and local governments, international donors, NGOs, and communities themselves to bring together appropriate technical expertise and state and community buy-in for programs that address these wider problems on an on-going basis at a regional level. By doing so, PIND has been able to address some key drivers of the conflict and reduce much of the regional violence.

**Conflict sensitivity can serve as an entry point for discussions about peacebuilding.** It is worthwhile to note that the same analytical and planning processes that underpin conflict-sensitive practice can also serve as the foundation for developing strategies that address key drivers of conflict. These can include the negotiation of contracts with the government; engagement with the host state and with other key actors in the context (such as other companies, industry associations, CSOs, bi-lateral development organizations, home-state diplomatic and trade missions, labor unions, multi-lateral organizations, and so forth); revenue management; social investment and infrastructure development; hiring practices; and so on. For these actions to serve as an entry point for considering contributions to peace, however, more intentional approaches based on peacebuilding principles are required.

4. **It is possible to understand and assess private sector contributions to peace**

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14 Example case studies have been written on the Foundation for Partnership Initiatives in the Niger Delta, the Chevron Nigeria Limited Global Memorandum of Understanding, and the Yadana Project operated by Total E&P Myanmar.

Various monitoring and evaluation approaches exist for differing levels of engagement with conflict along the spectrum of engagement depicted above in Figure 1. The nature the company’s aims, operations and specific efforts in complex and conflict affected environments will determine which is most appropriate, as illustrated below in Figure 2.

For some companies, the most appropriate activity may be monitoring the basic compliance and the conflict-sensitivity of their business practices. The particular benefit of monitoring the conflict sensitivity of operations generally and community engagements specifically is to ensure that the company actually ‘does some good’, for example, by reducing tensions or fostering positive relations among the various groups within the context.

Assessing a company’s deliberate attempts to contribute to peace – whether they do indeed make a contribution, and if so, how these contributions are achieved – requires distinguishing program effectiveness from peace effectiveness. Evaluating program effectiveness entails assessing whether a project is achieving its intended goals in an effective manner. This kind of evaluation asks whether the program was successful on its own terms. Peace effectiveness looks at whether
an initiative addresses any of the key drivers of conflict identified during the conflict analysis. In other words, achieving intended goals does not automatically make a positive contribution to peace; it is necessary also to assess how achieving the project goals has contributed to addressing the drivers of conflict.\textsuperscript{16}

To monitor and evaluate peace effectiveness well, it is necessary for an effort to have clear goals related to desired changes in the conflict, ensure that goals and activities are relevant to peacebuilding needs, and have a robust theory of change.

4.1 Clear goals – enhanced clarity about actual results

It is challenging to measure the peace impact of initiatives that do not have clearly articulated goals. However, ambiguous and unrealistic goals are common across many peace-related initiatives – by peacebuilders, development, and private sector actors alike. Many peace goals are articulated in vague terms at the level of general socio-political aspirations – for example, contribute to stability in country X or province Y – but fail to express the specific changes that the intervention is trying to achieve. Robust goals should be ambitious but achievable, and hence, measurable, evaluable, and achieved within a defined period of time. They should be stated as a desired change, that is specific enough to be observable, yet not simply a summary of the initiative’s planned activities. Goals should be well calibrated and address key drivers of the conflict in some way, without “over-claiming” or promising unrealistic results.

4.2 Assessing relevance

Are a company’s activities pertinent to peace in a given country? If the goals are clear, but not relevant to the drivers of conflict or peace, an effort will likely have little peacebuilding impact. The Development Assistance Committee of the Organization for Economic Co-operation and Development (OECD-DAC) posits that ‘relevance’ addresses “the extent to which the objectives and activities of the intervention(s) respond to the needs of beneficiaries and the peacebuilding process.”\textsuperscript{17} In addition to responding to the needs of the local communities, an engagement is only relevant for peace if it tries to address the key drivers of conflict. For companies intending to contribute to peace, the following relevance principles are particularly useful:\textsuperscript{18}

- **Peace initiatives need to be based on conflict analysis**: A sound understanding of the key drivers of conflict, main conflict dynamics, and relationships between the most important


\textsuperscript{18} These elements are drawn in part from Rogers, M. 2012. *Evaluating Relevance in Peacebuilding Programs*. CDA working paper series on program review and evaluation #1. Cambridge, MA: CDA. [http://www.cdacollaborative.org/media/123707/Evaluating-Relevance-in-Peacebuilding-Programs.pdf](http://www.cdacollaborative.org/media/123707/Evaluating-Relevance-in-Peacebuilding-Programs.pdf)
and influential stakeholders allows for interventions designed to strategically correspond to the “needs of the peacebuilding process,” as indicated by OECD-DAC, within fragile and conflict affected states.

- **Initiatives that aim to have an impact on the broader peace need to move beyond change at the individual-personal level to change at the socio-political level.** Many engagements work towards personal change (e.g. livelihoods skills training, human rights training, etc.). While this is important work, personal-level change alone is insufficient to contribute to and sustain broad scale peace. Rather, initiatives aiming for relevance must work toward group- or societal-level change at national, local, or regional level (e.g. new policies, laws, regulations, processes, social norms), or link their programs and beneficiaries to initiatives that do.

- **Adaptability and responsiveness of initiatives.** Fragile and conflict affected contexts are dynamic. It is of paramount importance to adopt a flexible and iterative approach, taking into account the changing nature of the situation and adapting program strategy accordingly. For example, in 2007 Atlas Copco in South Africa received a poor rating on the Broad-Based Black Economic Empowerment Act (BBBEE), which motivated the company to identify ways that its business operations could contribute to a genuine transformation of the country into a non-racial democracy with equal opportunity for all. The company adopted more rigorous management practices, such as employment equity, and revised procurement and skills development programs for employees. Through this responsive approach, Atlas Copco, “adapt(ed) the company to the society in which it operates,” by mirroring its goals for South Africa in its operational policies and practices, and increased its BBBEE rating.

### 4.3 Theories of change, data, and monitoring systems

There are many myths and untested assumptions about how change happens in fragile and conflict affected societies. These theories of change help us clarify the logical flow from the starting point (analysis) to the action (goal) to the change we want to make (contribution to Peace Writ Large). Every company’s operations and every specific company program have a theory of

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21 Peace Writ Large is concerned with the “bigger picture” of a conflict rather than any specific single element of a conflict situation. This “bigger picture” refers to the overall socio-political situation. It often refers to national level conflict dynamics, but can include relevant sub-national or regional dynamics as well. Being accountable to Peace Writ Large means ensuring that initiatives address key drivers of conflict and make a contribution to this bigger picture. This requires an explicit strategy regarding how the program will affect those drivers toward the goal of lasting change, and how that effect can be monitored beyond the life of the program. Not all programs can be expected to produce concrete changes at the larger societal level. Many programs are successful at smaller scale interventions, e.g. operating at community level, or with small groups of people, thus contributing to ‘peace writ little.’ CDA finds that many practitioners incorrectly assume that their peace programs, in making positive contributions to the context or in contributing to ‘peace writ little,’ will automatically lead to or support Peace Writ Large.
change associated with it, whether clearly articulated or not. It is vital to examine the theories of change regarding peace related activities, implied or explicit, to reveal how a business assumes its specific intervention will create positive change. For many companies, a clear and well-articulated business case for their operational activities is their “theory of change” for achieving business objectives. The same must be true for an initiative aiming to contribute to peace: the company needs to clarify a theory of change that can be examined and improved as needed such that the ensuing strategy and specific activities will contribute to Peace Writ Large.

In addition, if one wants to measure the impact of peace efforts, it is important to gather solid data on the results of activities and the validity of the theories of change. Impact on peace is not represented by project activities, such as, for example, construction of a school, or the implementation of a training program. “Results” and “impact” in peace efforts go beyond activities toward more sustainable changes in the conflict dynamics that might be (or not be) stimulated by certain activities. If no data is available, and a good monitoring system is not in place, it is difficult to understand the impact of your work. As one evaluator has observed, “If staff are not collecting and analyzing relevant monitoring data, then they’ll just end up with a lot of small projects which seemed like a good idea at the time. Not easy to evaluate. You’re going to need to see the data they used to make their decisions, and make your own judgment about its quality.”

4.4 Benchmarking process toward peace
Related to relevance and contribution to peace is the scale, nature, and sustainability of changes brought about by the program. CDA’s long-standing experience working with and assessing peace efforts around the world led to the development of five “Criteria of Peace Effectiveness,” which can be used to identify the type of change achieved as well as benchmark progress or contributions toward Peace Writ Large. CDA found that an effort is making a meaningful contribution to Peace Writ Large if it addresses key drivers of conflict or peace and it:

i. Results in the creation or reform of political institutions to handle grievances in situations where such grievances genuinely drive the conflict

ii. Contributes to a momentum for peace by causing participants and communities to develop their own peace initiatives in relation to critical elements of context analysis

iii. Prompts people increasingly to resist violence and provocations to violence

iv. Results in an increase in people’s security and in their sense of security

v. Results in meaningful improvement in inter-group relations

22 A theory of change is, simply, an explanation of how and why an action is believed to be capable of bringing about its planned objectives (i.e. the changes it hopes to create through its activities). For more, see the RPP I participant training manual. 2013. http://www.cdacollaborative.org/media/94317/rpp-i-participant-training-manual.pdf.


Assessment against these Criteria of Peace Effectiveness asks: Does your work contribute to any of the above? If not, can your work be adapted, or can strategic partnerships with other peace actors be initiated, in order to do so?

5. Next steps – implications for companies
What do these findings mean for companies going forward? The following questions can advance thinking about implications for both companies and peacebuilders, as well as options and directions for future work:

- What internal capacities, resources, and operational and management decisions required do companies need in order to contribute effectively to peacebuilding?
- A core lesson from peacebuilding is that linkages among different efforts and activities are critical in order to ‘add up’ to larger impact. How can the business community become better integrated into a “whole of community” approach to supporting peace efforts? What options exist for strategically including companies in larger conflict transformation efforts?
- What additional types of research and practical experience gathering are required in order for businesses to confidently and effectively engage in and contribute to peace efforts?
- How can the lessons and findings from the peacebuilding community shared here be applied by the business community, and how can lessons from the business community about operating in conflict affected contexts inform peacebuilders?
- What are practical next steps that can be taken in order to further include private companies into broader peacebuilding policy discussions at global level, and into peacebuilding practice at the country/operational level?

CDA Collaborative Learning Projects (CDA): CDA Collaborative Learning Projects is a 501(c)(3) non-profit organization based in Cambridge, Massachusetts, USA, with a vision for bringing greater sustainable positive change to the lives of people in communities in the Global South. CDA helps policy-makers and practitioners working for a range of organizations and companies in diverse contexts around the globe to make international initiatives more respectful, accountable, fair and transparent. To these ends, CDA facilitates collaborative learning efforts that promote effective and accountable international engagements. CDA has a proven capacity to combine robust analysis with pragmatic solutions to deliver policy guidance and practical approaches to action for field staff and international policy-makers alike.

Through field assessments, trainings and consultations, CDA’s Corporate Engagement Program (CEP) works with companies to help them ensure they have positive rather than negative impacts on the communities where they operate. As part of this approach, CEP assists companies in the development and implementation of practical options to build positive, constructive relationships with local communities. Since 2000, over 60 international companies - mostly from the extractive industries - operating in Africa, Asia, Australia and North and South America have participated in the Program. CEP has reported on more than 30 site visits in more than 20 countries, including areas of social and political tension such as Nigeria, Colombia, Sudan and Myanmar/Burma.

CDA’s Reflecting on Peace Practice Program (RPP) has 15 years of experience working with hundreds of peacebuilding and development practitioners and policy makers in advisory, accompaniment and training functions. This includes governments, donors, bilateral development organizations, multilateral organizations, and local and international NGOs with the aim to improve the relevance and effectiveness of peace interventions. RPP tools and concepts are being recognized and used for conflict analysis, strategy and program design and review, as well as for the evaluation of peace initiatives. RPP has also been experimenting with alternative approaches to peacebuilding evaluation, encouraging rigorous but creative evaluative processes. This also includes work on systems approaches in peacebuilding evaluation, and evaluating conflict sensitivity.

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